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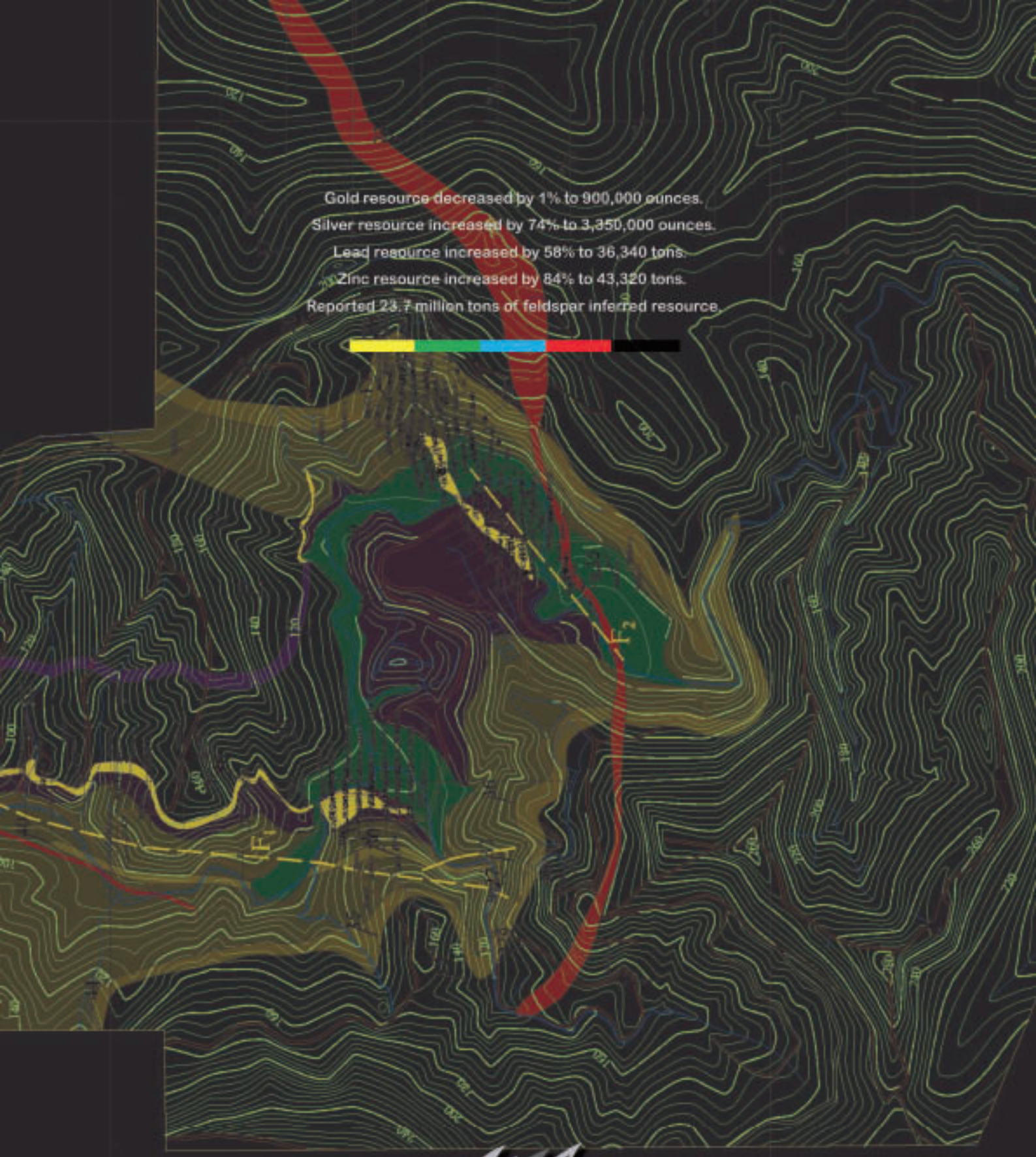
CNMC GOLDMINE HOLDINGS LIMITED

中色金礦有限公司

ANNUAL REPORT 2019年报

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


Gold resource decreased by 1% to 900,000 ounces.
Silver resource increased by 74% to 3,350,000 ounces.
Lead resource increased by 58% to 36,340 tons.
Zinc resource increased by 84% to 43,320 tons.
Reported 23.7 million tons of feldspar inferred resource.

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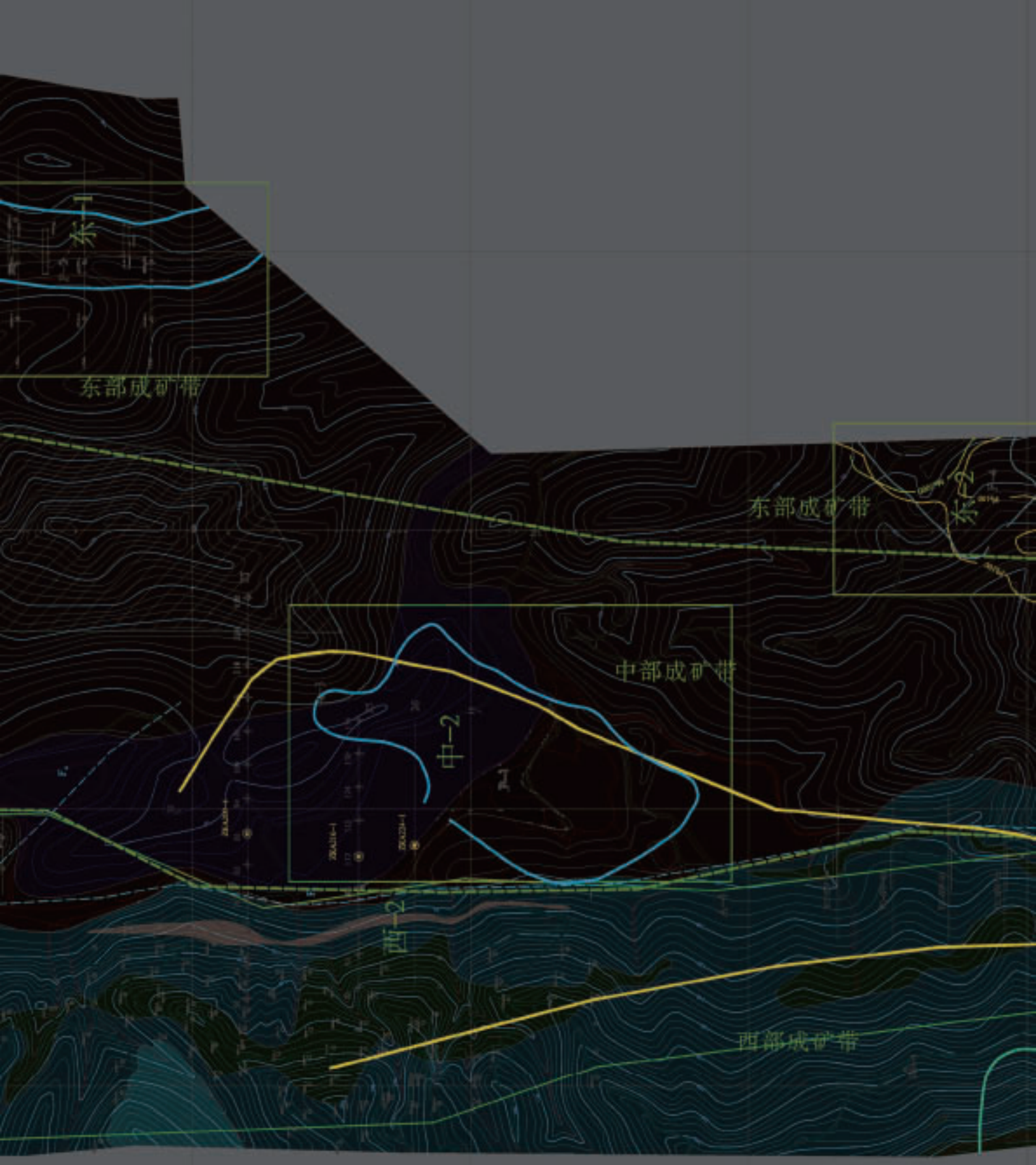
西部成矿带
中部成矿带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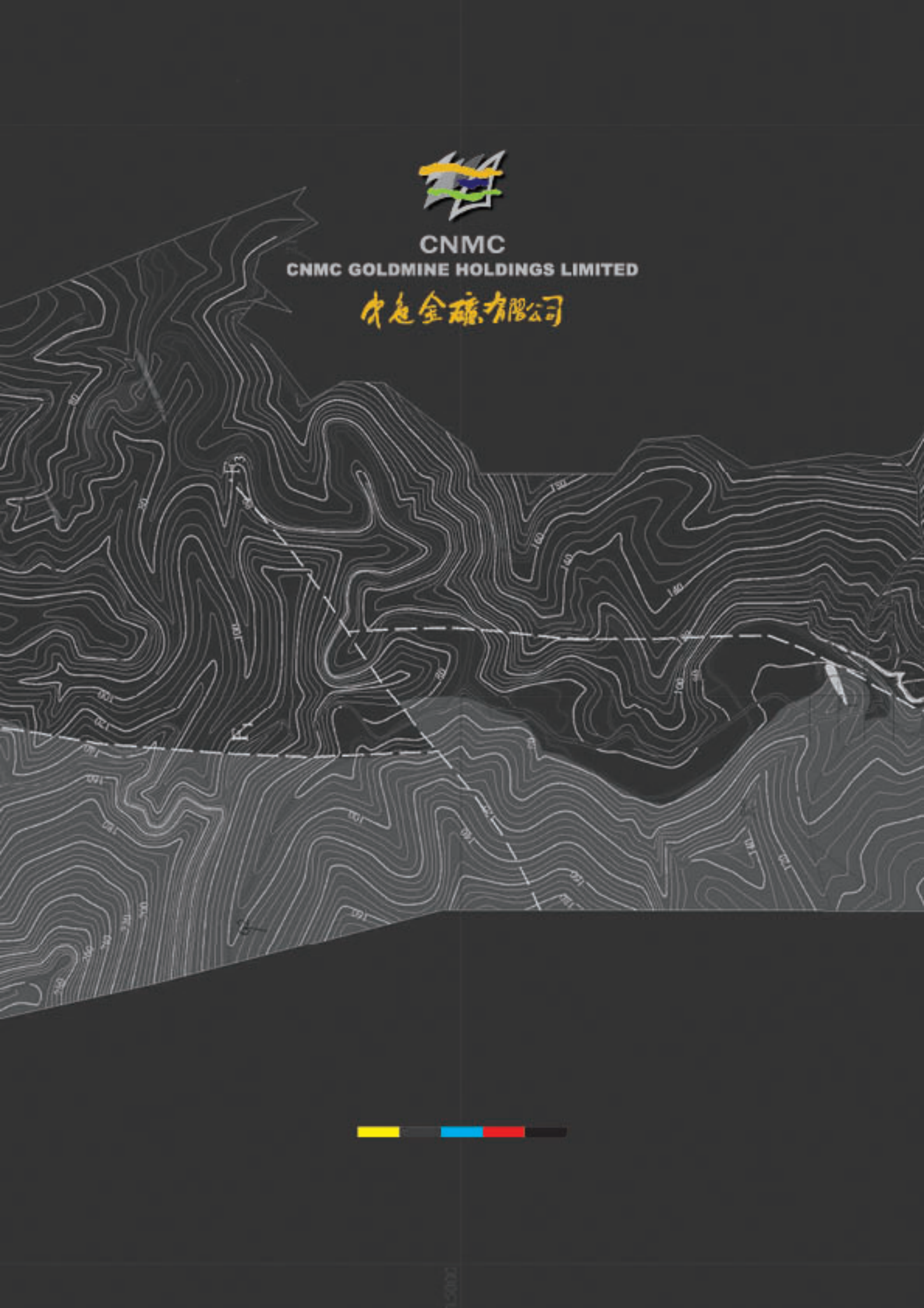

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This annual report has been prepared by CNMC Goldmine Holdings Limited (the "Company") and its contents have been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has also not drawn on any specific technical expertise in its review of this annual report.

This annual report has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

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主席献词

失衡政经　维稳唯金

壹

宇宙，承载了 2 千亿颗星球，各就各位，在黑洞运行着。每颗星球，似乎有了专设的轨道，因为星球体积不一，运行速度不同，但却在宇宙间谱写了和谐的篇章，因为他们没出轨、失衡。

自然界，日月星辰，光水气，似乎都有他们的功能与职责，按各自的岗位执行，负起工作。一旦日蚀、月蔽、星遁而自然运作失衡时，天地乍变，恐慌遍处。

天地万物，一旦生态失衡，则将触发诸多不协调的自然界噪音，导致非自然异象出现，危害人类的生存。

天地不仁，万物刍狗。

贰

人类社会，纵观数千年的人类历史，都在这人为形成的不协调时空中碰撞着，在失衡的天地间相互残杀与恶斗，从而编辑了人类进化史与血泪史！当然，偶尔在某个历史时间段，有过某个阶段性的和谐共处，繁荣昌盛，夜不闭户的太平天下：诸如东方世界的汉朝之“文景之治”，唐朝“贞观之治”，清朝的“康乾盛世”等等；而在西方世界，自 15 世纪文艺复兴后的欧洲主义，欧洲中心也曾领导世界物资文明与精神文明数百年而写下璀璨西方文明与鼎盛的文艺时代！

叁

文明，产生于人类在生活中与劳作中的积累，不分地域与种族，无论国度大小与文明的积累的深厚度，它是属于全人类的宝贵产物。故文明应是全人类共同拥有并可分享与相互融汇，会通并参照的精神元素。文明是人类精神激发剂，更是人类创造元素。而这股无形的人类创作力与其成果超越了实体的政治与经济，同时更是构成政经背后的成败、浮沉的主要因素。

因此，一个拥有悠久、深厚、渊博的文明国家与民族，她的贫困与落后是短暂的！相对的，一个没有厚重文明沉淀的国度与人民，她的繁荣与富贵也是短暂的。

肆

人类的近、当代史，政经文的诡谲莫测，离合聚散，浮沉兴衰的瞬变，经常令人措手不及，猝不防备，尤其是当人类迈进了 21 世纪时空，更是变幻莫测。

人类历经两次世界大战，国土与政治版图发生了巨大变化，而经济盛败也伴随着政治影响力而兴衰。二战以后，欧洲逐步走向了衰退，而美国从“族系”的英国手中接过了号令天下的世界霸主令牌，从此，米旗日不落国的“大不列颠”便步上了日落西山，令人唏嘘的晚景。而强占北美洲庞大疆土的白种人，驱赶、杀戮了当地原居民的印第安人，“鸠占鹊巢”近三百年的美国，二十世纪中叶，凭着二战战略武器的优越性而称霸天下，同时发起筹组联合国，长期在背后从经济霸主地位指挥着这世界组织，而号令天下，予取予夺，为所欲为地掠夺资源，鱼肉天下民詣民膏而自肥。

美帝国的霸权主义巨轮转到 21 世纪第二个十年时，其“失智”并“疯狂”的领导人，更变本加厉地向全世界诈取、勒索、敲诈而无所不用其极地蹂躏全世界国家与人民！颠覆了二战后的世界秩序与制度，颠倒了人类本性的是非黑白，正义与邪恶；乃至道德标准与尺度。纵情恣意、狂猖，傲慢地以诸多不合常规、常理地动辄经济制裁，从而高举“正义”旗帜而“师出有名”地侵略他国，诈取资源，涂炭生灵。上述一切，可从长期以来在中东政策演变，发动“颜色革命”到栽赃“化武”而灭萨达姆与伊拉克，挑拨叙利亚、阿富汗、土耳其，乃至以色列制衡阿拉伯世界。而今年对伊朗的一切经济制裁与军事谋杀等行动，更是明目张胆地采取高压欺凌手段，肆无忌惮地张牙舞爪以一代魔王姿态肆虐人间。狂傲、任性地“退群”行为，更令人齿寒与鄙视。

退出“巴黎气候公约协定”，毫无责任地抛弃全人类的气候危害而不顾，造成气候失衡，威胁人类的生存。
退出“中途导弹条约”，为了研发新型战略武器为借口而平衡俄、中的战略天秤。引发了“北约冷战”的苏醒。为欧洲与俄罗斯制造了无形的冲突埋下了地雷，导致“北约”战略失衡。
退出“联合国教科文组织”，说明了泱泱大国对全球人类的教育、科学与文化的推卸责任态度，构成了文教科发展的失衡。
近期，又以威胁口吻发言拟退出“世界贸易组织”，原因是此组织“不听话”。还有……总之，威胁退群的“失智谎言”时而闻之，习以为常。中东区域，失利后拟重返东方世界作出政经“再平衡”策略的预估失算，更露出美帝的狼子野心。
太平洋的东海与南海之争，历经数年，似乎战果不彰。发动关税贸易战略，又再次搬起石头砸自己的脚，加重人民日常生活负担，更令数千万农民遭受经济重压，通讯科技的“滑铁卢”般的溃败，更令这通讯科技龙头大哥怒火中升。这一切的“失算”后果到政经的失衡，将引火自焚般地“毁经亡政”，将指日可待。

伍

近二年的“贸易战”已造成全球经济发展失衡，并走向衰退。美国，这总人口占全世界仅 4% 但却强调这极少数的人口比例，需驾驭于全球 96% 人口头上；而强调美国优先论。
2019 年底，中国武汉爆发的新冠状病毒肺炎肆虐神州大地，并逐步地蔓延全球！但其“发源地”是否源自武汉？抑或其他国家？目前还没论证。但世界卫生组织为此新冠状病毒定论 Covid-19 为世界公共卫生疾病。因新冠状病毒的人传人与其潜伏期造成了人人自我隔离宅居，少外出群集，深钜地影响生产链与经济发展，尤其是来自中国的物资、产品供应中断，引发世界性的产品物资供应渠道！从此可明白中国离不开世界，而世界更需要中国的全球为一体。这便是 2013 年中国提出的“21 世纪人类命运共同体”的高瞻远瞩与切实的世界为一体概念。

这场疫情蔓延全球，造成的直接与间接的经济破坏与损失多大、多深、多广，迄今仍难预计。但在接下来的一段时间，全球的经济发展肯定是不乐观的。疫情过后必须在这经济废墟上重筑新的经济体系，并构造新的政治制度以符合人民需求及国家长期发展。

疫情仍然在演变中，而从政治博弈到经济角力，依然相互地坚持着，延续着。世界格局将会在这场疫情后重新洗牌，而世界旧秩序将会出现新变化。

静观其变，拭目以待。

陆

每年的献词，总需为世界的政经发展走势打脉分析，以便为中色金矿集团寻找更有利的业务拓展思路与策略。因为，我们的产品是金。

居安思危，积谷防荒，未雨绸缪，是中色集团的运作原则与宗旨。十多年以来，我们坚持“零贷款”发展与从不盲目拓展业务，以及制造泡沫业务讯息，搏市场的“欢宠”而刺激股市。相反地贯彻一步一脚印，踏踏实实地在扎实、牢固的业务基础上，小心翼翼地谨慎发展，稳健拓业。

2019 年的矿区储量，按澳洲“奥地罗”评估报告，有关金的储量，扣除已挖掘生产的矿石外减少了 1% 到 900,000 盎司。尽管如此，从 2011 年迄今，我们公司已经产出了纯金 180,000 盎司，除此之外，金储量对比起 2011 年，已经大幅增长了 400%，从 183,500 盎司到 900,000 盎司。而银、铅、锌的储量比起去年却大幅度地分别激增 74%、58%、和 84%。这令人惊喜的佳绩，折射出管理层在 2019 年度为地质工作方向部署的正确性！银、铅、锌储量猛增，将有利于浮选厂扎稳了生产可持续性与周期。

生产方面，2019 年度总产出比较 2018 年少了约 11%，但 2019 年下半年的国际金价却增加了约 11%。因此，从产量到产值相比之下，相当接近，没有大功，也没大过。

集团在 2019 年度的税后盈利因为少了集团拟在香港联合交易所做主板双重上市的相关费用，故此比 2018 年大幅增加 82%（250 万美元），总额达到 547 万美元。

总的来说，公司在 2019 年度的业务发展可说是平稳地过度并持续发展。2020 年度的发展，因公司主轴产品为金；人类共同信任的货币与物资的保障贵金属。若从过去国际市场的反映，则每当全球经济高速发展及股市猛涨时，金价相对被忽略、边缘或打压。相反的，一旦经济发展萎缩不振，股市低迷，将会是金价腾飞之日。

纵观上述，金价的闪光将会冲破接下来全球经济乌云笼罩而闪亮市场与人心！也许，这种现象将会持续一段相当长的日子；唯因美元的价值本质与其可靠性，人心从市场普遍地支撑着金的价值！

集团在 2019 年度产量偏低因并采出矿取误提供高品位矿石，制衡了生产。另一方面，集团自 2018 议决投资扩建日产 500 吨矿石的浮选厂，以使生产索谷矿区的铅与锌，为集团创造更高利益，现阶段仍在与有关当部门申办中，以使尽快获得建造浮选厂所需的许可证。

除了黄金增产的策略（寻找可供露采的高品位矿体），集团仍努力争取浮选厂的建设与投产。同时，也计划扩大选厂的生产量，以使迅速地赶上金价腾飞这趟高铁。

今年普莱矿区的“长石”矿段为股东们带来意外惊喜。按澳洲“奥地罗”评估报告，“长石”矿段的推断资源量达 2370 万吨，拥有 6.8% 的 Na_2O 以及 2.8% 的 K_2O 的平均品位。此价值不菲的资源，可说是一件意外收获，堪称管理层 2019 年努力开拓并寻获的成果！

关于卡莱矿区，因环保实施更严格的“环保评估报告”要求，耗资费时，故放缓开发。目前仍努力与州政府及相关部门保持密切沟通，力争回归原状，让公司启动卡莱金矿区的开采工作。

综合上述，中色集团在马来西亚吉兰丹州三片矿区的简介，管理层秉承一直以来的努力与开拓精神，想方设法、尽最大努力为股东们创造利益最大化！尤其处于目前全球这种经济低速现象，政经失衡，百业待举的历史时间段。失衡政经，维稳唯金！

林祥维教授
中色金矿有限公司 执行主席

2020 年 3 月 12 日

Gold is the safe haven in the Age of Turbulence

One

The universe, with its 200 billion planets, seems to have a harmony and balance of its own. Each planet glides along its own path, in harmony with everything.

Nature has its own law and a place for all creations.

When the harmony of the ecosystem is broken, Nature reacts. The very survival of humanity can be threatened by the fury unleashed by Nature.

The universe is unconscious; it regards everyone as insignificant.

Two

The evolution of humanity has been a tale of conflicts throughout thousands of years. Rare moments of harmony and prosperity dotted this long history. The period of Wenjing during the Han dynasty, the early years of Emperor Taizong, as well as Emperors Kangxi and Qianlong during the Tang and Qing dynasties come to mind. We find similar moments of peace and progress during the Renaissance in the 15th century in Europe.

Three

Civilisation arises from the accumulation of humanity's hard work, regardless of region, nation, and race. It is the precious legacy of mankind, shared and owned by every one of us.

Civilisation inspires and drives mankind's creativity and progress. It is a force that transcends political and economic institutions in determining the success or failure of a society.

A country and its people will not fall behind for long with its rich and long history of civilisation. Conversely, the riches and prosperity of countries without one may just be a mirage.

Four

In the contemporary and modern history of mankind, changes in political and economic fortunes were unpredictable and often caught one by surprise. As we entered the 21st century, such complexities and unpredictability are amplified.

After two world wars, the political and geographical landscape saw significant disruptions which led to changes in economic fortunes. Since the end of World War II, the US took over the leadership position from Great Britain, which has since lost its aura of power. With its military supremacy, the US has been the undisputed superpower since. With its global leadership role, the US was able to exert much influence on multilateral institutions such as the United Nations.

As we come to the end of the second decade of the 21st century, the US leadership's hegemony appeared to abandon all pretense of global leadership to serve the greater good of mankind. It raised the banner of "America First" and actively undermined international rules and order established after World War II.

The invasion of Iraq to effect regime change, the economic sanction against Iran and sowing of discord to play countries against one another in the Middle East demonstrated its sense of superiority to go its own way.

Withdrawing from the Paris Agreement, the "leader of the free world" paid no heed to mankind's survival against the threat of climate change.

Its decision to withdraw from the Intermediate-Range Nuclear Forces Treaty risks reigniting an arms race. This is a ticking bomb for the geopolitical tension between Europe and Russia.

Its withdrawal from UNESCO shows its irresponsible attitude towards mankind's education, science and culture and hampers the progress of humanities.

The World Trade Organisation has found itself in the crosshair with a series of unfavourable decisions against the US leadership in recent times.

Its "go alone" strategy and attempts to realign the geopolitical and economic balance in its interest are yet another manifestation of its ambition.

Years of meddling in the east Pacific and the South China Sea have not yielded much returns. The trade war it launched has caused much economic pain and suffering on its own people. A "lost the ball" moment in the race for technological leadership in the new frontier of 5G telecommunication has resulted in it playing catch up. Are these signs of miscalculations that could lead to a decline of the once-mighty?

Five

The trade war over the past two years has led to an imbalance in the global economic and development. The world is slipping into an economic decline. The majority of the world population is held hostage by the "America First" strategy pushed by a minority.

The COVID-19 outbreak first emergence in Wuhan, China, and ravaged the entire nation, then gradually spread around the world. The origin of the virus is still being investigated and no conclusion is yet reached. The World Health Organisation (WHO) has assessed that COVID-19 is a pandemic. The human-to-human transmission and incubation period have resulted in isolations and minimise social interactions. Draconian measures taken to stop the spread of COVID-19 caused severe disruptions to the global supply chain. This crisis more than ever highlighted the central role played by China in the global supply chain. China cannot be separated from the international community and vice versa. The concept of the "Community of Human Destiny in the 21st Century" put forward by China in 2013 resonates.

This pandemic has wrecked severe destruction to the global economy. The extent of the destruction has yet to be determined. The prognosis does not look promising. New political and economic systems may have to be built from these ruins to meet the people's aspiration and development needs of nations.

The pandemic is evolving and the political and economic tussles continue. Would this lead to a new world order?

It's a wait-and-see moment.

Six

I put forward my thoughts on changes in global politics and economy to identify the Group's business development strategies in my annual Chairman's Statement.

The Group's principle has always been vigilance in peacetime and preparedness for danger. For more than a decade, we have maintained a zero bank borrowing position and expand our business diligently.

In 2019, according to Optiro's JORC Code 2012 report, the gold resources estimate of the Group has reduced by 1% to 900,000 ounces after depletion from on-going mining activities. Although there is a slight decrease in gold resources for the current financial year, there has been a total increase of 400% in gold resources estimate from 183,500 ounces to 900,000 ounces since we first reported our gold resource in 2011. This is despite extracting over 180,000 ounces of fine gold since then. On the other hand, the resources for silver, lead and zinc have surged by 74%, 58% and 84% from the previous year, respectively. This outstanding base metal growth outcome is the result of good stewardship of the management team. We believe that this timely increase in silver, lead and zinc resource will further enhance the commercially viability of the Company's planned flotation plant.

The revenue of the Group is comparable with that of previous year. Although our 2019 gold production was 11% lower than 2018, this decrease was offset by the 11% increase in the realised average gold price during 2019.

The Group had achieved an adjusted net profit after tax of US$5.47 million, an increase of US$2.5 million or 82% over 2018. The increase was mainly due to the absence of mainly listing expenses incurred in relation to the Company's proposed dual listing of its shares on the Main Board of the Stock Exchange of Hong Kong Limited.

The Group's performance for 2019 was a steady development. As for 2020, as the Group's primary focus still remains in gold, there may be an advantage and progress to the Group as gold is always termed as "Safe Haven" in the age of turbulence.

Accordingly, there is potential for gold prices to further improve should the current situation persist.

The Group's lower output in 2019 was caused by delays in underground mining to supply high-grade ore, which limited the production. During the last financial year, the Group has decided to proceed with the construction of a 500 t/d flotation plant to produce lead and zinc concentrate in the Sokor mining area, in attempt to monetise the base metal resources for the Group. However, due to the tightening of environmental requirements, the Group is currently actively working with a team of qualified environmental consultants to liaise with the relevant Malaysian authorities to secure permissions to re-commence the construction of the flotation plant.

The Group will continue to strive for the construction and commissioning of a flotation plant, in addition to the strategy of increasing gold production, such as identifying high grade ore bodies that can be extracted utilising open pit mining methods and Carbon-In-Leach production capacity expansion plan to take advantage of the current rise in gold price.

This year, CNMC Pulai Mining's feldspar mining concession provided shareholders with encouraging results. The reported 23.7 million tons of inferred feldspar resources with an average grade of 6.8% Na_2O and 2.8% K_2O in accordance with the guidelines of the JORC Code 2012, is the result of the management's hard work of development in 2019.

With regard to the Kelgold concession, due to the tightening of environmental requirements, development plans were slowed down. The Group is currently actively liaising with Kelantan State Government and related agencies in attempt to enable the Group to accelerate the target of generating revenue for Kelgold as soon as practical.

In summary, with an overview of CNMC's work spanning across three concessions in Kelantan, Malaysia, the Company is committed to continuing its efforts to maximise shareholders' value. This is especially so during this historically trying period of global economic downturn, destablising political economy, and enterprises awaiting dawn.

Gold is the safe haven in the Age of Turbulence

Professor Lin Xiang Xiong
Founder and Executive Chairman
CNMC Goldmine Holdings Limited

12 March 2020

林祥雄教授（右三）

中色金矿创办人暨执行主席。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，稚握运筹集团业务并在扎稳中求拓展。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，道行天下”，精神文明与物质文明双轨并列运作，博得了广泛认可与贺誉。

2013 年出版五大册画集（一套）、6 册文集与 4 册评论集。2017 年出版另 4 册评论集与 3 册文集（文集 9 册、评论集 9 册）。

自 1968 年至 1987 年在新加坡、泰国曼谷举行过 7 次个人画展。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。他是“炎黄国际文化协会”的倡办者、创会会长。

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。2017 年 12 月，中国艺术研究院艺术与人文高等研究院礼聘为高级研究员。

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 年亚洲首展在北京中国美术馆举办。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）筹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。2016 年，在联合国教科文巴黎总部筹开了为期三周的《艺术为了和平》大型东西方艺术对话画展。2017 年 3 月初，林教授在法国参议院卢森堡宫与前波兰总统、诺贝尔和平奖获得者莱赫 · 瓦文萨展开一场“艺术为了和平”的历史性讨论。同时期，在马来西亚槟城成功组织策划了“‘一带一路’与东南亚 · 首届槟城论坛”。2017 年 8 月，在比利时列日市，配合联合国教科文组织、国际哲学与人文科学理事会举办了首届“世界人文大会”国际论坛，并发表了开幕致辞与主旨演讲。他是“艺术为了和平”、“文明对话”这两项全球性艺术活动的倡议者、推行者与实践者。

朱治光先生（左三）

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（右二）

是中色金矿的执行董事和总裁。林先生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超过 18 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（左一）

是中色金矿的首席独立董事及审计委员会主席。同时，关先生也是新加坡凯利板上市的 Kori 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。之后，关先生便成立并经营自己的财务咨询公司。关先生拥有新加坡南洋理工大学的会计学学士学位，英国伦敦大学的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，并持有新加坡律师资格。

陈宝财先生（左二）

是中色金矿的独立董事及薪酬委员会的主席。陈先生是位执业律师，主要执业于企业融资领域。陈先生目前经营自己的律师事务所 Allan Tan Law Practice。陈先生于 1994 年考取新加坡律师资格。现任新加坡主板上市的 Nico Steel Holdings 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–Guildhall 大学（现为 London Metropolitan University）法律硕士学位。陈先生也是 Gray's Inn 的讼务律师。

颜秀蓮女士（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，现担任南洋理工大学学生行政服务部副主任（变更管理）。她曾任职于多家跨国公司，包括 Singtel、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。

PROFESSOR LIN XIANG XIONG (Third From Right)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 strife with good ability to take on the world; and his effort at fusing into one the multifaceted spiritual and material civilizations has won him praises and universal acceptance.

In 2013, he published five volumes of his painting collections (one set), six volumes of essay collections and four volumes of Introduction of Lin's Art. In 2017, he published the other four volumes of the art reviews and three volumes of essay collections (consist of nine volumes of essay collections and nine volumes of arts review).

From 1968 to 1987, he held seven solo exhibitions in Singapore and Bangkok, Thailand. 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 by the School of Arts, Peking University. In 2017, he was appointed as the Senior Research Fellow by Institute for Advanced Studies in Arts and Humanities, Chinese National Academy of Arts.

From 2013 to 2015, a 3-year world tour exhibition of a selection of his artworks over the past 50 years was held in various cities. In 2013, his first exhibition was held in the National Art Museum of China, Beijing. 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". With his first exhibition held in Europe, his artworks are widely recognized by the European public. In May 2016, a 3-week grand art exhibition of Professor Lin's works titled "Art for Peace", calling for dialogue on arts between the East and the West, was held in UNESCO headquarters, Paris. In March 2017, Professor Lin and Mr. Lech Walesa, the former President of Poland as well as the Nobel Laureate had a conversation on "Art for Peace" at the Senate, Luxembourg Palace, France. Meanwhile, "The First International Penang Forum -

The Belt and Road Initiative and Southeast Asia'" was organized by Prof Lin and was successfully held in Penang, Malaysia. In August 2017, Prof Lin gave the opening and keynote speech in the "World Humanities Conference" which was co-held by UNESCO and the International Council for Philosophy and Humanistic Studies (CIPSH) at Liege, Belgium. Professor Lin is an advocate of the worldwide project "Art for Peace" and "Cultural Dialogue".

CHOO CHEE KONG (Third 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 (Second From Right) 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 18 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 (First From Left) is the Lead 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). 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 has since been managing his own business and financial consulting firms. 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, a member of the Institute of Singapore Chartered Accountants and the Singapore Institute of Directors, and he was also admitted to the Singapore Bar.

TAN POH CHYE ALLAN (Second From Left) is the Independent Director and Chairman of the Remuneration Committee of CMNC. He is a lawyer and practises in the field of corporate finance, regulatory and compliance laws. He is currently running his own law practice, Allan Tan Law Practice. He was admitted to the Singapore Bar in 1994. He is also an independent director of Nico Steel Holdings Limited listed on Mainboard of the SGX-ST. 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-Guildhall University (now named as the London Metropolitan University). He is also a Barrister-at-law of Gray's Inn.

AVRIL GAN (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 the Deputy Director (Change Management) of Student Administration Services at Nanyang Technological University, and has previously worked with companies including Singtel, 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.


艺术开悟
勇字当头
林祥雄豪赌创多赢
林祥雄：提高生产
中色金矿肩负
谁说只有金找人？
教师需双语教华文
无法理解课题仍纠缠
中色金矿捐助2地學子
采矿权延至2034年

林祥雄
从艺术开始
制止战争
人类文明升华 推展和平文化
巴黎友人特别安排
倡议艺术为了和平
国际艺术界大人物
美术馆外观独特
林祥雄美术馆

Sinar Negeri
MELAKA/N.SEMBILAN/KELANTAN
CNMC Goldmine bantu penduduk Gual Ipoh
TANAH MERAH –

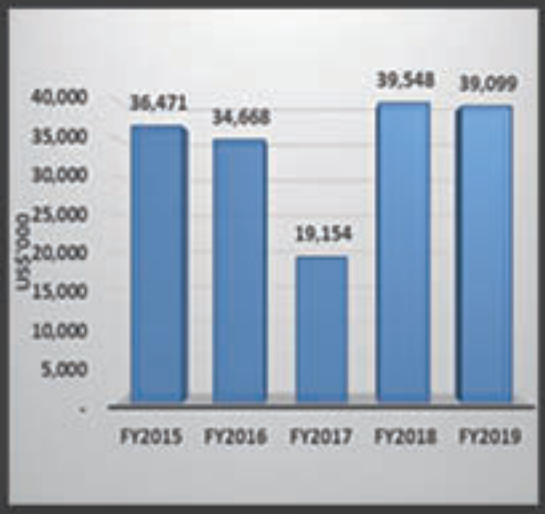
艺术为和平
人类精神文明软实力
"艺术与社会"论坛703盛大举行

时代在哭泣
人类社会与森林法则

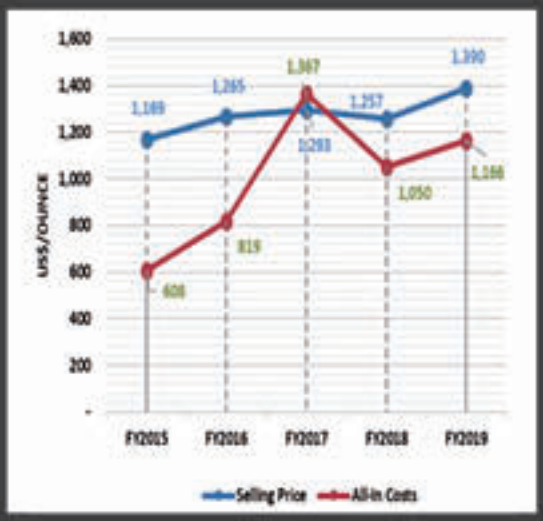
Financial Highlights 2019

Gold Resources vs Gold Production

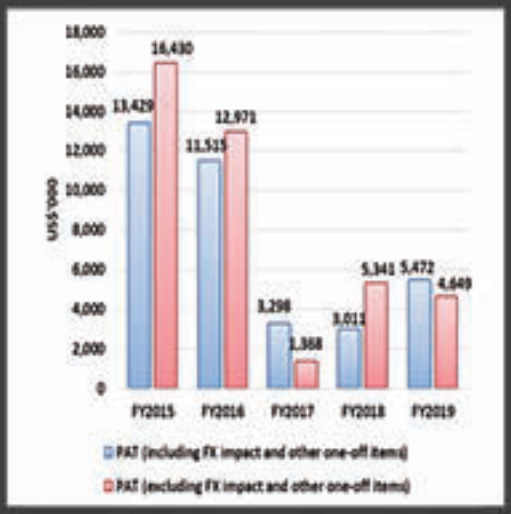
Revenue



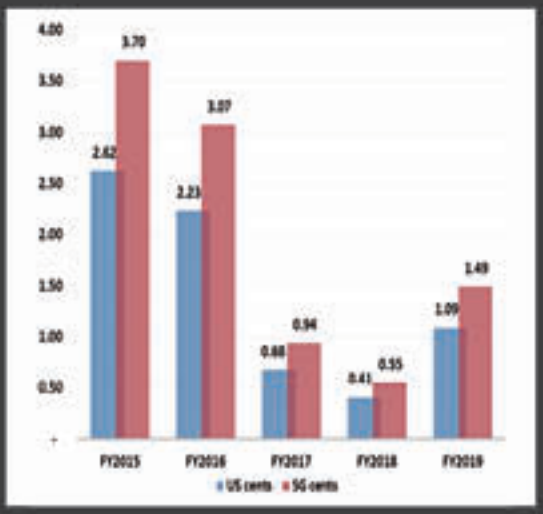
Selling Price vs All-in Costs of Fine Gold Sold



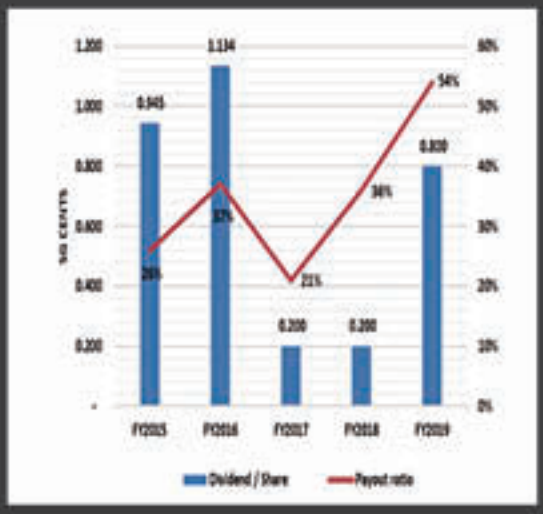
Profit After Taxation
(including and excluding FX impact and other One-off Items)



Earnings Per Share [1]

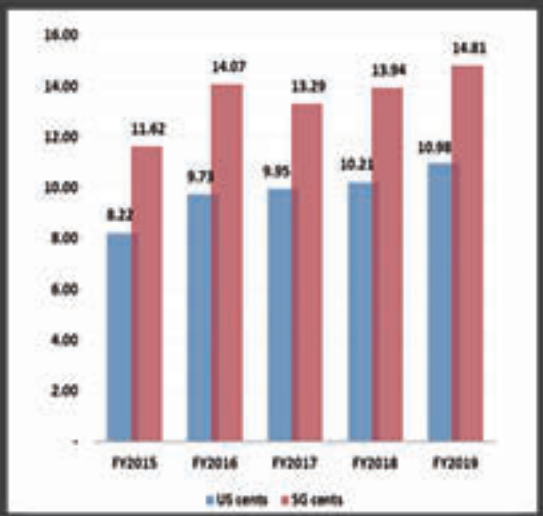


Dividend Per Share and Payout Ratio



Net Assets Value and Cash and Cash Equivalents

Net Asset Value Per Share [2]



[1] Based on an exchange rate of USD/SGD 1.3648, 1.3457, 1.3837, 1.3785 and 1.4128 for the financial year ended 31 December 2019, 31 December 2018, 31 December 2017, 31 December 2016 and 31 December 2015, respectively.

[2] Based on an exchange rate of USD/SGD 1.3490, 1.3656, 1.3364, 1.4459 and 1.4138 as at 31 December 2019, 31 December 2018, 31 December 2017, 31 December 2016 and 31 December 2015, respectively.

OPERATIONS AND FINANCIAL REVIEW

OPERATIONS REVIEW

The primary focus of CNMC in FY2019 was on increasing gold production as well as lead and zinc mineral resources. Through continuous geo-exploration, the goal was to further enhance the commercial viability of these resources in preparation for production at the Group's upcoming flotation plant. In line with the objective of expanding the Group's minerals portfolio, time and effort were invested in putting together the first mineral resource estimate for CNMC Pulai Mining Sdn Bhd ("CNMC Pulai") 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 Group embarked on the construction of an underground mining facility at its flagship Sokor gold field in FY2019. Notwithstanding the potential to extract high-grade gold ore, which is expected to translate into increased bullion production, the Group encountered weak rock masses and water underground in 3Q2019. The construction schedule for underground mining was pushed back as a result, as engineers had to resolve these issues and ensure the underground environment was safe before work could resume. This affected the Group's overall production of fine gold, which declined 10.6% in FY2019 compared to the previous year.

Construction of the proposed flotation plant for the production of silver, lead and zinc was also delayed as the Group had to prepare additional documentation for the relevant authorities to review and approve. Barring any unforeseen circumstances and subject to the award of commercial operation permits from the relevant authorities, the Group expects to start generating revenue from the production and sale of silver, lead and zinc in FY2021.

EXPLORATION

The Group's ongoing exploration programme at Sokor yielded positive results for silver, lead and zinc resources, which increased by 74%, 58% and 84% respectively in FY2019 compared to the previous year. This bodes well for the upcoming flotation plant.

Exploration for gold, on the other hand, did not yield enough resources to replenish all the resources depleted through mining in FY2019. Taking into account the depletion from mining at Rixen, New Discovery, New Found and Ketubong, and based on the additional drilling during FY2019, gold resources at Sokor decreased by 1% or approximately 14,000 ounces to 900,000 ounces. However, gold reserves at Sokor increased by 34% to 204,000 ounces as at 31 December 2019.

The Group completed 69 diamond holes with total drilling footage of 11,096.85 metres at Sokor in FY2019. The exploration results along with depleted ore data from all mining activities were incorporated into a FY2019 Qualified Person's Report produced by Australia-based mining services advisory firm Optiro Pty Ltd, CNMC's independent consultant for resources and reserves estimation.

In the year under review, the Group completed 29 exploration trenches in the 15.5 km2 exploration concession held by its 100%-owned Kelgold Mining Sdn Bhd ("Kelgold"). The Group also conducted exploration of the feldspar deposit held by its 51%-owned CNMC Pulai, including collection and analysis of rock chip samples and drilling of five diamond core holes for analysis and density measurements. From this data, an Inferred Mineral Resource of 23.7 Mt of feldspar deposits with an average grade of 6.8% Na_2O and 2.8% K_2O was defined.

OPERATIONS AND FINANCIAL REVIEW

MINERAL RESOURCES

As at 31 December 2019, the total Measured, Indicated and Inferred gold mineral resources at Sokor (above a 0.17 g/t gold cut-off grade at Rixen and for oxide rock at Ketubong, New Discovery and New Found and above a 0.5 g/t gold cut-off grade at Manson's Lode and for transitional and fresh rock at Ketubong, New Discovery and New Found) amounted to 16,320 kt at 1.7 g/t gold for 900,000 ounces of contained gold (inclusive of material used to define Ore Reserves).

Silver, lead and zinc resources were 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 2% lead plus zinc. Lead and zinc resources were reported for Sg Amang above a cut-off of 2% lead plus zinc. With the additional drilling at Manson's Lode and the definition of Mineral Resources at Sg Amang, the total resources for silver, lead and zinc mineralisation were 1,720 kt with an average grade of 61 g/t Ag, 2.1% lead and 2.5% zinc for 3,350,000 ounces of contained silver, 36,340 tonnes of contained lead and 43,320 tonnes of contained zinc.

Compared to the Group's Mineral Resource estimates as at 31 December 2018, there was a decrease of 1% in contained gold and increases of 74% in contained silver, 58% in contained lead and 84% in contained zinc as at 31 December 2019.

SOKOR PROJECT·MINERAL RESOURCE STATEMENT AS AT 31 DECEMBER 2019 (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	0.38	2.6	30	0.31	2.6	30	-12%
Indicated	Gold	9.44	1.6	480	7.65	1.6	390	10%
Inferred	Gold	6.50	1.7	380	5.26	1.7	310	-13%
Total	Gold	16.32	1.7	900	13.22	1.7	730	-1%
Measured	Silver	0.38	69	860	0.31	69	690	25%
Indicated	Silver	0.16	66	340	0.13	66	280	-16%
Inferred	Silver	1.17	57	2,150	0.95	57	1,740	156%
Total	Silver	1.72	61	3,350	1.39	61	2,710	74%
Measured	Lead	0.38	2.0	7,570	0.31	2.0	6,130	50%
Indicated	Lead	0.16	1.6	2,610	0.13	1.6	2,120	2%
Inferred	Lead	1.17	2.2	26,160	0.95	2.2	21,190	70%
Total	Lead	1.72	2.1	36,340	1.39	2.1	29,430	58%
Measured	Zinc	0.38	2.1	7,960	0.31	2.1	6,450	25%
Indicated	Zinc	0.16	1.8	2,960	0.13	1.8	2,400	-12%
Inferred	Zinc	1.17	2.8	32,390	0.95	2.8	26,240	135%
Total	Zinc	1.72	2.5	43,320	1.39	2.5	35,090	84%

**Inconsistencies in totals are due to rounding.*

OPERATIONS AND FINANCIAL REVIEW

CNMC PULAI PROJECT·MINERAL RESOURCE STATEMENT AS AT 31 DECEMBER 2019

Category	Mineral type	Gross attributable to licence			Gross attributable to CNMC			
		Tonnes (millions)	Grade (Na_2O% +K_2O%)	Contained Na_2O+K_2O Kt	Tonnes (millions)	Grade (Na_2O% +K_2O%)	Contained Na_2O+K_2O Kt	Change from previous update
Measured	Feldspar	-	-	-	-	-	-	Not previously reported
Indicated	Feldspar	-	-	-	-	-	-	
Inferred	Feldspar	23.7	9.5	2.5	12.1	9.5	1.3	
Total	Feldspar	23.7	9.5	2.5	12.1	9.5	1.3	

**Inconsistencies in totals are due to rounding.*

The Mineral Resource estimates for Sokor and CNMC Pulai were prepared and classified by Optiro Pty Ltd in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The code is 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").

Ore Reserves

In terms of Ore Reserves, the Sokor project registered a 51% increase as at 31 December 2019 compared to 31 December 2018 largely due to changes at Rixen relating to changes in the Mineral Resources, reductions due to depletion by mining during the year, addition of the deeper extension of the southern pit areas and increases due to an increased gold price. The combined gold ore reserve estimates for Rixen, Manson's Lode and New Discovery are shown in the table below. Total Ore Reserves as at 31 December 2019 are reported in accordance with the JORC Code 2012.

OPERATIONS AND FINANCIAL REVIEW

Combined Sokor Project gold Ore Reserves (Manson's Lode, New Discovery, New Found, Ketubong and Rixen) and exclusive Mineral Resources (at Manson's Lode, New Discovery and New Found, Rixen and Ketubong that are additional to Ore Reserves at Manson's Lode, New Discovery and Rixen) as at 31 December 2019

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	254	3.0	25	206	3.0	20	-20
Probable	Gold	4,238	1.3	180	3,432	1.3	145	73
Total	Gold	4,492	1.4	204	3,638	1.4	165	51
Additional Mineral Resources								
Measured	Gold	129	1.5	6	105	1.5	5	67
Indicated	Gold	6,288	1.5	307	5,093	1.5	248	-4
Inferred	Gold	7,107	1.7	393	5,757	1.7	319	-10
Total	Gold	13,524	1.6	706	10,955	1.6	572	-7

Notes:

- *Mineral Resources and Ore Reserves reported as per the JORC Code 2012 edition*
- *Totals may display rounding inconsistencies*
- *Cut-off grade for Ore Reserves is 0.19 g/t gold for ore going to the heap leach (all Rixen material) and 0.69 g/t gold for transitional and fresh ore going to the CIL plant (oxide, transitional and fresh rock from Manson's Lode, and New Discovery and New Found) and 1.32 g/t gold for fresh ore (UG at Ketubong) going to the CIL plant*
- *Cut-off grade for Mineral Resources is 0.17 g/t gold for Rixen, 0.5 g/t gold for oxide, transitional and fresh material outside optimised pit and 0.5 g/t gold for Inferred oxide, transitional and fresh material inside the optimised pit*
- *Gold price used for cut-off calculation is US$1,500 /oz for all lodes*
- *No Inferred material is included in the Ore Reserves*
- *Dilution of 5% and ore loss of 5% have been applied, with zero grade attributed to dilution*
- *Inconsistencies in totals are due to rounding.*

GROWTH STRATEGY

The Group remains fully committed to keeping a lid on expenses. To this end, it continues to work closely with the relevant Malaysian authorities to obtain all the relevant approvals and permits for the planned installation of a national grid power line at Sokor. The power line, when completed, will enable the Group to reduce its power bill substantially as it will no longer to rely on diesel generators for electricity.

The Group is committed to building a flotation plant at Sokor to process ore containing silver, lead and zinc so that it can diversify its mining portfolio to include the production and sale of these metals.

The Group will step up efforts on exploration activities to replace depleted resources and to increase gold, silver, lead and zinc resources and reserves at Sokor. It also plans to expedite exploration for gold at Kelgold and for feldspar at Pulai.

OPERATIONS AND FINANCIAL REVIEW

Financial Review

REVENUE AND PROFITABILITY

The Group's revenue recorded a slight decrease of 1.1% to US$39.10 million in FY2019 from US$39.55 million in FY2018. The decrease was due to the lower production and sales volume of fine gold in FY2019. The decrease in sales volume was moderated by an increase in the average realised gold price during FY2019.

The Group's profit after tax increased by 81.7% to US$5.47 million in FY2019 from US$3.01 million in FY2018, mainly due to the absence of expenses relating to the aborted proposed dual listing in Hong Kong in FY2019.

As a result, the Group's earnings per share increased by 165.9% to 1.09 US cent in FY2019 from 0.41 US cent in FY2018.

ALL-IN-COSTS

In FY2019, all-in costs of US$1,166 per ounce were 11.0% higher than all-in costs of US$1,050 per ounce in FY2018. This was mainly due to reduced economies of scale arising from the lower production and sales volume of fine gold and higher capital expenditure in non-sustaining operations.

FINANCIAL POSITION

The Group's net assets rose by US$3.14 million to US$44.77 million as at 31 December 2019 from US$41.63 million as at 31 December 2018. Net asset value per share increased to 10.98 US cents as at 31 December 2019 from 10.21 US cents as at 31 December 2018.

As at 31 December 2019, the Group had cash and cash equivalents of US$16.02 million, a decrease from US$17.91 million as at the end of the previous year. The decrease was mainly due to the cash used in investing activities for the purchase of plant and equipment for the on-going construction of the underground mining structure, expansion of production infrastructure and a new flotation plant as well as mine properties and exploration and evaluation assets. In addition, there was a net cash used in financing activities arising from dividends paid during the financial year. The decrease was partly offset by the cash generated from the Group's operating activities.

The Group has no bank borrowings as at 31 December 2019. Loans and borrowings disclosed in the Statement of Financial Position includes a convertible bond issued by a subsidiary and lease liabilities.

DIVIDENDS

For FY2019, the Company has on November 2019 declared an interim one-tier tax exempt dividend of S$0.002 per share, which was paid in December 2019. In addition, the Company has proposed a final tax-exempt dividend of S$0.0020 per share and a special tax-exempt dividend of S$0.0040 per share for FY2019, subject to the approval of shareholders at the forthcoming annual general meeting.

INVESTOR RELATIONS

Gold as an asset class was highly sought after by investors worldwide in 2019 even as global equities delivered strong returns.

The MSCI World Index and the MSCI All-Country World Index increased by nearly 30% last year, as central banks cut already-low interest rates even further as part of efforts to bolster economic activity.

While stronger risk appetites usually mean reduced interest in safe havens, gold notched gains of nearly 20% in 2019 as a weaker US dollar and record amounts of negative-yielding government and corporate bonds elevated the precious metal's investment appeal. This drove gold prices above US$1,500 an ounce for the first time since 2013.

For gold producers such as CNMC, the renewed interest in bullion meant higher selling prices. Indeed, our average selling price per ounce of gold rose every quarter last year – US$1,293.28 in 1Q2019, US$1,316.67 in 2Q2019, US$1,494.95 in 3Q2019 and US$1,496.67 in 4Q2019. For the whole of 2019, our gold bars fetched an average price of US$1,389.60, a 10.6% increase from US$1,256.55 for 2018.

PITCH TO INVESTORS

Favourable gold prices became one of our investment merits with the investment community in 2019. It has helped mitigate a decline in our quarterly gold production, which has been decreasing since it reached an all-time high in 4Q2018.

Still, as gold prices are not within our control, we also sought to diversify our earnings in the longer term and assured investors that we still have room for growth. Our action plan involves underground mining, expanding production capacity, optimising operational and cost efficiency which includes installing a national grid power line at Sokor, and developing a new income stream through the production and sale of silver, lead and zinc.

We reaffirmed these growth initiatives in all our quarterly meetings and dialogue sessions in 2019 with analysts, fund managers and shareholders. We also shared our growth plans with dealers and traders from CGS-CIMB Securities, UOB Kay Hian, RHB Securities and Lim & Tan Securities through lunchtime talks at their premises.

In seeking to tell our story to an even wider audience, we have tapped into the Singapore Exchange's 10 in 10 editorial initiative. Designed to be a short read, 10 in 10 provides insights into SGX-listed companies through a series of 10 Q&As with management on wide-ranging topics including their business objectives, key revenue drivers, and thoughts on their industries. The 10 in 10 profile on CNMC was published on 10 September 2019.

With the run-up in gold prices, we were featured more than once in the print version of The Edge Singapore last year ("CNMC Goldmine to strike while the iron is hot, published on 22 November 2019, and Gold shines as geopolitical worries grow; coal slumps with call for green energy", published on 20 December 2019).

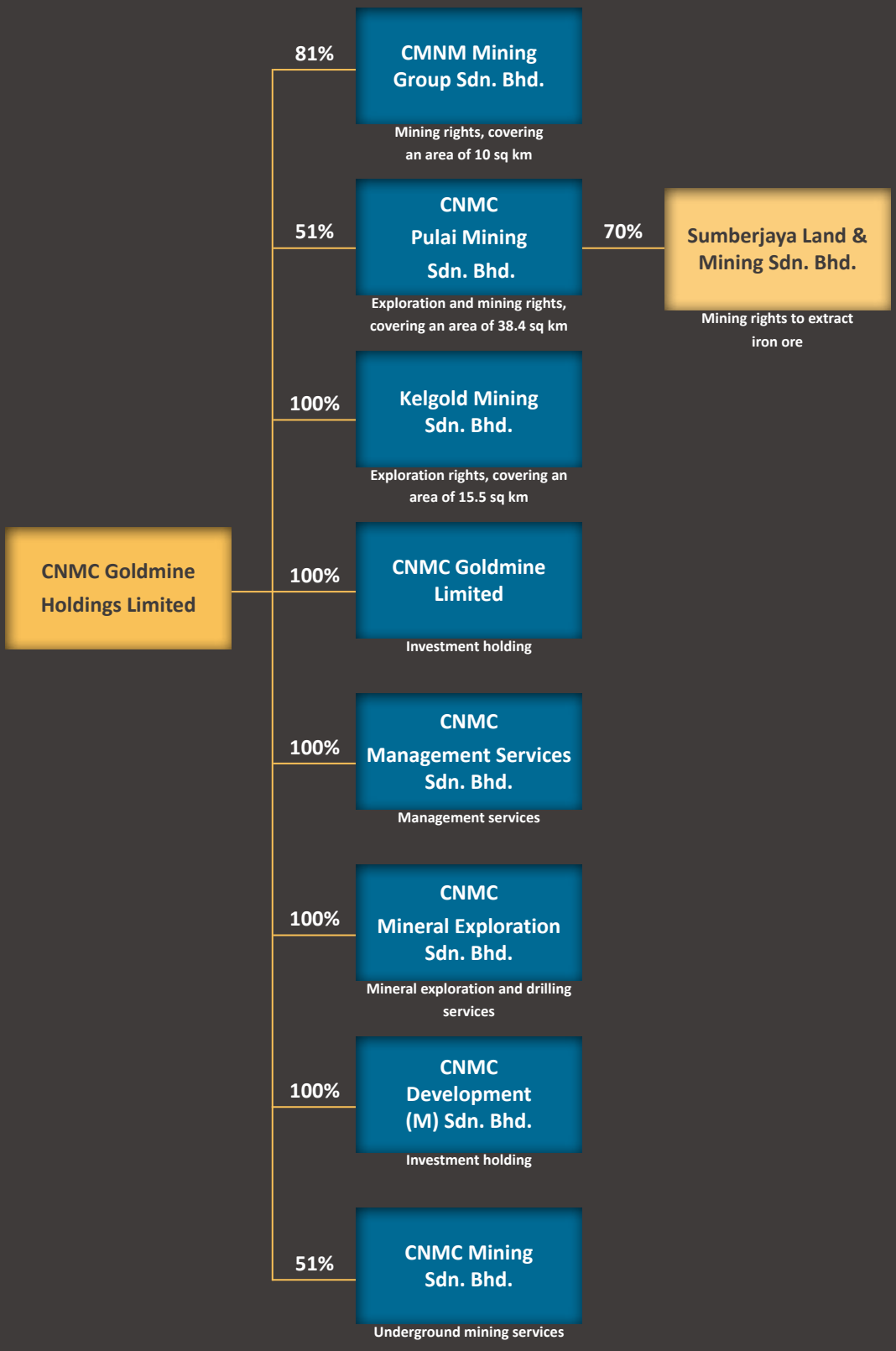
Investor Relations

Underground mining is expected to be a key driver in our quest to boost gold production, even as we continue with our open-pit mining operation. We started operations in underground mining in 3Q2019 but as with many new ventures, there were startup problems in the form of weak rock masses and the presence of water underground. However, these issues have since been resolved.

Unfortunately, we faced another disruption from the COVID-19 virus outbreak, when more than half of our underground mining crew were temporarily prohibited from returning to Kelantan after they went back to China's Hubei province for Chinese New Year celebrations. It remains unclear when they can return to Kelantan as travel restrictions imposed by China and Malaysia are still in place.

Notwithstanding the current uncertainty, we believe there is potential to locate and extract high-grade ore through underground mining at our flagship Sokor gold field. While the mining business comes with high risks, the returns can contribute positively to the Group's revenue if we take calculated risks and manage them well. These returns can then be shared with all shareholders. For 2019, we have proposed a total dividend of 0.8 Singapore cent a share, representing about 54% of our earnings, a record dividend payout ratio for CNMC.

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
Lead Independent Director

Tan Poh Chye Allan
Independent Director

Gan Siew Lian
Independent Director

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

REGISTERED OFFICE

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745 Toa Payoh Lorong 5
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Fax:+65 6225 2230
Partner-in-charge: Lim Pang Yew, Victor
(Appointed with effect from the financial year ended 31 December 2019)

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Wee Mae Ann

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Fax: +65 6229 8089

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Singapore 048623
Tel: +65 6536 5355
Fax: +65 6536 1360

Honourable Chief Minister of Kelantan,
YAB Ustaz Dato' Bentara Kanan Haji Ahmad Bin Yakob;
Deputy Chief Minister of Kelantan,
YB Dato' Haji Mohd Amar Bin Abdullah;
State Secretary of Kelantan,
YB Dato' Kaya Setia Haji Nazran Bin Muhammad together with their team of delegates' visit to Singapore to attend projects update presentation from management team of CNMC.

可持續報告

CNMC Goldmine Holdings Limited Sustainability Report FY2019

CONTENTS

愿景 天地人和 自然共处

使命 求索大地 关怀社群

宗旨 以人为本 兼济天下

OUR VISION

HARMONY WITH HEAVEN, EARTH AND PEOPLE.
LIVING PEACEFULLY WITH THE ENVIRONMENT.

OUR MISSION

TO MINE THE EARTH. TO MIND SOCIAL NEEDS.

OUR CORE VALUE

TO SERVE THE WORLD WITH HUMANITARIANISM.

About this Report

CNMC Goldmine Holdings Limited (hereafter referred to as "CNMC" or the Group) is pleased to present the Group's annual Sustainability Report (the "Report") covering the period from 1 January 2019 to 31 December 2019. CNMC has chosen the Global Reporting Initiative ("GRI") Standards which represent the global best practices for reporting on economic, environmental and social topics. Accordingly, this report is produced in accordance with the GRI Standards "Core" option and set out on the "Comply or Explain" basis under Listing Rule 711B and Practice Note 7F of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist.

Detailed section reference with GRI Standards is found at the GRI Standards Content Index section of this report. The Group's Sustainability Task Force has assessed that external assurance is not required.

This Report summarises the Group's key sustainability issues, its approach to managing them and its operating performance. The report focuses only on the Sokor goldmining project in Kelantan, Malaysia. CNMC's exploration projects, namely Pulai (under CNMC Pulai Mining Sdn Bhd) and Kelgold (under Kelgold Mining Sdn Bhd), are excluded from the scope of this Report as they have yet to generate any significant economic, environmental or social impact. Information on these two projects can be found on the Group's website and in the FY2019 Annual Report.

Sustainability Statement of Top Management

On behalf of the Board of Directors (the "Board"), I am pleased to present CNMC's 2019 Sustainability Report.

As an established gold miner in Malaysia's Kelantan state, we are committed to sustainable mining, which we believe is essential for creating and preserving value for all stakeholders, including the local communities in the areas where we operate. Our sustainability practices were never compromised while we maintain the profitability of our business. We are committed to implementing best practices and benchmarking ourselves against industry standards, reporting our progress in a timely and transparent manner. CNMC's environmental management practices and initiatives are approved by the Kelantan government and in compliance with local environmental laws and regulations.

At our flagship Sokor goldmining project in Kelantan, we have invested substantial resources in our mining operations and in safeguarding the environment for the benefit of the local community. We endeavour to reduce our carbon footprint and have implemented initiatives to achieve clean

and sustainable energy consumption, such as installing power grids at our mining site to minimise diesel consumption and its associated pollution. Whatever we have achieved this past year in terms of our economic, social and environmental performance, was with the collaboration and commitment of our stakeholders, business partners and suppliers. I would like to thank them for this collective effort. We look forward to better our efforts in the coming year with the ultimate aim of value creation for our stakeholders and the general community at large.

Lim Kuoh Yang
Chief Executive Officer
CNMC Goldmine Holdings Limited

Our Sustainability Story

Our Vision

Harmony with Heaven, Earth and people, living peacefully with the environment

Our Mission

To mine the Earth, to mind social needs.

Our Core Value

To serve the world with humanitarianism

Sustainable Mining

At CNMC, we are committed to mining gold in an environmentally and socially responsible manner. We carefully manage the impact of our operations on the surrounding environment and community to establish a sustainable gold production.

Sustainability Performance and Targets

In order to maintain strict environmental and social compliance and achieve our sustainability targets in FY2020, we have reviewed our environmental performance in FY2019 and developed an action plan for FY2020.

The table below summarises our sustainability performance in FY2019 and targets for FY2020:

Environmental Performance in FY2019	
FY2019 Target	Performance Update
Reduction in energy consumption	Energy consumption increased by **9%** due to operation expansion which included underground mining activities and the first full-year operation of the carbon-in-leach ("CIL") plant
Reduction in waste	Wastes reduced by **2.5%**
Zero spills	Achieved **zero** spills
Zero incidents of environmental non-compliance	Achieved **zero** incidents of environmental non-compliance
Environmental Targets for FY2020	
FY2020 Target	Action Plan
Reduce energy consumption and carbon emissions Maintain energy intensity at **3,038** kWh/oz of gold produced	Upgrade and/or adjust equipment to increase energy efficiency Change in practices and operations Installation of national grid power line
Zero spills	Conduct regular maintenance and checks
Zero incident of environmental non-compliance	Continue to engage with licensed third-party environmental consultant approved by Department Of Environment ("DOE") to conduct regular environmental monitoring and audit exercise
Social Targets for FY2019	
FY2019 Target	Performance Update
Zero workplace safety incidents	**1** lost time injury
Social Targets for FY2020	
FY2020 Target	Action Plan
Zero workplace safety incidents	Conduct regular refresher training to staff to reinforce previously acquired safety knowledge and skill Ensure sufficient warning notices have been conspicuously displayed

Governance and Statement of the Board

At CNMC, sustainability is prioritised at the board level. We have established a Sustainability Task Force ("STF") to implement and manage the Group's sustainability measures, and it reports to the Chief Executive Officer.

The Board incorporates sustainability issues into the strategic formulation of the Group. The Board approves the material environmental, social and governance factors identified by the STF, and ensures that the factors identified are well-managed and monitored by the STF.

Stakeholder Engagement

The Group actively engages in meaningful and productive dialogues with our stakeholders and we participate in various industry and government forums to keep abreast of any material stakeholder issues.
We identify key stakeholders as groups which have material impact or could potentially be impacted by our operations. The following table summarises our key stakeholders, engagement platforms and their key concerns.

Stakeholders	Engagement platforms	Key concerns	Read more in the following sections
Employees	• Performance appraisal system	• Workplace health and safety • Staff remuneration and benefits • Employee diversity • Training and development	• Our People, Our Assets
Community	• Engagement in community services and outreach programmes	• Social development • Community engagement	• Community Engagement
Governments and Regulators	• Annual reports • Sustainability reporting • Reports from third party independent mining consultants	• Environmental impacts	• Environmental Responsibility
Suppliers	• Meetings • Enterprise development	• Local procurement • Workplace health and safety	• Workplace Health and Safety • Community Engagement

Material Topics and Boundaries

The Group's material topics are determined based on the principle of materiality to our internal and external stakeholders, as outlined in the Stakeholders Engagement section.

Material Topics	Boundaries (i.e. which segment, country or subsidiary, where applicable)
ECONOMIC	
GRI 202: Market Presence	Group-wide
GRI 203: Indirect Economic Impacts	
GRI 204: Procurement Practices	Malaysian entities
GRI 205: Anti-corruption	Group-wide
ENVIRONMENTAL	
GRI 302: Energy	Malaysian entities
GRI 303: Water	
GRI 304: Biodiversity	
GRI 305: Emissions	
GRI 306: Effluents and Waste	
GRI 307: Environmental Compliance	Group-wide
GRI 308: Supplier Environmental Assessment	Malaysian entities
SOCIAL	
GRI 401: Employment	Group-wide
GRI 403: Occupational Health and Safety	Malaysian entities
GRI 404: Training and Education	Group-wide
GRI 405: Diversity and Equal Opportunity	
GRI 406: Non-discrimination	
GRI 408: Child Labour	
GRI 413: Local Communities	
GRI 419: Socioeconomic Compliance	

Ethics and Integrity

Business Ethics and Anti-Fraud

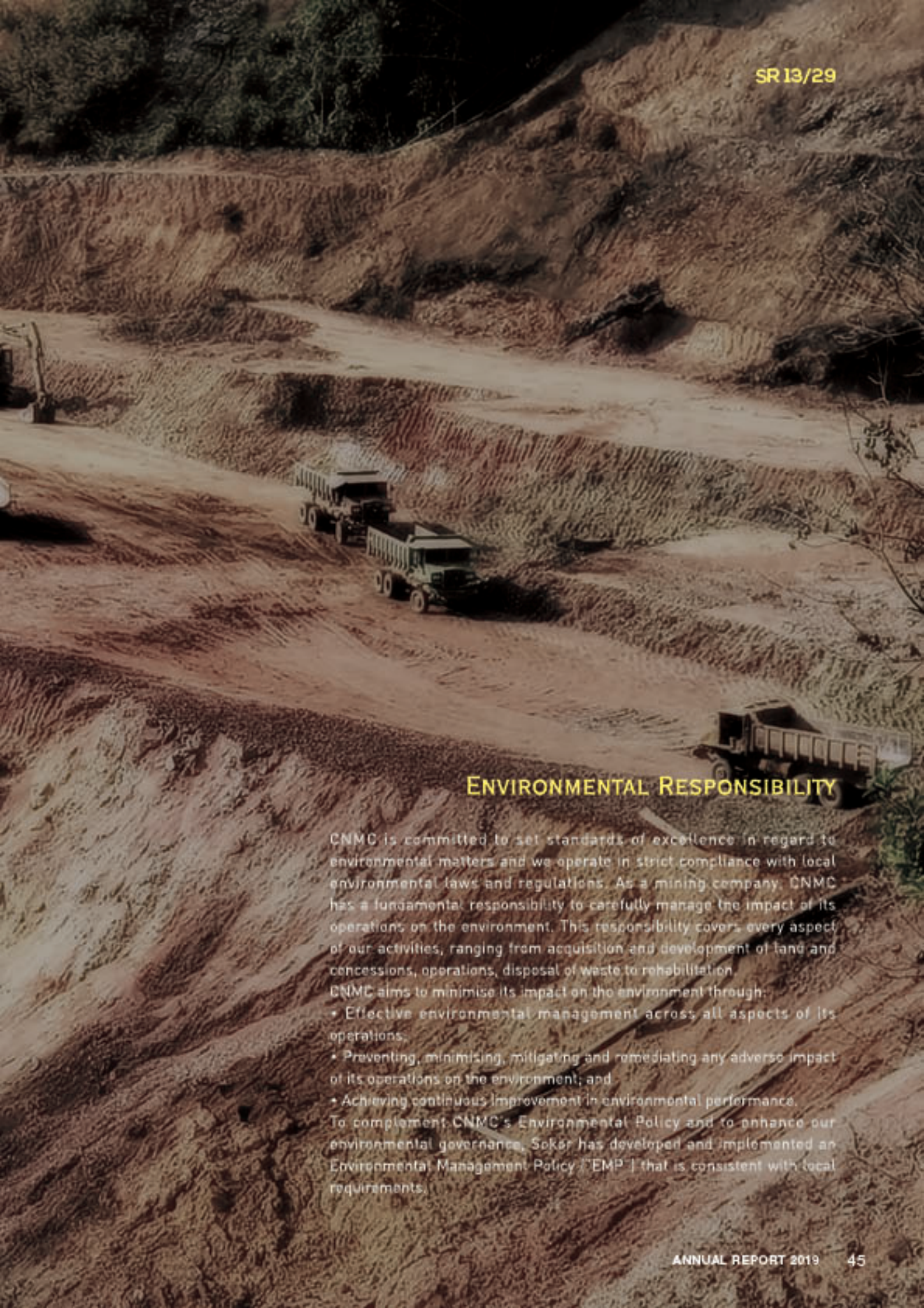
CNMC is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics, and to full and accurate disclosure in compliance with applicable laws, rules and regulations.

In line with this commitment, CNMC operates under a Code of Business Conduct and Ethics and takes a strong stance against fraudulent activities. The Group has an Anti-Fraud Policy and a Whistleblowing Policy in place. This value has been communicated during formal and informal communications to all employees, major suppliers and business partners. Any forms of fraudulent activities is escalated to the Whistleblowing Committee members.

In implementing its sustainable development programme, CNMC aims to achieve a balance between economic, environmental and social needs in all phases of its projects, and takes into consideration its employees, communities, shareholders and other key stakeholders. CNMC endeavours to ensure that its high standards are not compromised despite its current challenging operating environment.

During FY2019, there were no cases of fraudulent activities at CNMC. Congruent with CNMC's zero tolerance policy, any confirmed incidents of corrupt practices will result in dismissal.

There were no instances of corruption involving any business partners and as such, there were no contracts that had to be terminated by CNMC or that could not be renewed. No public legal cases regarding corruption was brought against the Group or any of its employees during FY2019.



Environmental Responsibility

CNMC is committed to set standards of excellence in regard to environmental matters and we operate in strict compliance with local environmental laws and regulations. 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, ranging from acquisition and development of land and concessions, operations, disposal of waste to rehabilitation.

CNMC aims to minimise its impact on the environment through:

- Effective environmental management across all aspects of its operations;
- Preventing, minimising, mitigating and remediating any adverse impact of its operations on the environment; and
- Achieving continuous improvement in environmental performance.

To complement CNMC's Environmental Policy and to enhance our environmental governance, Sokor has developed and implemented an Environmental Management Policy ("EMP") that is consistent with local requirements.

Energy and Emissions Management

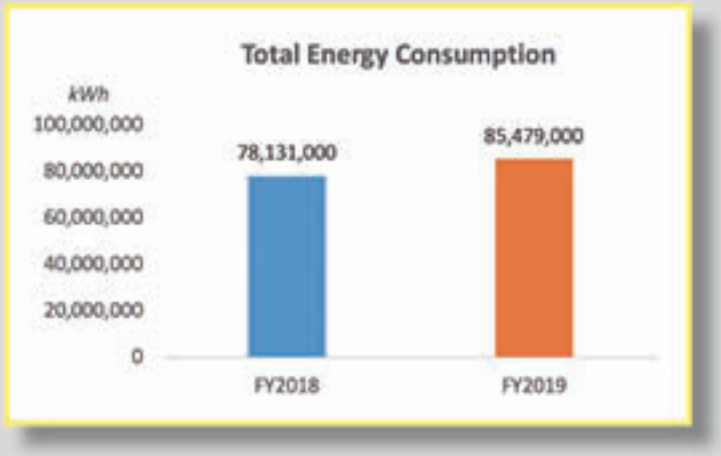
GRI 302-1, 302-3, 305-2

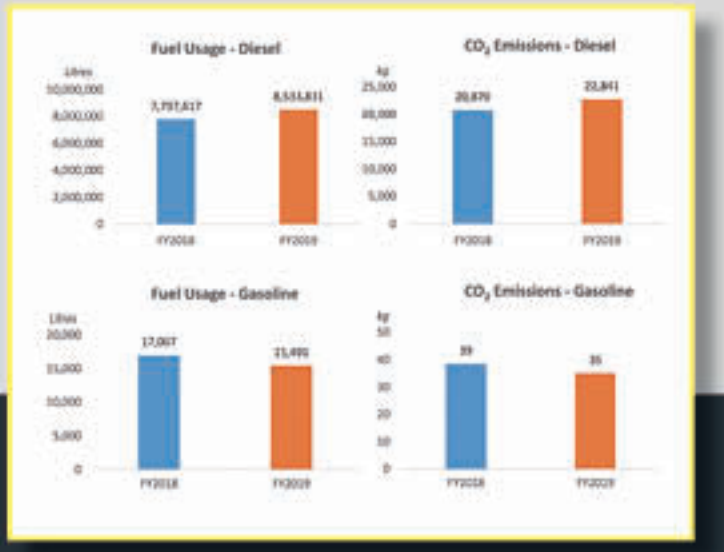
As mining operations are energy intensive, the Group strives to operate sustainably by reducing our carbon footprint in our mining operations.

The energy CNMC uses for its operations is principally derived from fuel-fired electricity sources. The fuel used by vehicles on-site is predominantly diesel, although certain vehicles use petrol. In addition, emulsion is used as the explosive for onsite blasting, which is carried out by licensed sub-contractors.

At Sokor, energy is generated using a diesel-fuelled power plant. The Group has implemented numerous energy conservation and efficiency initiatives, including upgrading and adjusting equipment to increase energy efficiency, improving our practices and operations to reduce energy consumption and wastage and installing power lines under National Grid to reduce diesel consumption and energy loss. We also replaced our heap leach pads with two new permanent heap leach pads to eliminate the existing practice of having to remove the ore from leach pads after processing and moving it to mine tailing ponds for storage, thereby saving diesel consumption.

The total energy consumption (vehicle fuel and power generation) at Sokor for FY2019 was estimated at 85,479,000 kWh, up from 78,131,000 kWh in FY2018. All the energy consumed is generated from non-renewable sources. The increase of energy consumption in 2019 was primarily due to operation expansion which included underground mining activities and the first full-year operation of the carbon-in-leach ("CIL") plant.





In addition to fuel, CNMC used 838.6 tonnes of emulsion for blasting, which generated 142.6 tonnes of CO2.
Our energy intensity during FY2019 was estimated at 3,038 kWh/oz of gold produced, which is significantly lower than the industrial average of 1,554,048.3 kWh/oz of gold produced. We target to maintain our energy intensity at 3,038 kWh/oz of gold produced in FY2020.

Water Management
GRI 303-1, 303-2

Water is critical for every aspect of the mine lifecycle and as such, sound water management is essential to maintaining operations. Sokor is located in a tropical climatic region with high seasonal rainfall.

CNMC endeavours to ensure the efficient, safe and sustainable use of water and the protection of water resources and ecosystems around its sites. Sokor has water management strategies in place and maintain whole of site water balances to ensure that the Group meets its water usage, supply and resource protection objectives.

Water used at Sokor is mainly supplied by rainfall runoff captured in water collection ponds. River water is only used when necessary, and the amount drawn is smaller than that formed in the collection ponds.

In addition, Sokor also stores water in water collection ponds on site to ensure sufficient capacity remains in the ponds to capture rainfall runoff from the mining and processing areas. It also recycles and reuses water to reduce the need to discharge operational water, minimising the potential impact that water discharge has on local communities and ecosystems. As such, no water is discharged to the environment unless necessary.

During operations at Sokor, rainfall run-off water captured in the ponds is used in the processing of gold ore. The water from the ponds is first treated after it is used before being discharged, if necessary. Comprehensive monitoring by a third party independent environmental consultant of the water quality in the local river systems is being undertaken upstream and downstream from Sokor.

A comprehensive surface and groundwater monitoring programme is implemented at Sokor. Water level measurements, water extraction and sampling are routinely recorded and collected by third party independent environmental consultant according to a monitoring schedule designed to meet regulatory requirements. Data are regularly assessed to identify any impacts of the operations on local water resources.

During FY2019, no water bodies or associated ecosystems were significantly affected by the extraction of surface water at CNMC's operational site.

Biodiversity Preservation
GRI 304-2, 413-1

The biodiversity concerns for CNMC's operations involve water, air, flora, weeds, fauna, land use and rehabilitation, all of which are considered from the early stages of project development right through to operations and eventual closure.

Sokor incorporates biodiversity considerations into its environmental impact assessments. CNMC aims to conserve biodiversity by obtaining knowledge of local ecosystems. Prior to project development and

expansion projects, environmental baseline studies are conducted, potential impacts are assessed and environmental management plans and monitoring programmes are established, in order to minimise the impact on biodiversity over the life of the mine.

Sokor has a relatively low impact on biodiversity as it is located within a secondary forested area and most of its operation is carried out on leased land. Where impacts are unavoidable, rehabilitation measures are, or will be, undertaken to return disturbed land to a stable, self-sustaining landform compatible with the surrounding environment. 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. We do not use fire to clear any areas.

CNMC has set aside a rehabilitation fund, whenever practicable, progressive rehabilitation of disturbed areas is conducted at Sokor's site. This includes planting grass and deploying trucks to water the roads. In addition, CNMC contributes to related government agencies to assist them in efforts to conserve biodiversity.

Waste Management

GRI 306-2, 306-3

The main waste generated by CNMC's mining and processing operations is mineral waste, which includes waste rock and tailings. Waste rock is the overburden material that must be removed to enable access to the ore. Tailings are generated from the processing of ore and comprise mineral residue, processed water and reagents.

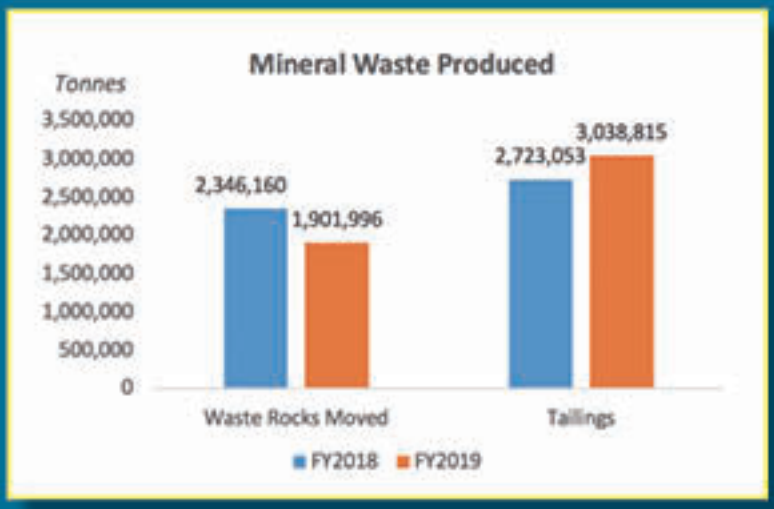
All mineral waste remains on site and requires management to reduce its potential environmental impact. CNMC continuously reviews its waste management processes and identifies opportunities for improvement. For example, Sokor uses waste rocks to backfill its mines and fills roads with non-hazardous tailings.

At Sokor, waste rocks are removed to access the ore and then placed in waste rock dumps. The correct placement of waste rocks is important for cost and environmental considerations. A key consideration for the waste rock dumps is to establish a final stable landform that blends in with the surrounding landscape and is capable of supporting a self-sustaining ecosystem. Research has been conducted to determine the best location for the waste rock dumps, taking haulage costs and environmental issues into consideration.

The design of the dumps and the placement of waste rocks also takes into consideration other factors such as the physical and geochemical properties of the waste rocks and any low grade ore that may also be stockpiled. Geochemical studies have been undertaken on the waste rocks and mineralised waste at Sokor, with the findings being considered in the dump design and operating procedures for waste rock management. Risks associated with the waste rock dumps have been identified and are included in the EMPs.

Tailings management continues to be a high priority for CNMC and there are measures to ensure that its tailing facilities are appropriately designed, operated and managed according to acceptable standards. Qualified engineers have designed the tailing facilities to ensure that tailings are contained and that any potential environmental impact is minimised. Risks associated with the tailing facilities have been identified and included in the management plans.

The total volume of waste rocks and tailings produced during FY2019 and the previous period are shown in graph below:



The total amount of mineral waste generated in FY2019 was 4,940,811 tonnes, down from 5,069,213 tonnes in FY2018. Our waste production during FY2019 was also significantly lower than the industrial average of 185,696,499 tonnes of mineral waste (waste rocks and tailings). We will continue to improve our waste management practices to further reduce the generation of mineral waste in our production.

CNMC aims to avoid and minimise environmental incidents that may arise from its operations. In doing so, all incidents are recorded and full investigations are undertaken to ascertain the cause. Actions are then taken to avoid a repeat of such incidents.

Supplier Environment Assessment
GRI 308-1

CNMC subcontracts two non-critical operations (i.e. blasting and exploration drilling) to subcontractors. All mining and processing activities are conducted in-house. Any environmental concerns are communicated directly to the subcontractors through regular reporting and communication channels.

Environmental Targets and Compliance
GRI 307-1

The Group strictly complies with local environmental laws and regulations where we operate. Managers are responsible for site-based performance and report directly to their General Managers. Regular on-site inspections conducted by a licensed third-party environmental consultant further promote good environmental practice at the site-level, taking into account the local operating environment.

Notably, the DOE had approved an updated supplementary Environmental Impact Assessment ("EIA") report prepared by CNMC in March 2016. An EMP which sets out the processes to ensure compliance with environmental regulations was subsequently approved by the DOE in June 2016.

CNMC recognises that environmental monitoring is an on-going obligation. To demonstrate its commitment to monitor environmental issues and assess their impact on a regular and timely basis, CNMC appointed I.Z. Environmind Sdn. Bhd. ("I.Z. Environmind") in December 2010, a licensed third-party environmental consultant approved by the DOE, as environmental advisors and consultants who work closely with CNMC and the DOE. I.Z. Environmind regularly monitors CNMC's activities to ensure it is compliant with all environmental regulations and is kept informed of any potential environmental risks or issue arising from its operations.

There was no incident of non-compliance with environmental laws and regulations in FY2019.

OUR PEOPLE, OUR ASSETS

The Group values the development of our employees and we seek to protect the wellbeing of our staff. We value the contributions of all our staff and we compensate them fairly, regardless of age or gender. We are fully committed to maintaining a safe and healthy work environment and achieve zero occupational health and safety incidents.

Workplace Health and Safety

GRI 403-2, 403-3

CNMC has adequate workplace safety policies which address the control environment, risk assessment, information and communication, control activities and monitoring of our core business processes. Our polices include the following measures:

- Ensure that our site disaster management procedures are regularly updated and emergency response teams are in place and well-trained
- Foster a safety culture within the workplace where employees take ownership of workplace safety
- Ensure that all health, safety and environment ("HSE") expectations are clearly communicated to all contractors and that their management systems are randomly and regularly audited

We seek to continuously improve our safety policies and procedures, as well as the implementation of our safety measures. We endeavour to foster a safety culture that inculcates the mind-set that injuries are preventable, and we provide regular safety education and training to achieve this.

CNMC is committed to ensuring Sokor undergoes regular health and safety audits. During FY2019, CNMC continued to review and strengthen key areas of its Occupational Health and Safety Policy. Mine personnel continued to receive training and further up skilling and broadened their safety and health knowledge to ensure a safer work environment.

In FY2019, there was one lost-time injury resulting in an annual lost time injury frequency rate of 0.98, which is significantly lower than the frequency rate of 4.84 in FY2018. There were 33 days lost during FY2019, down from 180 days lost in FY2018.

We understand that despite our best efforts, accidents do happen. As such, we have implemented Transport and Emergency Management Plans at Sokor with on-site Emergency Response Teams to address emergency procedures in case of incidents.

At Sokor, regular medical examinations are conducted pre-employment and annually for employees exposed to chemicals. The examinations are undertaken to monitor the health and wellbeing of employees, contractors and service providers, particularly with regard to their physical ability to undertake the work on site.

The number of medical examinations conducted during FY2019 are shown in the table below:

Type of Medical Examination	Sokor
Pre-Employment	63
During Employment	25
Total	88

In FY2019, 100% of the employees who were required to undergo Pre-Employment medical examinations went for medical examinations in FY2019.

CNMC places significant importance on employee health and wellness and collaborates with external health organisations, including the Ministry of Health Malaysia, to provide employee wellness screenings and counselling events on site.

Health insurance benefit is a condition of employment in Malaysia. At CMNC, the overall responsibility for the management of employee health and wellbeing rests with the HSE Manager, who coordinates related efforts, reviews new health programme initiatives and manages existing health programmes.

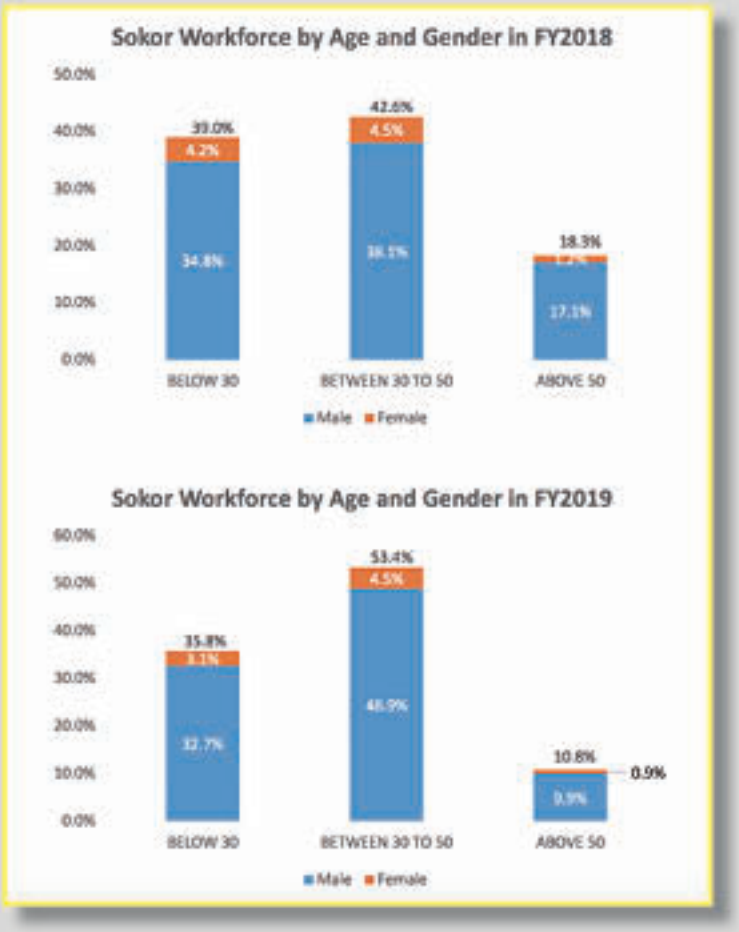
Employee Diversity

GRI 405-1

CNMC believes that diversity is essential to its business and prohibits discrimination on the basis of race, nationality, religion, gender, age, sexual orientation, disability, ancestry, social origin, political or other opinion, or any other bias. CNMC does not tolerate any form of racial, sexual or workplace harassment and values diversity within its workforce, and thus holds a commitment to the value of equality and treating one another with respect.

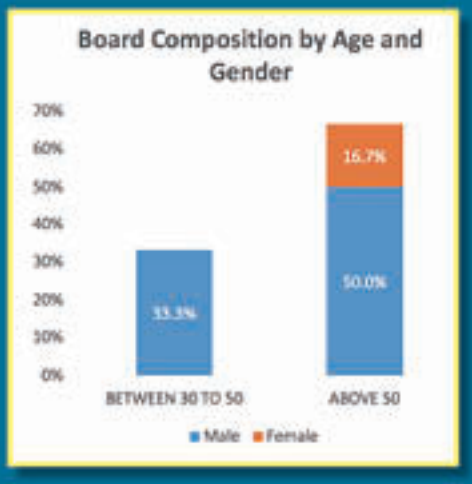
CNMC is conscious of the importance of ensuring a gender balance in its workforce and providing employment opportunities locally and regionally whenever possible.

In FY2019, Sokor's workforce consists of 352 employees (office staff and site workers) and eight contractors. A breakdown of the workforce at Sokor in FY2018 and FY2019 are presented in the following charts:



There is a low percentage of females employed at the mine site, as achieving gender parity continue to be a major challenge for the mining industry, given that most mining projects (including Sokor) are geographically remote and centred on shift work. We endeavour to increase the female to male ratio in the workforce where applicable to improve our workforce diversity.

CNMC's Board consists of six Directors, one of whom is a female.



We believe that having a female representation on the Board will steer us towards achieving gender parity in the future.

Employee Benefits and Development

GRI 202-1, 401-1, 401-2, 401-3, 404-1, 404-2, 404-3

The Group endeavours to build a high-retention workplace that is conducive for our employees to learn and grow. We implement and adhere to best practices regarding employee engagement, including fair remuneration, employee benefits, training and development programs, performance and career development reviews. We comply with local labour regulations, and our employees are remunerated above minimum wage.

CNMC has a Diversity Policy that documents its commitment to workplace diversity and recognises the benefits arising from the recruitment, development and retention of a talented, diverse and motivated workforce. CNMC's Board is responsible for reviewing all matters contained within the Diversity Policy.

CNMC seeks to develop the skills and expertise of its employees on a continuous basis through active employee relations, communication and learning. Employees have access to a variety of training options including conferences, short training courses, seminars and professional studies, which help to boost their skills and position them in good stead to take up challenges in the challenging business environment we operate in.

Regular review of the skills of our current workforce against future business requirements allow CNMC to take steps to train employees in the skills required for advancement.

During FY2019, our employees in Malaysia participated in over 624 hours of training programme, up from 416 in FY2018. We will continue to implement effective training programmes for our employees to develop their skills and knowledge.

CNMC recognises that timely and effective performance evaluation empowers employees to give their best. As such, managers and their team members meet at least once a year to review their performance and clarify performance objectives.

We take responsibility for the well-being of our employees and provide them with adequate healthcare benefits. Our Singapore employees are entitled to Group personal accident and Group hospitalisation & surgical insurance, and our employees in Malaysia are entitled to medical reimbursements. In FY2019, there were 12 days of parental leave taken (FY2018: 8 days of parental leave taken).

Our efforts to improve employee engagement and satisfaction have proven to be successful, as evident from our drop in staff turnover rate of 8.8% in FY2019, from 14.4% in FY2018. Our new hire rate was 21.6% during FY2019, down from 43.8% in FY2018. The new hire rate was higher in FY2018 due to the commencement of underground operations in FY2018.

Workforce Targets and Compliance

GRI 406-1, 408-1, 419-1

The Group endeavours to be a socially responsible employer. CNMC has transparent mechanisms for reporting labour grievances, and these policies are communicated to all workers through dedicated training and visual materials, such as notices available widely at work sites.

There were no incidence of discrimination or use of child labour in FY2019.

COMMUNITY ENGAGEMENT

Procurement Practices

GRI 203-2, 204-1

CNMC positively contributes to its communities by creating opportunities for local businesses to provide goods and/or services to its mines. We recognise local suppliers' rights to tender for contracts and is committed to building strong relationships with these local providers. In FY2019, 100% of our suppliers were locals.

The supply chain for mining and processing operations, such as those run by CNMC, is extensive and includes both direct and indirect suppliers to the mines. There are numerous suppliers for Sokor including consultants, contractors and sub-contractors, distributors of many materials required for mining and processing, manufacturers of various goods, primary producers for food supplies, and transport companies for materials and personnel.

CNMC is in favour of engaging local suppliers for the provision of goods and services, subject to the supplier's capacity to deliver to CNMC's specifications and on commercially acceptable terms and conditions. At Sokor, local and international procurement practices are managed through a purchasing procedure with priority given to local providers.

Local Communities
GRI 413-1

As a responsible corporate citizen, CNMC is committed to doing our part and giving back to the community. In FY2019, we made a total of RM 112,802 worth of donations, which includes a monthly donation of RM2,000 to 20 needy students at Yuk Cheng Primary School.

Local Employment
GRI 202-2, 203-2

Other than engaging in local procurement and contributions, the Group has provided employment opportunities for the local community, where we made the conscientious choice to maximise the employment of locals in our operations. In FY2019, 84% of our Sokor workforce were locals, maintaining from 87% in FY2018.
We will continue our efforts in supporting the generation of jobs for the local community in our operations.

SGX FIVE PRIMARY COMPONENTS INDEX

S/N	Primary Component	Section Reference
1	Material Topics	Stakeholder Engagement
2	Policies, Practices and Performance	Our Sustainability Story
3	Board Statement	Governance and Statement of the Board
4	Targets	Our Sustainability Story
5	Framework	About this Report

GRI STANDARDS CONTENT INDEX

GRI Standards	Disclosure Content	Section Reference
102-1	Name of the organisation	Note 7 to the Financial Statements
102-2	Activities, brands, products, and services	Operations and Financial Review, Group Structure
102-3	Location of headquarters	Corporate Information
102-4	Location of operations	Note 7 to the Financial Statements
102-5	Ownership and legal form	Note 7 to the Financial Statements
102-6	Markets served	Note 7 to the Financial Statements
102-7	Scale of the organisation	Operations and Financial Review, Employee Diversity
102-8	Information on employees and other workers	Employee Diversity
102-9	Supply chain	Procurement Practices
102-10	Significant changes to the organisation and its supply chain	No significant changes during FY2019
102-11	Precautionary Principle or approach	Corporate Governance Report
102-12	External initiatives	Sustainability Statement of Top Management
102-13	Membership of associations	None
102-14	Statement from senior decision-maker	Sustainability Statement of Top Management
102-15	Key impacts, risks, and opportunities	Sustainability Statement of Top Management, Our Sustainability Story
102-16	Values, principles, standards, and norms of behaviour	Ethics and Integrity
102-17	Mechanisms for advice and concerns about ethics	Ethics and Integrity
102-18	Governance structure	Board of Directors, Corporate Governance Report
102-40	List of stakeholder groups	Stakeholder Engagement
102-42	Identifying and selecting stakeholders	Stakeholder Engagement
102-43	Approach to stakeholder engagement	Stakeholder Engagement
102-44	Key topics and concerns raised	Stakeholder Engagement
102-46	Defining report content and topic boundaries	About this Report

GRI Standards	Disclosure Content	Section Reference
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Employee Benefits and Development
202-2	Proportion of senior management hired from the local community	Local Employment
203-2	Significant indirect economic impacts	Procurement Practices, Local Employment
204-1	Proportion of spending on local suppliers	Procurement Practices
205-1	Operations assessed for risks related to corruption	Anti-corruption
205-2	Communication and training on anti-corruption policies and procedures	Anti-corruption
205-3	Confirmed incidents of corruption and actions taken	Anti-corruption
302-1	Energy consumption within the organisation	Energy and Emissions Management
302-3	Energy intensity	Energy and Emissions Management
303-1	Water withdrawal by source	Water Management
303-2	Water sources significantly affected by withdrawal of water	Water Management
304-2	Water reused and recycled	Biodiversity Preservation
305-2	Energy Indirect Greenhouse Gas Emissions (Scope 2)	Energy and Emissions Management
306-2	Waste by type and disposal method	Waste Management
306-3	Significant spills	Waste Management
307-1	Non-compliance with environmental laws and regulations	Environmental Compliance
308-1	New suppliers that were screened using environmental criteria	Supplier Environmental Assessment
401-1	New employee hires and employee turnover	Employee Benefits and Development
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Benefits and Development
401-3	Parental Leave	Employee Benefits and Development
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Workplace Health and Safety
403-3	Workers with high incidence or high risk of diseases related to their occupation	Workplace Health and Safety
404-1	Average hours of training per year per employee	Employee Benefits and Development
404-2	Programmes for upgrading employee skills and transition assistance programs	Employee Benefits and Development
404-3	Regular performance and career development review	Employee Benefits and Development
405-1	Diversity of governance bodies and employees	Employee Diversity
406-1	Incidents of discrimination and corrective actions taken	Workforce Targets and Compliance
408-1	Operations and suppliers at significant risk for incidents of child labour	Workforce Targets and Compliance
413-1	Operations with local community engagement, impact assessments, and development programs	Biodiversity Preservation Local Communities
416-1	Assessment of the health and safety impacts of product and service categories	Sustainable Real Estates
419-1	Non-compliance with laws and regulations in the social and economic area	Workforce Targets and Compliance

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2019

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 practiced within the Company and its subsidiaries (the "**Group**"). We believe that good corporate governance principles and practices help to promote corporate transparency, accountability and integrity, whilst at the same time, protect and enhance shareholders' interests.

The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") requires all listed companies to describe in their annual reports, their corporate governance practices, with specific reference to the principles of the Code of Corporate Governance dated 6 August 2018 (the "**Code**").

The Company is pleased to report on its corporate governance practices and activities as required by the Code (this "**Report**"). However, this Report should be read as a whole as other sections of this Annual Report may also have an impact on the specific disclosures.

Statement of Compliance

The Board of Directors of the Company (the "**Board**" or the "**Directors**") confirms that for the financial year ended 31 December 2019 ("**FY2019**"), the Company has generally adhered to the principles and provisions as set out in the Code, save as otherwise explained below.

BOARD MATTERS

As at the date of this Report, the Board comprises the following members, all of whom have the appropriate core competencies, and diversity of experience needed to enable them to effectively contribute to the Group.

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: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

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 and has the overall responsibility for reviewing its 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:

(a) to ensure that the necessary financial and human resources are in place for the Group to meet its objectives and to monitor the performance of the Group's management (the "**Management**");

(b) to establish a framework of prudent and effective controls which enables risk to be assessed and managed, including safeguarding of shareholders' interests and the Group's assets; and

(c) to assume responsibilities for corporate governance.

All Directors exercise due diligence and independent judgement. Every Director is expected, in the course of carrying out his duties, to act in good faith to provide insights and objectively take decisions in the interest of the Company. Any director facing a conflict of interests will recuse himself from discussions and decisions involving the issue of conflict.

Delegation of authority 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 FY2019

The Board meets at least four times a year. Additional meetings are convened as and when required. In between Board meetings, other important matters will be tabled for the Board's approval by way of circulating resolutions in writing.

The Company's Constitution (the "**Constitution**") allows Directors to participate in a Board meeting via telephonic conference. 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	4	4	1	1
		No. of meetings attended		
Directors				
Professor Lin Xiang Xiong @ Lin Ye	4	–	–	–
Choo Chee Kong	4	–	–	–
Lim Kuoh Yang	4	–	–	–
Kuan Cheng Tuck	4	4	1	1
Tan Poh Chye Allan	4	4	1	1
Gan Siew Lian	3	4	1	1

Directors with multiple board representations will ensure that sufficient time and attention are given to the affairs of the Group.

The Company recognises that the flow of relevant, complete and accurate information on a timely basis is critical for the Board to discharge its duties effectively. The Management provides the Board with quarterly management accounts, as well as relevant background or explanatory information relating to the matters that would be discussed at the Board meetings, prior to the scheduled meetings. All directors are also furnished with updates on the financial position and any material developments of the Group as and when necessary.

The Board has separate and independent access to the Company Secretary and the Management at all times. The Board will have independent access to professional advice when required at the Company's expense, subject to the approval of the Executive Chairman.

Under the direction of the Executive Chairman, the Company Secretary facilitates information flow within the Board and Board committees and between the Management and non-Executive Directors. The Company Secretary attends all meetings of the Board and Board committees and ensures that all Board procedures are followed and applicable rules and regulations are complied with. The minutes of all Board committee meetings are circulated to the Board. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

Matters which require Board approval

The approval of the Board is required for matters such as corporate restructuring, mergers and acquisitions, material acquisitions or disposals of assets, major corporate policies on key areas of operations, corporate actions such as share issuance, declaration of interim dividends and proposal of final dividends, and interested person transactions.

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 as prescribed by the SGX-ST within one year from his date of appointment to the Board. 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 FY2019.

At each Board meeting, the Directors will receive updates from the Management on the business and strategic developments of the Group, industry developments, analyst and media commentaries on matters related to the Company. The Directors may, at any time, visit the Group's mining sites in order to gain a better understanding of its business operations. Changes to regulations and accounting standards are monitored closely by the Management. During FY2019, the Directors were briefed by KPMG LLP on the developments in financial reporting standards and the changes that affect the Group.

The Company will arrange for 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.

In FY2019, the courses and seminars attended by Directors include updates of Singapore Financial Reporting Standards (International) and Anti-Money Laundering / Combating The Financing Of Terrorism Course conducted.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Independence

The Board consists of six Directors, of whom three are considered independent by the Board, namely Mr Kuan Cheng Tuck, Mr Tan Poh Chye Allan and Ms Gan Siew Lian. Prof Lin Xiang Xiong @ Lin Ye is our Executive Chairman and is considered to be non-independent by virtue his familial relationship with the Executive Director and CEO, Mr Lim Kuoh Yang. The Company notes that Provision 2.2 of the Code requires that Independent Directors should make up a majority of the Board where the Chairman is not independent and that Provision 2.3 of the Code requires that non-Executive Directors make up a majority of the Board. However, the Board is of the opinion that there is a strong independent element on the Board and given the Group's current size and operations, it is not necessary nor cost-effective to have Independent Directors or non-Executive Directors make up a majority of the Board.

The criterion of independence is based on the definition set out in the Code and Rule 406(3)(d) of the Catalist Rules. The Board considers an "independent" director to be one who has no business relationship with the Company, its related companies, its substantial shareholders or its officers, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company.

The independence of each Director is reviewed annually by the NC. Each Independent Director is required to complete a checklist annually to confirm his independence based on the guidelines as set out in the Code and Rule 406(3)(d) of the Catalist Rules. The Independent Directors have confirmed their independence and the Board has determined, taking into account the views of the NC, that all Independent Directors are independent. There is no Director who is deemed to be independent by the Board notwithstanding the existence of a relationship set out in the Code, that would otherwise deem him not to be independent.

The independence of any Director who has served on the Board beyond nine years from the date of his first appointment will be subject to more rigorous review, taking into account the need for progressive refreshing of the Board. As at the date of this Report, none of the Independent Directors has served on the Board beyond nine years from the date of his first appointment. None of the Directors currently serve on the boards of more than two listed companies.

Board size, composition and diversity

The Board's policy in identifying nominees for the Board is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender. The Board is mindful that diversity is not specific to gender or certain personal attributes and would strive to ensure the diversity would enhance the long-term success of the Group. The objective of the policy is to avoid groupthink and foster constructive debate and ensure that composition is optimal to support the Group's needs in the short and long term.

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 caliber 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. The NC is of the view that no individual or small group of individuals dominate the Board's decision-making.

Role of Independent Directors

All Directors have equal responsibility for the Group's operations. The role of the three Independent Directors is particularly important in ensuring that all the strategies and objectives proposed by the Management are fully discussed and examined, and that they take into account the long-term interests of the shareholders and the Group's employees.

During FY2019, the Independent Directors had met without the presence of Management. Where necessary, the Independent Directors will communicate to discuss matters related to the Group, including the performance of the Management. Where appropriate, the Lead Independent Director will provide feedback to the Executive Chairman after such meetings.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

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 agenda for Board meetings and ensures that the said meetings are held as and when it is necessary and that the Directors 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. 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 contact through normal channels of 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.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

NC composition and key terms of reference

The Company has established the NC to make recommendations to the Board on all board appointments and re-appointments. The NC comprises Ms Gan Siew Lian, Mr Kuan Cheng Tuck and Mr Tan Poh Chye Allan, all of whom are considered independent. The chairman of the NC is Ms Gan Siew Lian. The chairman of the NC is not associated with any substantial shareholder of the Company.

The key terms of reference of the NC include:

(a) to make recommendations to the Board on all board appointments and re-appointments (including the appointment of alternate Directors, if any), and recommending to the Board re-nominations of existing Directors for re-election in accordance with the Company's Constitution, having regard to the Director's contribution and performance (for example, attendance record, preparedness, intensity of participation and candour at meetings) and taking into consideration the composition and progressive renewal of the Board;

(b) making recommendations to the Board on all relevant matters relating to the review of succession plans for the Directors, in particular, for the Executive Chairman and Chief Executive Officer and key management personnel;

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

(d) to determine annually, and as and when circumstances require, whether a Director is independent, bearing in mind the guidelines of the Code and the requirements under Rule 406(3)(d) of the Catalist Rules;

(e) in respect of a Director who has multiple board representations on various companies, to decide whether or not such Director is able to and has been adequately carrying out his duties as a Director of the Company, having regard to the competing time commitments that are faced when serving on multiple boards;

(f) to review training and professional development programs for the Board;

(g) to decide how the Board's performance is to be evaluated and propose an objective performance criteria, subject to the approval by the Board, which address how the Board has enhanced long term shareholders' value; and

(h) to assess the effectiveness of the Board as a whole and the contribution by the Executive 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 is interested.

The NC determines annually, and as and when circumstances require, whether a director is independent, taking into consideration the disclosures by the Directors of any relationships with the Company, its related corporations, its substantial shareholders or its officers and the checklist completed by each independent director to confirm his or her independence. Such checklist is drawn up based on the guidelines provided in the Code and the Catalist Rules. Having made its review, the NC is of the view that Mr Kuan Cheng Tuck, Mr Tan Poh Chye Allan and Ms Gan Siew Lian have satisfied the criteria for independence.

Directors' time commitments and multiple directorships

The Board notes that none of the Directors holds more than two directorships in 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. 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. Currently, the Company does not have alternate directors.

Process for selection and appointment of new directors

Where the need for a new Director arises, or where it is considered that the Board would benefit from the services of a new Director with particular skills or to replace a retiring Director, the NC will be responsible for nominating the new Director. The NC has put in place a formal process which increases the transparency in identifying and evaluating the nominees for directors. The NC leads the process and makes recommendations to the Board as follows:

(a) the NC will evaluate the candidates according to an objective criteria for the assessment which includes the candidate's prior experience as a director of a listed company, expertise to contribute to the Group and its businesses, integrity, ability to commit time and effort to carry out duties and responsibilities effectively and decision-making skills;

(b) the NC may procure the assistance of independent third parties such as search consultants to source for potential candidates, if needed, and Directors are also encouraged to propose candidates based on their personal contacts to the Board for consideration;

(c) the NC will evaluate the skills, knowledge and experience of the Board and determine the role and the desirable competencies for a particular appointment and 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; and

(d) the NC then makes recommendations to the Board for approval.

Process for re-appointment of directors

Article 117 of the Constitution provides that at each annual general meeting, one third 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 122 of the Constitution, 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 has recommended to the Board that Mr Kuan Cheng Tuck and Mr Tan Poh Chye Allan 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.

Mr Kuan Cheng Tuck will, upon re-election as a Director, remain as the Chairman of the Audit Committee. Mr Kuan Cheng Tuck is considered to be independent under Rule 406(3)(d) of the Catalist Rules and the Board considers him to be independent for the purpose of Rule 704(7) of the Catalist Rules. There are no relationships including family relationships between Mr Kuan Cheng Tuck and the other Directors, the Company and its related corporations, its substantial shareholders and its officers.

Mr Tan Poh Chye Allan will, upon re-election as a Director, remain as a member of the Audit Committee. Mr Tan Poh Chye Allan is considered to be independent under Rule 406(3)(d) of the Catalist Rules and the Board considers him to be independent for the purpose of Rule 704(7) of the Catalist Rules. There are no relationships including family relationships between Tan Poh Chye Allan and the other Directors, the Company and its related corporations, its substantial shareholders and its officers.

Key information regarding Directors

Key information regarding the Directors, including their shareholdings in the Company, is set out on pages 16 and 80 of this Annual Report.

Mr Choo Chee Kong, the Vice Chairman and Executive Director of the Company, holds an indirect interest of less than 3% in the issued share capital of CNMC Pulai Mining Sdn. Bhd. ("**Pulai Mining**"). Save as aforesaid, none of the Directors hold shares in the subsidiaries of the Company.

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	30 April 2019	None	None	None
Choo Chee Kong	20 September 2011	30 April 2019	None	None	None
Lim Kuoh Yang	11 August 2011	28 April 2018	None	None	None
Kuan Cheng Tuck	20 September 2011	28 April 2017	- Kori Holdings Limited	- China Star Food Group Limited - CW Group Holdings Limited (listed on HKEx) - Green Build Technology Limited	- KCT Consulting Pte. Ltd. (Director)
Tan Poh Chye Allan	20 September 2011	28 April 2017	- Nico Steel Holdings Limited	- Affinity Energy and Health Limited - Novita Healthcare Limited (listed on ASX) - XYEC Holdings Co., Ltd.	- Allan Tan Law Practice
Gan Siew Lian	1 July 2012	28 April 2018	None	None	- Change Management Student Administration Services, Nanyang Technological University (Deputy Director)

Board Performance

Principle 5: The Board undertakes a formal annual assessment of the effectiveness as a whole, and that of each of its board committees and individual directors.

The Board's performance is linked to the overall performance of the Group. The Board ensures that the Company is in compliance with the applicable laws, and members of our Board are required to act in good faith, with due diligence and care, and in the best interests of the Company and its shareholders.

The NC is responsible for assessing the effectiveness of the Board as a whole and the Board committees, and for assessing the contribution of the Chairman and each individual Director to the effectiveness of the Board. The NC has established a review process and proposed objective performance criteria set out in assessment checklists which are approved by the Board. The NC assesses the Board's effectiveness as a whole by completing a Board assessment checklist, which takes into consideration factors such as the Board's structure, conduct of meetings, risk management and internal control, and the Board's relationship with the Management. The NC also assesses the Board's performance based on a set of quantitative criteria and financial performance indicators as well as share price performance. The NC assesses the individual Directors' performance by completing an individual Director assessment checklist, which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings and the technical knowledge of the Directors.

In view of the size and composition of the Board, the Board deems it unnecessary for the NC to assess the effectiveness of each Board committee.

The performance criteria are not subject to changes from year to year. Nonetheless, where circumstances deem it necessary for any of the criteria to be changed, the Board will justify such changes.

The Board and the NC have endeavoured to ensure that Directors appointed to the Board possess the background, experience, business knowledge, finance and management skills critical to the Group's business. They have also ensured that each Director, with his special contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

No external facilitator was used in the evaluation process.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policy on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The RC makes recommendations to the Board on the framework of remuneration, and the specific remuneration packages for each Director.

The RC comprises Mr Tan Poh Chye Allan, Mr Kuan Cheng Tuck and Ms Gan Siew Lian, all of whom are Independent. The Chairman of the RC is Mr Tan Poh Chye Allan.

The key terms of reference of the RC include:

(a) to recommend to the Board a framework of remuneration for the Directors and key management personnel, and to determine specific remuneration packages for each executive Director and any key management personnel. The RC shall cover all aspects of remuneration, including but not limited to Director's fees, salaries, allowances, bonuses, options and benefits in kind. If necessary, the RC shall seek expert advice inside and/or outside the Company on remuneration of all Directors and/or key management personnel;

(b) to consider what compensation commitments the Directors' or key management personnel's contracts of service, if any, would entail in the event of early termination with a view to be fair and avoid rewarding poor performance as well as to review and recommend to the Board the terms of renewal of the service contracts, bearing in mind that they should not be excessively long or contain onerous removal clauses; and

(c) to administer any long-term incentive schemes including share schemes which may be implemented by the Company, and to consider whether any Director should be eligible for benefits under such 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 FY2019, no remuneration consultants were engaged.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

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 personnels' interests with those of the shareholders and promote the long-term success of the Company. 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 performances. 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 Company also ensures that the remuneration is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term. No Director is involved in any discussion relating to his own remuneration, terms and conditions of service, and the review of his performance.

The Executive Directors have each entered into a service agreement with the Company, under which terms of their employment are stipulated. There are no excessively long or onerous removal clauses in these service agreements. 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 six months' notice in writing, or in lieu of notice, payment of an amount equivalent to six 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.

The RC is of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Directors and key management personnel in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company.

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 in this Annual Report, the Independent Directors do not receive any remuneration from the Company.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

After reviewing the industry practice and analysing the advantages and disadvantages of disclosing the Directors' remuneration in dollar terms, the Company believes that such disclosure would be prejudicial to its business interest, given the highly competitive environment of the industry.

The breakdown of the remuneration of the Directors and key management personnel for FY2019 is set out as below:

Remuneration of Directors for FY2019

Remuneration Band and Name of Director	Base/Fixed Salary	Director's Fees	Bonus	Total
Between S$2,000,000 and S$2,250,000 per annum				
Professor Lin Xiang Xiong @ Lin Ye	35%	–	65%	100%
Between S$500,000 and S$750,000 per annum				
Lim Kuoh Yang	58%	–	42%	100%
Between S$250,000 and S$500,000 per annum				
Choo Chee Kong	78%	–	22%	100%
Below S$250,000 per annum				
Kuan Cheng Tuck	–	100%	–	100%
Tan Poh Chye Allan	–	100%	–	100%
Gan Siew Lian	–	100%	–	100%

Remuneration of key management personnel

Remuneration Band and Name of key management personnel	Base/Fixed Salary	Bonus	Total
Between S$250,000 and S$500,000 per annum			
Kan Wai Khen	56%	44%	100%
Cheam Chee Chian	69%	31%	100%
Lim Kwang Hui	55%	45%	100%
Below S$250,000 per annum			
Ang Kee Har	62%	38%	100%

Given the size of the Group's operations, the Company had identified four key management personnel as above. The annual aggregate remuneration paid to the four key management personnel of the Group (who are not directors or the CEO of the Company) in FY2019 was S$1,028,840.

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

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

Save as disclosed in this Annual Report, there were no other employees who were the immediate family members of any Director, the CEO or a substantial shareholder of the Company and whose remuneration exceeded S$100,000 in FY2019.

The Company does not have in place any share incentive schemes for FY2019.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard interests of the company and its shareholders.

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 and determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation.

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 oversees the Management in the design, implementation and monitoring of the risk management and internal control systems. The internal auditors has 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 control systems and procedures are monitored by the Management. The Board acknowledges that it is responsible for the overall internal control framework, but also recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage and mitigate rather than eliminate the risk of failure to achieve business objectives. As such, the internal control framework can only provide reasonable but not absolute assurance against material misstatement or loss, whether due to errors or frauds.

Apart from the above, the AC also commissions and reviews the findings of internal controls or any infringement of any laws, rules or regulations which has or is likely to have a material impact on the Group's operating results and/or financial position. The Board reviews the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls on an annual basis. In FY2019, RSM Risk Advisory Pte Ltd was engaged to conduct reviews of the material internal controls and to test if the controls were properly implemented.

The Board has received assurance from the CEO and the CFO (a) that the financial records have been properly maintained and the financial statements for the financial year ended 31 December 2019 give a true and fair view of the Group's operations and finances; and (b) regarding the adequacy and effectiveness of the Group's risk management and internal controls system.

Based on the assurance from the CEO and CFO referred to in the preceding paragraph, 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 satisfied with the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems as at 31 December 2019.

Audit Committee

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

The AC comprises Mr Kuan Cheng Tuck, Mr Tan Poh Chye Allan and Ms Gan Siew Lian, all of whom are Independent Directors. The chairman of the AC is Mr Kuan Cheng Tuck. No former partner or director of the Company's existing audit firm or auditing corporation is a member of the AC. The members of the AC have sufficient accounting or financial management expertise, as interpreted by the Board in its business judgment, to discharge the AC's functions.

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 in offering high standards of accountability to the shareholders. The AC will meet at least quarterly. The key terms of reference of the AC include:-

(a) reviewing the audit plans and scope of work of the external auditors and the internal auditors, including the results of the external and internal auditors' review and evaluation of the Group's system of internal controls, the management letters on the internal controls and the Management's response, and monitoring the implementation of the internal control recommendations made by the external and internal auditors;

(b) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls and risk management systems, prior to the incorporation of such results in the Company's annual report;

(c) reviewing the interim financial results and annual consolidated financial statements and the external auditors' report on the annual consolidated financial statements, and discussing any significant adjustments, major risk areas, changes in accounting policies and practices, significant financial reporting issues and judgements, compliance with the Singapore Financial Reporting Standards (International) as well as compliance with the Catalist Rules and other statutory or regulatory requirements, concerns and issues arising from their audits, including any matters which the auditors may wish to discuss in the absence of Management to ensure the integrity of the financial statements of the Group and any announcements relating to the Company's financial performance, where necessary, before submission to the Board for approval;

(d) making recommendations to the Board on the proposals to the shareholders with regard to the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

(e) reviewing the adequacy and effectiveness, scope and results of the external and internal audit and the independence and objectivity of the external and internal auditors, and where the external auditor also provides a substantial volume of non-audit services to the Company, keeping the nature and extent of such services under review, seeking to maintain objectivity;

(f) reviewing the internal controls and procedures and ensuring co-ordination between the external auditors and the Management, the assistance given by the Management to the external auditors and discussing problems and concerns, if any, arising from the interim and final audits;

(g) reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected 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;

(h) reviewing and approving interested person transactions and reviewing procedures thereof as well as potential conflicts of interest (if any);

(i) reviewing the policy and arrangements by which employees of the Group and any other persons may, in confidence, report to the Chairman of the AC, concerns about possible improprieties in financial reporting or other matters and ensuring that there are arrangements in place for such concerns to be safely raised and independently investigated, and for appropriate follow-up action to be taken; and

(j) reviewing the assurance from the Chief Executive Officer and the Chief Financial Officer on the financial records and financial statements.

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 key management personnel 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 on 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 FY2019, the AC met four times with the external auditors and once without the presence of Management. The AC also met twice with the internal auditors and once without the presence of Management. These meetings enable the auditors to raise issues encountered in the course of their work directly to the AC.

In FY2019, the AC, amongst other things, carried out the following:

(a) reviewed the quarterly, half-yearly and full year announcements, all 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 annual general meeting of the Company;

(e) reviewed the reports and findings from the internal auditors in respect of the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls; 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 abovementioned whistle blowing 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 on a notice board at 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 which can be found on the Company's website www.cnmc.com.hk/whistleblowing_policy.html.

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 whistle blowing 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 whistle blowing reports received in FY2019.

Internal Audit

The AC selects and approves the appointment of the internal auditors. In FY2019, the Company appointed RSM Risk Advisory Pte Ltd as its internal auditors to conduct reviews on material internal controls and to test if the controls are properly implemented. The internal auditors report 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 with 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 independent, 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 in FY2019.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Shareholder Rights

The Company supports the Code's principle to encourage communication with and participation by shareholders. Shareholders are informed of general meetings through notices published in the newspapers, through reports or circulars sent to all shareholders and via SGXNet. Shareholders are encouraged to attend the AGM to ensure a greater level of shareholder participation. The Constitution allows a shareholder of the Company to appoint up to two proxies to attend the AGM and vote in place of the shareholder, unless the shareholder is a relevant intermediary (as defined in Section 181 of the Companies Act). A relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder.

The Company will not implement absentia voting methods such as voting via mail, e-mail or facsimilie until security, integrity and other pertinent issues are satisfactorily resolved.

All resolutions are put to vote by poll and shareholders are entitled to vote in accordance with established voting rules and procedures. An announcement of the detailed results is made after the conclusion of the AGM. The Board notes that there should be separate resolutions at general meetings on each substantially separate issue and supports the Code's principles as regards "bundling" of resolutions. In the event that there are resolutions which are interlinked, the Board will provide reasons and material implications.

All Directors attend the general meetings of shareholders, and the external auditor will also be present to assist in addressing queries from shareholders relating to the conduct of audit and the preparation and content of the auditor's report. All Directors were present at the last AGM held on 30 April 2019.

Minutes of general meetings, including relevant substantial comments or queries from shareholders relating to the agenda of the meeting and responses from the Board or the Management, are available to shareholders upon their request. Notwithstanding that the Company does not publish minutes of general meetings on its corporate website, the Company is of the view that shareholders have the opportunity to understand the Group's performance, position and prospects as the Company makes these minutes available to shareholders upon request and upon authentication of the shareholder's identity.

Dividend Policy

To reward shareholders, the Company is proposing a final dividend of S$0.002 per share and a special dividend of S$0.004 per share for FY2019, to be approved by shareholders at the forthcoming annual general meeting. In November 2019, the Company declared an interim one-tier tax exempt dividend of S$0.002 per share which was paid in December 2019.

The Company's dividend policy is as follows:

(a) 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

(b) 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 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 above.

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.

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

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. It is the Company's policy to keep all shareholders informed of developments or changes that will have a material impact on the Company's share price, through announcements via SGXNet. Such announcements are communicated on an immediate basis, or as soon as possible where immediate disclosure is not practicable. Shareholders are provided with an update on the Group's performance, position and prospects through the Company's annual report and announcement of financial results.

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 financial results announcement 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 discloses all material information on a timely basis to all shareholders. Where there is inadvertent disclosure made to a select group, the Company will endeavour to make the same disclosure publicly to all others promptly. 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' views through its quarterly investors' dialogue sessions, pre-annual general meeting conference organised in collaboration with Securities Investors Association.

Shareholders are given the opportunity to pose questions to the Board or the Management at the general meetings. The members of the AC, NC and RC will be present at the AGM to answer questions relating to matters overseen by the respective committees.

To enhance and encourage communication with shareholders and investors, the Company provides the contact information of its investor relations consultants in its press releases. Shareholders and investors can send their enquiries through email or telephone.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company undertakes an annual review in identifying its material stakeholders.

The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. Such stakeholders include employees, contractors and suppliers, government and regulators, community, shareholders and investors. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders.

Please refer to the Company's latest sustainability report in this Annual Report for the assessment process and how such relationships with stakeholders are managed.

The Company also maintains a corporate website at www.cnmc.com.hk to communicate and engage with stakeholders.

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 one month prior to the announcement of the Company's full-year financial results and two 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. Following the recent amendments to the Catalist Rules, the Company has ceased the quarterly reporting of its financial statements. Thus, in FY2020, the "black-out" periods will be one month prior to the announcement of the Company's half-year and full-year financial results 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

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC, and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

During FY2019, the Group did not enter into any interested person transactions of S$100,000 and more. The Group does not have a general mandate pursuant to Rule 920 of the Catalist Rules for interested person transactions.

Material Contracts

Save for the service agreements between the Executive Directors and the Company, there were no material contracts of the Company and its subsidiaries involving the interests of any Director or controlling shareholders that are either still subsisting at the end of FY2019 or if not then subsisting, entered into since the end of the previous financial year.

Non-Sponsor Fees

No non-sponsor fees were paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2019.

Financial Report

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 2019.

In our opinion:

(a) the financial statements set out on pages 86 to 146 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 2019 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 (International); 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 @ Lin Ye
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 children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

	Holdings at beginning of the year		Holdings at end of the year	
Name of director and corporation in which interests are held	**Direct interest**	**Deemed interest**	**Direct interest**	**Deemed interest**
CNMC Goldmine Holdings Limited				
- ordinary shares				
Professor Lin Xiang Xiong @ Lin Ye	1,629,900	106,987,500	1,629,900	106,987,500
Choo Chee Kong	205,000	50,662,500	205,000	46,662,500
Lim Kuoh Yang	20,000	108,617,400	20,000	108,617,400
CNMC Pulai Mining Sdn. Bhd.				
- ordinary shares				
Choo Chee Kong	–	52,500	–	52,500

By virtue of Section 7 of the Act, Professor Lin Xiang Xiong @ Lin Ye and Lim Kuoh Yang are deemed to have interests in the other subsidiaries of CNMC Goldmine Holdings Limited 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 2020.

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 currently has no performance share plan. The Company's performance share plan, which was approved at an extraordinary general meeting of the shareholders of the Company on 14 October 2011 and amended on 27 April 2012, was terminated on 4 July 2018.

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 Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (the "Catalist Rules") and the Code of Corporate Governance 2018.

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 Catalist Rules).

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 Catalist Rules.

DIRECTORS' STATEMENT

Auditors

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

On behalf of the Board of Directors

Professor Lin Xiang Xiong @ Lin Ye
Director

Choo Chee Kong
Director

30 March 2020

Report on the audit of the financial statements

Opinion

We have audited the financial statements of CNMC Goldmine Holdings Limited ('the Company') and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2019, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 86 to 146.

In our opinion, the accompanying 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 Companies Act, Chapter 50 ('the Act') and Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><td colspan="2">Valuation of exploration and evaluation ("E&E") assets of US$9,200,562
(2018: US$9,843,698) (Note 4) and mine properties of US$16,660,862
(2018: US$14,071,703) (Note 5).</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>Management is required to assess whether there are facts and circumstances indicating that they should test the E&E assets and mine properties for impairment.

This involves significant judgement in the review of impairment indicators. If impairment indicators are identified, impairment tests will involve the use of estimates and assumptions.</td><td>We reviewed the Group's assessment of whether there was any indication that the E&E assets and mine properties may be impaired.

For E&E assets, we checked the relevant licenses to determine whether the Group has the rights to conduct exploration activities. We also checked that the Group has the intention and financial ability to carry out exploration activities in the relevant exploration areas.

The Group has engaged external specialists to provide an estimate of the reserves and resources at Sokor. We assessed the objectivity and competency of the external specialists and considered whether the latest estimate provided in April 2019 was indicative of impairment.</td></tr>
<tr><td colspan="2"><u>Our findings</u>

The judgement applied by management in determining whether there was any indication of impairment on E&E assets and mine properties was appropriate.

The external specialists belong to the Australasian Institute of Mining and Metallurgy and their report issued in April 2019 did not indicate triggers of impairment.</td></tr>
</table>

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report except for the Operations review, Qualified person's report and Statistics of Shareholding ('the Reports') which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors 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 Act and SFRS(I)s, 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit 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 Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

The engagement partner on the audit resulting in this independent auditors' report is Lim Pang Yew, Victor.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
30 March 2020

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2019

	Note	Group		Company	
		2019	2018	2019	2018
		US$	US$	US$	US$
Assets					
Exploration and evaluation assets	4	9,200,562	9,843,698	–	–
Mine properties	5	16,660,862	14,071,703	–	–
Property, plant and equipment	6	17,286,058	13,030,161	187,968	135,748
Interests in subsidiaries	7	–	–	11,450,263	11,450,251
Deferred tax assets	8	249,968	–	–	–
Mine rehabilitation fund	9	672,302	672,302	–	–
Non-current assets		44,069,752	37,617,864	11,638,231	11,585,999
Inventories	10	1,870,128	2,008,247	–	–
Current tax assets		–	–	8,883	–
Trade and other receivables	11	1,507,980	2,972,381	12,811,262	11,428,791
Cash and cash equivalents	12	16,016,461	17,910,184	175,166	167,479
Current assets		19,394,569	22,890,812	12,995,311	11,596,270
Total assets		63,464,321	60,508,676	24,633,542	23,182,269
Equity					
Share capital	13	18,032,233	18,032,233	18,032,233	18,032,233
Preference shares	13	2,800	2,800	–	–
Reserves	15	3,141,500	3,148,287	(13,860)	(13,860)
Retained earnings/(Accumulated losses)		23,595,320	20,442,393	(292,414)	(1,983,437)
Equity attributable to owners of the Company		44,771,853	41,625,713	17,725,959	16,034,936
Non-controlling interests	16	7,380,123	7,106,887	–	–
Total equity		52,151,976	48,732,600	17,725,959	16,034,936
Liabilities					
Loans and borrowings	17	776,185	722,937	8,390	–
Derivative financial instrument	18	27,516	27,222	–	–
Deferred tax liabilities	8	–	202,089	–	–
Rehabilitation obligations	19	2,047,695	1,681,476	–	–
Non-current liabilities		2,851,396	2,633,724	8,390	–
Loans and borrowings	17	186,215	61,135	105,406	–
Trade and other payables	20	6,750,528	7,189,033	6,793,787	7,147,333
Dividends payable		534,482	1,052,957	–	–
Current tax liabilities		989,724	839,227	–	–
Current liabilities		8,460,949	9,142,352	6,899,193	7,147,333
Total liabilities		11,312,345	11,776,076	6,907,583	7,147,333
Total equity and liabilities		63,464,321	60,508,676	24,633,542	23,182,269

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2019

	Note	2019 US$	2018 US$
Revenue	21	39,098,825	39,547,621
Other income	22	256,909	824,302
Changes in inventories		(137,839)	210,650
Amortisation and depreciation	23	(4,693,186)	(5,037,246)
Employee benefits expenses		(4,380,053)	(4,530,629)
Key management remuneration		(3,192,260)	(3,341,632)
Marketing and publicity expenses		(449,385)	(623,413)
Office and administration expenses		(365,094)	(286,699)
Professional fees		(575,949)	(856,134)
Rental and other lease expenses		(1,911,323)	(1,785,562)
Royalty and tribute fee expenses		(4,923,821)	(5,146,631)
Site and factory expenses		(11,946,794)	(12,064,650)
Travelling and transportation expenses		(365,304)	(360,140)
Listing expenses		–	(1,986,197)
Other expenses	24	(6,922)	(430,839)
Total expenses		(32,947,930)	(36,239,122)
Finance income	25	556,136	550,532
Finance costs	25	(89,605)	(90,243)
Net finance income		466,531	460,289
Profit before tax		6,874,335	4,593,090
Tax expense	26	(1,401,885)	(1,581,974)
Profit for the year	27	5,472,450	3,011,116
Profit attributable to:			
Owners of the Company		4,440,330	1,681,210
Non-controlling interests	16	1,032,120	1,329,906
Profit for the year		5,472,450	3,011,116
Earnings per share			
Basic and diluted (cents)	28	1.09	0.41

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2019

	2019 US$	2018 US$
Profit for the year	5,472,450	3,011,116
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Exchange differences arising on consolidation of foreign subsidiaries	(5,332)	22,398
Other comprehensive income for the year, net of tax	(5,332)	22,398
Total comprehensive income for the year	5,467,118	3,033,514
Total comprehensive income attributable to:		
Owners of the Company	4,433,543	1,679,062
Non-controlling interests	1,033,575	1,354,452
Total comprehensive income for the year	5,467,118	3,033,514

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2019

Group	Note	Share capital US$	Treasury shares US$	Preference 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 2018		18,032,233	(200,845)	2,800	3,125,752	(21,508)	19,504,023	40,442,455	6,754,793	47,197,248
Total comprehensive income for the year										
Profit for the year		–	–	–	–	–	1,681,210	1,681,210	1,329,906	3,011,116
Other comprehensive income										
Exchange differences arising on consolidation of foreign subsidiaries		–	–	–	–	(2,148)	–	(2,148)	24,546	22,398
Total other comprehensive income		–	–	–	–	(2,148)	–	(2,148)	24,546	22,398
Total comprehensive income for the year		–	–	–	–	(2,148)	1,681,210	1,679,062	1,354,452	3,033,514
Transactions with owners, recognised directly in equity										
Distributions to owners										
Final dividends declared for year ended 31 December 2017	29	–	–	–	–	–	(617,974)	(617,974)	–	(617,974)
Dividends paid to non-controlling interests	29	–	–	–	–	–	–	–	(982,899)	(982,899)
Preference shares dividends declared by subsidiary for year ended 31 December 2018	29	–	–	–	–	–	(124,866)	(124,866)	(29,289)	(154,155)
Purchase of treasury shares	14	–	(360,535)	–	–	–	–	(360,535)	–	(360,535)
Treasury shares reissued pursuant to performance share plan	14	–	561,380	–	(13,860)	–	–	547,520	–	547,520
Striking off of subsidiaries		–	–	–	–	60,051	–	60,051	9,830	69,881
Total distributions to owners		–	200,845	–	(13,860)	60,051	(742,840)	(495,804)	(1,002,358)	(1,498,162)
Total transactions with owners		–	200,845	–	(13,860)	60,051	(742,840)	(495,804)	(1,002,358)	(1,498,162)
At 31 December 2018		18,032,233	–	2,800	3,111,892	36,395	20,442,393	41,625,713	7,106,887	48,732,600

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

Year ended 31 December 2019

Group	Note	Share capital US$	Treasury shares US$	Preference 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 2019		18,032,233	–	2,800	3,111,892	36,395	20,442,393	41,625,713	7,106,887	48,732,600
Total comprehensive income for the year										
Profit for the year		–	–	–	–	–	4,440,330	4,440,330	1,032,120	5,472,450
Other comprehensive income										
Exchange differences arising on consolidation of foreign subsidiaries		–	–	–	–	(6,787)	–	(6,787)	1,455	(5,332)
Total other comprehensive income		–	–	–	–	(6,787)	–	(6,787)	1,455	(5,332)
Total comprehensive income for the year		–	–	–	–	(6,787)	4,440,330	4,433,543	1,033,575	5,467,118
Transactions with owners, recognised directly in equity										
Distributions to owners										
Final dividends declared for year ended 31 December 2018	29	–	–	–	–	–	(598,901)	(598,901)	–	(598,901)
First interim dividends declared for year ended 31 December 2019		–	–	–	–	–	(598,575)	(598,575)	–	(598,575)
Dividends paid to non-controlling interests	29	–	–	–	–	–	–	–	(739,257)	(739,257)
Preference shares dividends declared by subsidiary for year ended 31 December 2019	29	–	–	–	–	–	(89,927)	(89,927)	(21,094)	(111,021)
Total distributions to owners		–	–	–	–	–	(1,287,403)	(1,287,403)	(760,351)	(2,047,754)
Changes in ownership interests in subsidiaries										
Acquisition of subsidiary with non-controlling interests		–	–	–	–	–	–	–	12	12
Total changes in ownership interests in subsidiaries		–	–	–	–	–	–	–	12	12
Total transactions with owners		–	–	–	–	–	(1,287,403)	(1,287,403)	(760,339)	(2,047,742)
At 31 December 2019		18,032,233	–	2,800	3,111,892	29,608	23,595,320	44,771,853	7,380,123	52,151,976

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2019

	Note	2019 US$	2018 US$
Cash flows from operating activities			
Profit for the year		5,472,450	3,011,116
Adjustments for:			
Amortisation of mine properties	23	1,380,106	1,921,441
Depreciation of property, plant and equipment	23	3,313,080	3,115,805
Gain on disposal of property, plant and equipment		(6,647)	(135,026)
Interest expense	25	89,605	90,243
Interest income	25	(556,136)	(550,532)
Plant and equipment written off		–	117,927
Unrealised (gain)/loss on foreign exchange		(79,123)	232,875
Tax expenses		1,401,885	1,581,974
Equity-settled share-based payment transactions		–	547,520
Striking off of subsidiaries		–	69,881
Reversal of tax penalty estimate		–	(428,501)
Change in fair value of derivative financial instrument		–	(127,860)
		11,015,220	9,446,863
Changes in:			
- Inventories		138,119	(995,118)
- Trade and other receivables		1,462,290	(1,574,685)
- Rehabilitation obligations, and trade and other payables		(1,697,789)	(66,438)
Cash generated from operations		10,917,840	6,810,622
Interest received		556,136	550,532
Interest paid		(89,605)	(90,243)
Tax refund		320,320	–
Tax paid		(2,195,622)	(851,409)
Net cash generated from operating activities		9,509,069	6,419,502
Cash flows from investing activities			
Payment for exploration and evaluation assets, and mine properties		(1,993,675)	(1,533,703)
Proceeds from sales of property, plant and equipment		6,647	135,026
Purchase of property, plant and equipment		(6,778,025)	(5,071,105)
Net cash used in investing activities		(8,765,053)	(6,469,782)
Cash flows from financing activities			
Purchase of treasury shares		–	(360,535)
Dividends paid to equity holders of the Company		(1,197,476)	(617,974)
Dividends paid to preference shares holder and non-controlling interests		(1,401,755)	(374,680)
Payment of lease liabilities (2018: payment of finance lease liabilities)		(187,054)	(57,552)
Net cash used in financing activities		(2,786,285)	(1,410,741)
Net decrease in cash and cash equivalents		(2,042,269)	(1,461,021)
Cash and cash equivalents at 1 January		17,910,184	19,491,957
Effect of exchange rate fluctuations on cash held		148,546	(120,752)
Cash and cash equivalents at 31 December	12	16,016,461	17,910,184

During the year ended 31 December 2019, the Group acquired property, plant and equipment with an aggregate cost of US$7,459,450 (2018: US$5,828,163) of which US$113,339 (2018: US$185,081) were acquired by means of lease arrangements. As at 31 December 2019, a total consideration of US$568,086 (2018: US$571,977) was yet to be paid to third parties.

The Group also acquired exploration and evaluation assets and mine properties with an aggregate cost of US$3,283,491 (2018: US$2,929,021). As at 31 December 2019, a total consideration of US$1,289,816 (2018: US$1,395,318) was 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 30 March 2020.

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 2019 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.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (SFRS(I)).

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 SFRS(I) 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 amounts 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 SFRS(I), 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 the following notes:

- Note 18 – Derivative financial instrument
- Note 34 – Financial instruments

2 Basis of preparation (cont'd)

2.5 Changes in accounting policies

New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2019:

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to SFRS(I) 1-28)
- *Prepayment Features with Negative Compensation* (Amendments to SFRS(I) 9)
- *Previously Held Interest in a Joint Operation* (Amendments to SFRS(I) 3 and 11)
- *Income Tax Consequences of Payments on Financial Instruments Classified as Equity* (Amendments to SFRS(I) 1-12)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to SFRS(I) 1-23)
- *Plan Amendment, Curtailment or Settlement* (Amendments to SFRS(I) 1-19)

Other than SFRS(I) 16, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

SFRS(I) 16 *Leases*

The Group applied SFRS(I) 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported, under SFRS(I) 1-17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in SFRS(I) 16 have not generally been applied to comparative information.

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in SFRS(I) 16.

On transition to SFRS(I) 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied SFRS(I) 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under SFRS(I) 1-17 and SFRS(I) INT 4 were not reassessed for whether there is a lease under SFRS(I) 16. Therefore, the definition of a lease under SFRS(I) 16 was applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee

As a lessee, the Group leases many assets including offices and office equipment. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under SFRS(I) 16, the Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of offices, the Group has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

2 Basis of preparation (cont'd)

2.5 Changes in accounting policies (cont'd)

Leases classified as operating leases under SFRS(I) 1-17

Previously, the Group classified property leases as operating leases under SFRS(I) 1-17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the respective lessee entities' incremental borrowing rates applicable to the leases as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Group used a number of practical expedients when applying SFRS(I) 16 to leases previously classified as operating leases under SFRS(I) 1-17. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. other equipment);
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

Leases classified as finance leases under SFRS(I) 1-17

The Group leases a number of items of motor vehicles. These leases were classified as finance leases under SFRS(I) 1-17. For these finance leases, the carrying amount of the right-of-use asset and the lease liability at 1 January 2019 were determined at the carrying amount of the lease asset and lease liability under SFRS(I) 1-17 immediately before that date.

Impact on financial statements

Impact on transition*

On transition to SFRS(I) 16, the Group and the Company recognised additional right-of-use assets, including offices and office equipment, and additional lease liabilities. The impact on transition is summarised below.

	Group	Company
	1 January 2019	
	US$	US$
Right-of-use assets – property, plant and equipment	241,412	203,724
Lease liabilities	(241,412)	(203,724)

* For the impact of SFRS(I) 16 on profit or loss for the period, see note 31. For the impact of SFRS(I) 16 on segment information, see note 30. For the details of accounting policies under SFRS(I) 16 and SFRS(I) 1-17, see note 3.6.

2 Basis of preparation (cont'd)

2.5 Changes in accounting policies (cont'd)

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The borrowing rates applied are between 3% and 11%.

	Group	Company
	1 January 2019	
	US$	US$
Operating lease commitments at 31 December 2018 as disclosed under SFRS(I) 1-17 in the Group's consolidated financial statements	252,398	208,414
Discounted using the incremental borrowing rate at 1 January 2019	241,912	202,040
Finance lease liabilities recognised as at 31 December 2018	188,454	–
- Recognition exemption for leases of low-value assets	(2,184)	–
- Recognition for other additional lease	1,684	1,684
Lease liabilities recognised at 1 January 2019	429,866	203,724

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

Acquisitions from 1 January 2017

For acquisitions from 1 January 2017, 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 SFRS(I)s.

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(i) Business combinations (cont'd)

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, 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.

(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) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) 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 date are translated 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 translated 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 translation are generally recognised in profit or loss.

3 Significant accounting policies (cont'd)

3.2 Foreign currency (cont'd)

(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 to occur 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) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3 Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

3 Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised loans and borrowings, trade and other payables, and dividends payable.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

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

3 Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

(vi) Hybrid financial instruments

Hybrid financial instruments issued by the Group comprise a convertible loan denominated in Malaysian Ringgit that can be converted to ordinary shares in a subsidiary at the option of the holder, where the number of shares to be issued is variable.

The liability component of a hybrid financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The derivative component is recognised initially at the difference between the fair value of the hybrid financial instrument as a whole and the fair value of the liability component.

Subsequent to initial recognition, the liability component of a hybrid financial instrument is measured at amortised cost using the effective interest method. The derivative component is initially measured at fair value; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised immediately to profit or loss.

(vii) 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.

Preference share capital

Non-redeemable preference shares are classified as equity, because they bear discretionary dividends, do not contain any obligations to deliver cash or other financial assets and do not require settlement in a variable number of the Group's equity instruments. Discretionary dividends thereon are recognised as equity distributions on approval by the Group's shareholders.

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 and are presented in the reserve for own share account. 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 Significant accounting policies (cont'd)

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, accumulated amortisation 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;
- when the Group has an obligation to remove the asset or restore the site, an estimate of 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 (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) 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 and resources 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 run-of-mine 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.

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.

3 Significant accounting policies (cont'd)

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

(iii) Amortisation/Depreciation (cont'd)

The estimated useful lives for the current and comparative years are as follows:

- mining rights 4 to 17 years
- producing mines Based on the rate of depletion of reserves and resources

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 as an expense 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, unless it is included in the carrying amount of another asset. 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 are as follows:

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

Depreciation methods, useful lives and residual values are reviewed at the end of 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 reserves and resources 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 Leases

The Group has applied SFRS(I) 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under SFRS(I) 1-17 and SFRS(I) INT 4. The details of accounting policies under SFRS(I) 1-17 and SFRS(I) INT 4 are disclosed separately.

Policy applicable from 1 January 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SFRS(I) 16.

This policy is applied to contracts entered into, on or after 1 January 2019.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise fixed payments.

The lease liability is measured at amortised cost using the effective interest method.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including other equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3 Significant accounting policies (cont'd)

3.6 Leases (cont'd)

Leases – Policy applicable before 1 January 2019

For contracts entered into before 1 January 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
  - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

As a lessee

In the comparative period, as a lessee the Group classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

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 estimated cost necessary to make the sale.

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 Significant accounting policies (cont'd)

3.8 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised costs.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

3 Significant accounting policies (cont'd)

3.8 Impairment (cont'd)

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

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(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 Significant accounting policies (cont'd)

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 transactions

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.

3.10 Rehabilitation obligations

The Group records the costs of legal obligations required to restore operating locations. 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

Goods and services sold

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the POs if it relates specifically to those POs.

3 Significant accounting policies (cont'd)

3.11 Revenue (cont'd)

Goods and services sold (cont'd)

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO.

3.12 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income; and
- interest expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

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. The amount of current tax payable or receivables is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

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.

Deferred tax assets are recognised for unused tax losses, unused 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 used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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 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 and share options granted to employees.

3 Significant accounting policies (cont'd)

3.15 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.

3.16 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements.

- *Amendments to References to Conceptual Framework in SFRS(I) Standards*
- *Definition of a Business* (Amendments to SFRS(I) 3)
- *Definition of Material* (Amendments to SFRS(I) 1-1 and SFRS(I) 1-8)
- SFRS(I) 17 *Insurance Contracts*

4 Exploration and evaluation assets

	Note	Group 2019 US$	Group 2018 US$
At 1 January		9,843,698	8,929,713
Expenditure incurred during the year		1,270,203	985,200
Expenditure transferred to mine properties	5	(1,955,977)	–
Effect of movement in exchange rate		42,638	(71,215)
At 31 December		9,200,562	9,843,698

During the financial year, the Group reclassified the exploration and evaluation assets to mine properties when the technical feasibility commercial viability of extracting the resource are demonstrable and sanctioned by management.

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 license 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

	Note	Mining rights US$	Producing mines US$	Total US$
Group				
Cost				
At 1 January 2018		6,675,600	14,447,946	21,123,546
Additions		387,838	1,555,983	1,943,821
At 31 December 2018		7,063,438	16,003,929	23,067,367
Additions		113,952	1,899,336	2,013,288
Expenditure transferred from exploration and evaluation assets	4	–	1,955,977	1,955,977
At 31 December 2019		7,177,390	19,859,242	27,036,632
Accumulated amortisation				
At 1 January 2018		1,068,485	6,005,738	7,074,223
Amortisation charge for the year		366,564	1,554,877	1,921,441
At 31 December 2018		1,435,049	7,560,615	8,995,664
Amortisation charge for the year		366,565	1,013,541	1,380,106
At 31 December 2019		1,801,614	8,574,156	10,375,770
Carrying amounts				
At 1 January 2018		5,607,115	8,442,208	14,049,323
At 31 December 2018		5,628,389	8,443,314	14,071,703
At 31 December 2019		5,375,776	11,285,086	16,660,862

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 up to 31 December 2034.

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 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.

Amortisation

The carrying amount of the mining rights 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 and resources of the mine concerned.

Management reviews and revises the estimates of the recoverable reserves and resources 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.

Change in estimates

In 2019, the Group began production from resources, which resulted in changes to the remaining useful life of producing mines. Producing mines, which were amortised over the economically recoverable reserves, are now amortised over the economically recoverable reserves and resources of the mine concerned, based on units-of-production basis. As a result, the effect of these changes on actual amortisation expense, included in 'amortisation and depreciation' was a decrease of US$712,975. The effect in subsequent financial years is not disclosed because estimating it is impracticable.

6 Property, plant and equipment

Group	Buildings US$	Plant and equipment US$	Fixtures and fittings US$	Motor vehicles US$	Construction work in progress US$	Total US$
Cost						
At 1 January 2018	8,931,757	11,389,883	255,409	1,679,472	254,983	22,511,504
Additions	228,998	1,006,807	10,025	424,288	4,158,045	5,828,163
Disposals/Written off	(253,048)	(101,640)	–	(181,251)	–	(535,939)
Reclassification	2,660,067	550,224	–	–	(3,210,291)	–
Effect of movement in exchange rate	–	615	(1,343)	(2,821)	(96)	(3,645)
At 31 December 2018	11,567,774	12,845,889	264,091	1,919,688	1,202,641	27,800,083
At 1 January 2019	11,567,774	12,845,889	264,091	1,919,688	1,202,641	27,800,083
Recognition of right-of-use asset on initial application of SFRS(I) 16	239,728	1,684	–	–	–	241,412
Additions	25,488	634,416	–	129,917	6,669,629	7,459,450
Disposals/Written off	–	(1,684)	–	(18,487)	–	(20,171)
Reclassification	777,850	218,059	–	56,621	(1,052,530)	–
Effect of movement in exchange rate	216	1,127	625	1,311	–	3,279
At 31 December 2019	12,611,056	13,699,491	264,716	2,089,050	6,819,740	35,484,053
Accumulated depreciation						
At 1 January 2018	4,172,516	5,932,846	248,918	1,652,362	–	12,006,642
Depreciation charge for the year	1,387,043	1,690,816	10,172	96,633	–	3,184,664
Disposals/Written off	(135,121)	(101,640)	–	(181,251)	–	(418,012)
Effect of movement in exchange rate	(36)	906	(1,383)	(2,859)	–	(3,372)
At 31 December 2018	5,424,402	7,522,928	257,707	1,564,885	–	14,769,922
Depreciation charge for the year	1,645,448	1,616,197	3,407	180,181	–	3,445,233
Disposals/Written off	–	(1,684)	–	(18,487)	–	(20,171)
Effect of movement in exchange rate	78	1,000	623	1,310	–	3,011
At 31 December 2019	7,069,928	9,138,441	261,737	1,727,889	–	18,197,995
Carrying amounts						
At 1 January 2018	4,759,241	5,457,037	6,491	27,110	254,983	10,504,862
At 31 December 2018	6,143,372	5,322,961	6,384	354,803	1,202,641	13,030,161
At 31 December 2019	5,541,128	4,561,050	2,979	361,161	6,819,740	17,286,058

6 Property, plant and equipment (cont'd)

The depreciation for the year is analysed as follows:

	Note	Group 2019 US$	Group 2018 US$
Depreciation for the year		3,445,233	3,184,664
Depreciation included in construction work in progress, and exploration and evaluation assets		(132,153)	(68,859)
Depreciation charged to profit or loss	23	3,313,080	3,115,805

	Buildings US$	Plant and equipment US$	Fixtures and fittings US$	Motor vehicles US$	Total US$
Company					
Cost					
At 1 January 2018	–	25,788	172,077	155,316	353,181
Additions	–	5,951	1,590	173,712	181,253
Disposals/Written off	–	–	–	(155,316)	(155,316)
At 31 December 2018	–	31,739	173,667	173,712	379,118
At 1 January 2019	–	31,739	173,667	173,712	379,118
Recognition of right-of-use asset on initial application of SFRS(I) 16	202,040	1,684	–	–	203,724
Additions	–	15,562	–	–	15,562
Disposals/Written off	–	(1,684)	–	–	(1,684)
At 31 December 2019	202,040	47,301	173,667	173,712	596,720
Accumulated depreciation					
At 1 January 2018	–	18,246	169,780	155,316	343,342
Depreciation charge for the year	–	4,705	2,386	48,253	55,344
Disposals/Written off	–	–	–	(155,316)	(155,316)
At 31 December 2018	–	22,951	172,166	48,253	243,370
Depreciation charge for the year	101,020	7,613	529	57,904	167,066
Disposals/Written off	–	(1,684)	–	–	(1,684)
At 31 December 2019	101,020	28,880	172,695	106,157	408,752
Carrying amounts					
At 1 January 2018	–	7,542	2,297	–	9,839
At 31 December 2018	–	8,788	1,501	125,459	135,748
At 31 December 2019	101,020	18,421	972	67,555	187,968

As at 31 December 2019, property, plant and equipment of the Group and the Company includes right-of-use assets of US$132,392 and US$110,811 (2018: US$Nil and US$Nil) respectively related to leased offices and office equipment.

Leased motor vehicles (classified as finance lease under SFRS(I) 1-17)

The Group leases motor vehicles under a number of finance leases which secure lease obligations. At 31 December 2019, the carrying amount of leased motor vehicles was US$223,147 (2018: US$196,707).

7 Interests in subsidiaries

	Company	
	2019	2018
	US$	US$
Equity investments at cost	12,238,979	12,238,967
Allowance for impairment	(788,716)	(788,716)
	11,450,263	11,450,251

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

	Company	
	2019	2018
	US$	US$
At 1 January	788,716	188,716
Impairment loss recognised	–	600,000
At 31 December	788,716	788,716

The following are the Company's subsidiaries:

Company name	Principal activities	Principal place of business/ Country of incorporation	Effective equity held by the Group	
			2019	2018
			%	%
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] CNMC Management Services Sdn. Bhd. (formerly known as MCS Tin Holdings Sdn. Bhd.) ("CNMC MS")	Non-mining related service provider	Malaysia	100	100
[2] CNMC Mineral Exploration Sdn. Bhd. ("CNMC ME")	Mineral exploration and drilling service provider	Malaysia	100	100
[2] CNMC Pulai Mining Sdn. Bhd. ("CNMC Pulai")	Exploration and mining of gold deposits	Malaysia	51	51
[2] Kelgold Mining Sdn. Bhd. ("Kelgold")	Exploration and mining of gold deposits	Malaysia	100	100
[2] CNMC Mining Sdn. Bhd. ("CNMC Mining")	Underground mining service provider	Malaysia	51	–

7 Interests in subsidiaries (cont'd)

Company name	Principal activities	Principal place of business/ Country of incorporation	Effective equity held by the Group 2019 %	2018 %
Held by CNMC Pulai				
[2] Sumberjaya Land & Mining Sdn. Bhd. ("SLM")	Exploration and mining of iron ore deposits	Malaysia	36	36

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

2 Audited by another member firm of KPMG International.

Acquisition of subsidiary

On 27 June 2019, the Group had subscribed for 51 ordinary shares for a total cash consideration of MYR51 in a newly incorporated Malaysian company, CNMC Mining Sdn. Bhd. Pursuant to the investment, CNMC Mining became a 51%-owned subsidiary of the Company.

No disclosure is made on the recognised amounts of assets and liabilities assumed at the acquisition date as they are not material to the Group.

8 Deferred tax assets/(liabilities)

Recognised deferred tax assets/(liabilities)

Deferred tax assets/(liabilities) are attributable to the following:

	Group 2019 US$	2018 US$
Property, plant and equipment and mine properties	(80,126)	(490,544)
Rehabilitation obligations	330,094	288,455
	249,968	(202,089)

Movement in temporary differences during the year

	At 1 January 2018 US$	Recognised in profit or loss (note 26) US$	At 31 December 2018 US$	Recognised in profit or loss (note 26) US$	At 31 December 2019 US$
Group					
Property, plant and equipment and mine properties	(505,564)	15,020	(490,544)	410,418	(80,126)
Rehabilitation obligations	–	288,455	288,455	41,639	330,094
Deferred tax assets/(liabilities)	(505,564)	303,475	(202,089)	452,057	249,968

8 Deferred tax assets/(liabilities) (cont'd)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

	Group	
	2019	2018
	US$	US$
Unutilised tax losses	4,740,805	4,151,478
Unabsorbed capital allowances	264,515	221,754
	5,005,320	4,373,232

The unutilised tax losses is subject to Malaysian Income Tax Act of which the tax losses can be carried forward up to 7 years. This is effective from the year of assessment 2018. Unabsorbed capital allowances do not expire under current tax legislation. The tax losses and unabsorbed capital allowances 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.

9 Mine rehabilitation fund

This relates to monies contributed to a Mine Rehabilitation Fund (administered by the relevant government authority) for approved rehabilitation activities pursuant to the Kelantan Mineral Enactment 2001, Malaysia. Upon completion of such rehabilitation activities, any unused sum in the Fund will be refundable to the Group.

10 Inventories

	Group	
	2019	2018
	US$	US$
Work in progress/Stockpile	1,009,455	917,068
Consumables	860,673	1,091,179
	1,870,128	2,008,247

In 2019, work in progress, stockpile and consumables recognised as an expense in profit or loss amounted to US$21,651,335 (2018: US$20,998,056).

11 Trade and other receivables

	Group		Company	
	2019	2018	2019	2018
	US$	US$	US$	US$
Trade receivables	236,631	1,329,256	–	–
Amounts due from subsidiaries				
- trade	–	–	6,990,486	4,052,128
- non-trade	–	–	5,777,279	7,329,984
Other receivables	1,138,356	1,511,160	6,283	13,065
Deposits	114,250	109,848	18,471	18,247
	1,489,237	2,950,264	12,792,519	11,413,424
Prepayments	18,743	22,117	18,743	15,367
	1,507,980	2,972,381	12,811,262	11,428,791

11 Trade and other receivables (cont'd)

The outstanding trade receivables are not past due as at 31 December 2019. 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. The weighted-average interest rate is 3.89% (2018: 8.0%) per annum.

The Group and the Company's exposure to credit and currency risks are disclosed in note 34.

12 Cash and cash equivalents

	Group		Company	
	2019 US$	2018 US$	2019 US$	2018 US$
Cash at banks and in hand	3,669,813	2,025,622	175,166	167,479
Fixed deposits	12,346,648	15,884,562	–	–
Cash and cash equivalents in the statements of financial position/statements of cash flows	16,016,461	17,910,184	175,166	167,479

Fixed deposits have stated interest rates of 3.3% to 3.8% (2018: 3.9% to 4.4%) per annum.

13 Share capital

	Group and Company	
	2019 Number of shares	2018 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.

13 Share capital (cont'd)

Performance shares (cont'd)

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.

In 2018, 2,782,500 shares were granted under the PSP to employees of the Group. No shares were granted under the PSP to controlling shareholders or their associates. Five participants received shares which in aggregate represented 5% or more of the total number of shares available under the PSP.

Pursuant to a directors' resolution in writing dated 4 July 2018, the PSP was terminated on that date. The Company currently has no performance share plan.

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 2018 and 2019.

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

Non-redeemable preference shares

Pursuant to the shareholders' agreement dated 20 January 2017, a subsidiary of the Company, CMNM Mining Group Sdn. Bhd. ("CMNM Mining"), issued 15,000 preference shares to the Kelantan State Economic Development Corporation ("KSEDC"), a non-controlling shareholder, for an aggregate subscription price of approximately US$2,800 as part of a list of conditions for its mining lease extension up to 31 December 2034 (the "Preference Shares Issuance"). The preference shares are classified as equity as they are non-redeemable and dividend payments are discretionary.

14 Treasury shares

	Group and Company			
	2019		2018	
	No. of shares	US$	No. of shares	US$
At 1 January	–	–	(1,037,900)	(200,845)
Purchase of treasury shares	–	–	(1,744,600)	(360,535)
Treasury shares reissued under the Performance Share Plan	–	–	2,782,500	561,380
At 31 December	–	–	–	–

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

In 2018, 2,782,500 treasury shares with a carrying value of US$561,380 were reissued under the PSP (note 13). A deficit of US$13,860 which resulted from the re-issuance was recognised in capital reserve (note 15).

15 Reserves

	Group		Company	
	2019 US$	2018 US$	2019 US$	2018 US$
Capital reserve	3,111,892	3,111,892	(13,680)	(13,860)
Translation reserve	29,608	36,395	–	–
	3,141,500	3,148,287	(13,680)	(13,860)

Capital reserve

Pursuant to the share swap agreement dated 14 October 2011, the Company had 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 and the amount of paid up capital of CNMC HK at the date of acquisition, and the difference between the fair value of the preference shares for the Preference Shares Issuance as described in note 13 and the aggregate subscription price of preference shares at the date of issuance, and the deficit which resulted from the re-issuance of treasury shares under the Performance Share Plan as described in note 14.

The capital reserve as presented in the Company's financial statements represents the deficit which resulted from the re-issuance of treasury shares under the Performance Share Plan as described in note 14.

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.

16 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 NCI	
			2019 %	2018 %
CMNM Mining Group Sdn. Bhd.	Malaysia	Gold mining	19	19

16 Non-controlling interests (cont'd)

The following summarises the financial information of CMNM Mining, based on its financial statements prepared in accordance with SFRS(I).

	CMNM Mining	Other individually immaterial subsidiaries	Intra-group elimination	Total
	US$	US$	US$	US$
Group				
31 December 2019				
Revenue	39,098,825			
Profit and total comprehensive income for the year	6,277,503			
Attributable to NCI:				
- Profit for the year	1,192,726	(160,606)	–	1,032,120
- Other comprehensive income for the year	–	1,455	–	1,455
- Total comprehensive income for the year	1,192,726	(159,151)	–	1,033,575
Non-current assets	36,767,582			
Current assets	17,943,663			
Non-current liabilities	(2,211,845)			
Current liabilities	(15,093,357)			
Net assets	37,406,043			
Net assets attributable to NCI	7,273,278	106,845	–	7,380,123
Cash flows generated from operating activities	10,942,293			
Cash flows used in investing activities	(8,695,175)			
Cash flows used in financing activities (dividends to NCI: US$1,308,858)	(5,581,272)			
Net decrease in cash and cash equivalents	(3,334,154)			

16 Non-controlling interests (cont'd)

	CMNM Mining US$	Other individually immaterial subsidiaries US$	Intra-group elimination US$	Total US$
Group				
31 December 2018				
Revenue	39,618,218			
Profit and total comprehensive income for the year	6,386,639			
Attributable to NCI:				
- Profit for the year	1,213,461	119,133	(2,688)	1,329,906
- Other comprehensive income for the year	–	24,546	–	24,546
- Total comprehensive income for the year	1,213,461	143,679	(2,688)	1,354,452
Non-current assets	30,638,614			
Current assets	24,213,418			
Non-current liabilities	(2,010,884)			
Current liabilities	(18,019,587)			
Net assets	34,821,561			
Net assets attributable to NCI	6,782,226	324,661	–	7,106,887
Cash flows generated from operating activities	6,415,874			
Cash flows used in investing activities	(5,848,645)			
Cash flows used in financing activities (dividends to NCI: US$365,873)	(1,988,426)			
Net decrease in cash and cash equivalents	(1,421,197)			

17 Loans and borrowings

	Group		Company	
	2019 US$	2018 US$	2019 US$	2018 US$
Non-current				
Lease liabilities	174,139	–	8,390	–
Finance lease liabilities	–	127,319	–	–
Convertible loan	602,046	595,618	–	–
	776,185	722,937	8,390	–
Current				
Lease liabilities	186,215	–	105,406	–
Finance lease liabilities	–	61,135	–	–
	186,215	61,135	105,406	–
Total loans and borrowings	962,400	784,072	113,796	–

17 Loans and borrowings (cont'd)

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 2019					
Lease liabilities	Ringgit Malaysia ("RM")	2.3% to 3.1%	2021 to 2024	267,257	246,558
Lease liabilities	Singapore Dollars ("SGD")	3.0% to 11.0%	2020 to 2024	118,386	113,796
Convertible loan	RM	5.00%	2022	602,046	602,046
				987,689	962,400
At 31 December 2018					
Finance lease liabilities	RM	2.4% to 3.0%	2019 to 2023	204,649	188,454
Convertible loan	RM	5.00%	2022	595,618	595,618
				800,267	784,072
Company					
At 31 December 2019					
Lease liabilities	SGD	3.0% to 11.0%	2020 to 2024	118,386	113,796

Finance lease liabilities

Finance lease liabilities are repayable as follows:

	Future minimum lease payments US$	Interest US$	Principal US$
At 31 December 2018			
Within 1 year	68,213	7,078	61,135
After 1 year but within 5 years	136,436	9,117	127,319
	204,649	16,195	188,454

Convertible loan

	Group	
	2019 US$	2018 US$
Carrying amount of liability at 1 January	595,618	609,464
Effect of movement in exchange rate	6,428	(13,846)
Carrying amount of liability at 31 December	602,046	595,618

On 24 February 2017, the Group, through its subsidiary CNMC Pulai Mining Sdn. Bhd. ("CNMC Pulai"), issued a convertible loan which is unsecured and bears interest of 5.0% per annum with a principal amount of RM3,100,000 (US$609,464).

17 Loans and borrowings (cont'd)

Convertible loan (cont'd)

The main terms of the convertible loan are as follows:

(a) The aggregate principal amount is RM10,000,000 of which CNMC Pulai can further draw down RM6,900,000 of the convertible loan to be issued by the Company before 23 February 2022 (the "Maturity Date").

(b) The aggregate principal amount issued is convertible into ordinary shares of CNMC Pulai at the option of the lenders at a conversion price of 50% of independent valuation of the ordinary shares performed by an approved accounting firm, subject to a minimum valuation of RM130,000,000 and a maximum valuation of RM200,000,000 on the Maturity Date.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities				Equity			
	Finance lease liabilities	Convertible loan	Derivative financial instrument	Dividends payable	Treasury shares	Retained earnings	Non-controlling interests	Total
	US$	US$	US$	US$	US$	US$	US$	US$
Balance at 1 January 2018	63,740	609,464	154,686	437,538	(200,845)	19,504,023	6,754,793	27,323,399
Changes from financing cash flows								
Purchase of treasury shares	–	–	–	–	(360,535)	–	–	(360,535)
Dividends paid to equity holders of the Company	–	–	–	–	–	(617,974)	–	(617,974)
Dividends paid to non-controlling interests	–	–	–	(374,680)	–	–	–	(374,680)
Payment of finance lease liabilities	(57,552)	–	–	–	–	–	–	(57,552)
Total changes from financing cash flows	(57,552)	–	–	(374,680)	(360,535)	(617,974)	–	(1,410,741)
The effect of changes in foreign exchange rates	(2,815)	(13,846)	396	8,807	–	–	24,546	17,088
Change in fair value	–	–	(127,860)	–	–	–	–	(127,860)
Other changes								
Liability-related								
Dividend payable	–	–	–	981,292	–	–	–	981,292
New finance leases	185,081	–	–	–	–	–	–	185,081
Total liability-related other changes	185,081	–	–	981,292	–	–	–	1,166,373
Total equity-related other changes	–	–	–	–	561,380	1,556,344	327,548	2,445,272
Balance at 31 December 2018	188,454	595,618	27,222	1,052,957	–	20,442,393	7,106,887	29,413,531

17 Loans and borrowings (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

	Liabilities				Equity		
	Lease liabilities	Convertible loan	Derivative financial instrument	Dividends payable	Retained earnings	Non-controlling interests	Total
	US$	US$	US$	US$	US$	US$	US$
Balance at 1 January 2019*	429,866	595,618	27,222	1,052,957	20,442,393	7,106,887	29,654,943
Changes from financing cash flows							
Dividends paid to equity holders of the Company	–	–	–	–	(1,197,476)	–	(1,197,476)
Dividends paid to preference shares holder and non-controlling interests	–	–	–	(1,401,755)	–	–	(1,401,755)
Payment of lease liabilities	(187,054)	–	–	–	–	–	(187,054)
Total changes from financing cash flows	(187,054)	–	–	(1,401,755)	(1,197,476)	–	(2,786,285)
The effect of changes in foreign exchange rates	4,203	6,428	294	1,434	–	1,455	13,814
Other changes							
Liability-related							
Dividend payable	–	–	–	881,846	–	–	881,846
New leases	113,339	–	–	–	–	–	113,339
Total liability-related other changes	113,339	–	–	881,846	–	–	995,185
Total equity-related other changes	–	–	–	–	4,350,403	271,781	4,622,184
Balance at 31 December 2019	360,354	602,046	27,516	534,482	23,595,320	7,380,123	32,499,841

* The balance at 1 January 2019 includes the effect of initially applying SFRS(I) 16 (see note 2.5)

18 Derivative financial instrument

	Group	
	2019	2018
	US$	US$
At 1 January	27,222	154,686
Change in fair value	–	(127,860)
Effect of movement in exchange rate	294	396
At 31 December	27,516	27,222

In 2018, the fair value of the derivative financial instrument decreased by US$127,860 due to a reduction in the equity value of the subsidiary which issued the convertible loan.

The Group's derivative financial instrument did not qualify for hedge accounting.

19 Rehabilitation obligations

	Group	
	2019	2018
	US$	US$
Rehabilitation obligations	2,047,695	1,681,476

The rehabilitation obligations represent the present value of rehabilitation costs relating to the mine site and was 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.

20 Trade and other payables

	Group		Company	
	2019	2018	2019	2018
	US$	US$	US$	US$
Trade payables	742,298	973,191	9,153	40,597
Other payables	1,132	41,759	–	–
Amount due to a subsidiary (non-trade)	–	–	5,703,900	5,699,994
Amounts due to contractors	1,396,315	1,103,506	–	–
Accrued operating expenses	3,337,561	3,909,028	204,428	594,830
Remuneration and fees payable to key management	1,273,222	1,161,549	876,306	811,912
	6,750,528	7,189,033	6,793,787	7,147,333

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 34.

21 Revenue

	Group	
	2019	2018
	US$	US$
Revenue from contracts with customers	39,098,825	39,547,621

21 Revenue (cont'd)

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms and the related revenue recognition policies:

Nature of goods or services	Revenue is principally relates to sales of gold dorè bars to a customer.
When revenue is recognised	Revenue is recognised when goods are passed to the customer and all criteria for acceptance have been satisfied.
Significant payment terms	Payments of the determined gold bars value will be made by the customer progressively. The final payment will be made after the value is determined by the internationally independent assay company approved by both parties, within five business days from the issuance of an assay report.

22 Other income

	Group	
	2019	**2018**
	US$	**US$**
Gain on disposal on property, plant and equipment	6,647	135,026
Net foreign exchange gain	151,092	–
Reversal of tax penalty estimate	–	428,501
Change in fair value of derivative financial instrument	–	127,860
Others	99,170	132,915
	256,909	824,302

23 Amortisation and depreciation

		Group	
	Note	**2019**	**2018**
		US$	**US$**
Amortisation of mine properties	5	1,380,106	1,921,441
Depreciation of property, plant and equipment	6	3,313,080	3,115,805
		4,693,186	5,037,246

24 Other expenses

	Group	
	2019	**2018**
	US$	**US$**
Net foreign exchange loss on striking off of subsidiaries	–	69,881
Net foreign exchange loss - others	–	237,409
Plant and equipment written off	–	117,927
Others	6,922	5,622
	6,922	430,839

25 Finance income and costs

	Group	
	2019	2018
	US$	US$
Finance income		
Interest income on cash and cash equivalents	556,136	550,532
Finance costs		
Interest expenses on lease liabilities	(15,061)	(4,478)
Interest expenses on convertible loan	(74,544)	(85,765)
	(89,605)	(90,243)
Net finance income recognised in profit or loss	466,531	460,289

26 Tax expense

		Group	
	Note	2019	2018
		US$	US$
Current tax expense			
Current year		2,551,322	1,906,954
Adjustment for prior years		(697,380)	(21,505)
		1,853,942	1,885,449
Deferred tax expense			
Origination and reversal of temporary differences		(481,797)	(314,420)
Adjustment for prior years		29,740	10,945
	8	(452,057)	(303,475)
Total tax expense		1,401,885	1,581,974

26 Tax expense (cont'd)

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	
	2019	2018
	US$	US$
Reconciliation of effective tax rate		
Profit for the year	5,472,450	3,011,116
Total tax expense	1,401,885	1,581,974
Profit excluding tax	6,874,335	4,593,090
Tax using Malaysian tax rate of 24% (2018: 24%)	1,649,840	1,102,342
Effect of tax rates in foreign jurisdictions	58,398	218,904
Pioneer Status Incentive	–	(923,045)
Tax exempt income	(16,966)	–
Non-deductible expenses	143,251	193,430
(Over)/under provision in respect of prior years:		
- current tax expense	(697,380)	(21,505)
- deferred tax expense	29,740	10,945
Withholding tax	151,624	322,531
Current year losses for which no deferred tax asset is recognised	151,701	509,086
Others	(68,323)	169,286
	1,401,885	1,581,974

In 2014, CMNM Mining Group Sdn. Bhd. obtained the Pioneer Status Incentive ("PSI") 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 beginning 1 July 2013. The PSI expired on 30 June 2018.

As at 31 December 2019, the current tax payable and net deferred tax assets/(liabilities) are US$989,724 (2018: US$839,227) and US$249,968 (2018: (US$202,089)) respectively.

27 Profit for the year

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

	Group	
	2019	2018
	US$	US$
Audit fees paid/payable to:		
- auditors of the Company	82,643	176,517
- other auditors	47,626	40,117
Professional fees relating to dual listing exercise paid/payable to:		
- auditors of the Company	–	176,962
- other auditors	–	279,839
Non-audit fees paid/payable to:		
- auditors of the Company	4,743	8,173
- other auditors	27,605	31,046

27 Profit for the year (cont'd)

	Group	
	2019	2018
	US$	US$
Employee benefits expense		
Contributions to defined contribution plans	385,491	342,272
Equity-settled share-based payment transactions	–	486,511

28 Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 31 December 2019 was based on the profit attributable to ordinary shareholders of US$4,440,330 (2018: US$1,681,210) and a weighted-average number of ordinary shares outstanding of 407,693,000 (2018: 406,843,216).

The Group's weighted-average number of ordinary shares is calculated as follows:

	Group	
	2019	2018
	No. of shares	No. of shares
Issued number of ordinary shares	407,693,000	407,693,000
Effect of own shares held	–	(849,784)
Weighted-average number of ordinary shares during the year	407,693,000	406,843,216

Diluted earnings per share

There were no dilutive potential ordinary shares in existence for the financial years ended 31 December 2019 and 2018.

29 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	
	2019	2018
	US$	US$
Paid by the Company to owners of the Company		
Dividends on ordinary shares:		
- Final dividends for the year ended 2018: S$0.00200 (equivalent to US$0.00147) (2018: S$0.00200 (equivalent to US$0.00153)) per ordinary share	598,901	617,974
- First interim dividends for the year ended 2019: S$0.00200 (equivalent to US$0.00147) (2018: S$Nil (equivalent to US$Nil)) per ordinary share	598,575	–
	1,197,476	617,974

29 Dividends (cont'd)

For the year ended 31 December	Group	
	2019	2018
	US$	US$
Payable by subsidiaries to non-controlling interests		
Dividends on ordinary shares:		
- Interim dividends for the year ended 2019: RM5,030.00 (equivalent to US$1,201.4419) (2018: RM42.00 (equivalent to US$10.0380)) per ordinary share	739,257	982,899
Dividends on preference shares:		
- Preference dividends for the year ended 2019: RM31.00 (equivalent to US$7.4014) (2018: RM42.00 (equivalent to US$10.0380)) per preference share	21,094	29,289
	760,351	1,012,188

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	
	2019	2018
	US$	US$
Payable by the Company to owners of the Company		
- Final dividends for the year ended 2019: S$0.00200 (equivalent to US$0.001483) (2018: S$0.00200 (equivalent to US$0.001465)) per ordinary share	604,437	597,090
- Special dividends for the year ended 2019: S$0.00400 (equivalent to US$0.002965) (2018: S$Nil (equivalent to US$Nil)) per ordinary share	1,208,875	–
	1,813,312	597,090

30 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.

30 Operating segments (cont'd)

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 2019				
Total revenue from external customers	39,098,825	–	–	39,098,825
Interest income	537,536	86,134	(67,534)	556,136
Management fee	1,592,159	3,350,031	(4,942,190)	–
Interest expense	(152,898)	(5,024)	68,317	(89,605)
Amortisation and depreciation	(4,526,122)	(167,064)	–	(4,693,186)
Reportable segment profit before tax	7,973,229	2,457,066	(3,555,960)	6,874,335
Reportable segment assets	61,273,833	39,100,420	(37,159,900)	63,214,353
Capital expenditure*	11,081,955	15,561	(354,575)	10,742,941
Reportable segment liabilities	(24,474,125)	(15,065,293)	28,227,073	(11,312,345)
31 December 2018				
Total revenue from external customers	39,547,621	–	–	39,547,621
Interest income	621,123	340,332	(410,923)	550,532
Management fee	1,773,544	3,557,599	(5,331,143)	–
Interest expense	(501,166)	–	410,923	(90,243)
Amortisation and depreciation	(4,981,903)	(55,343)	–	(5,037,246)
Reportable segment profit before tax	7,350,978	821,857	(3,579,745)	4,593,090
Reportable segment assets	60,365,565	34,657,090	(34,513,979)	60,508,676
Capital expenditure*	8,620,464	181,252	(43,836)	8,757,880
Reportable segment liabilities	(25,116,563)	(12,392,555)	25,935,131	(11,573,987)

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

30 Operating segments (cont'd)

Reconciliation of reportable segment assets and liabilities

	Group	
	2019	2018
	US$	US$
Assets		
Total assets for reportable segments	63,214,353	60,508,676
Unallocated assets	249,968	–
Consolidated total assets	63,464,321	60,508,676
Liabilities		
Total liabilities for reportable segments	(11,312,345)	(11,573,987)
Unallocated liabilities	–	(202,089)
Consolidated total liabilities	(11,312,345)	(11,776,076)

** The Group initially applied SFRS(I) 16 at 1 January 2019, which requires the recognition of right-of-use assets and lease liabilities for lease contracts that were previously classified as operating leases (see note 2.5). As a result, the Group recognised US$241,412 of right-of-use assets and US$241,412 of liabilities from those lease contracts. The assets and liabilities are included in the reportable segment assets and liabilities for the year ended 31 December 2019.

Geographical segments

The operations of the Group are principally located in Malaysia.

Major customer

There is one (2018: one) major customer which accounts for 100% (2018: 100%) of the Group's revenue.

31 Leases

The Group leases offices and office equipment. The leases typically run for a period of two to five years, with no option to renew the lease after that date. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

The office leases were entered into a few years ago as combined leases of land and buildings. Previously, these leases were classified as operating leases under SFRS(I) 1-17.

The Group leases motor vehicles under a number of leases, which were classified as finance leases under SFRS(I) 1-17.

The Group leases motor vehicles and other equipment with no fixed contract terms. These leases are short-term and/or leases of low value items. The Group has elected not to recognise of right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

31 Leases (cont'd)

Right-of-use assets

Right-of-use assets related to leased offices and office equipment are presented as property, plant and equipment (see note 6).

	Offices 2019 US$	Office equipment 2019 US$	Total 2019 US$
Group			
Balance at 1 January	239,728	1,684	241,412
Depreciation charge for the year	(117,221)	(2,022)	(119,243)
Additions to right-of-use assets	–	10,129	10,129
Effect of movement in exchange rate	94	–	94
Balance at 31 December	122,601	9,791	132,392
Company			
Balance at 1 January	202,040	1,684	203,724
Depreciation charge for the year	(101,020)	(2,022)	(103,042)
Additions to right-of-use assets	–	10,129	10,129
Balance at 31 December	101,020	9,791	110,811

Amounts recognised in profit or loss

	2019 US$
2019 – Leases under SFRS(I) 16	
Interest on lease liabilities	15,061
Expenses relating to short-term leases	1,911,323
2018 – Operating leases under SFRS(I) 1-17	
Lease expense	1,785,562

Amounts recognised in statement of cash flows

	2019 US$
Total cash outflow for leases	(187,054)

32 Commitments

Capital commitments

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

	Group	
	2019 US$	2018 US$
Property, plant and equipment	602,504	2,187,483
Exploration and evaluation assets, and mine properties	540,000	–

33 Related parties

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	
	2019 US$	2018 US$
Short-term employee benefits	2,960,207	2,849,475
Post-employment benefits	91,480	81,666
Share-based payments	–	277,811
Directors' fees	140,573	132,680
	3,192,260	3,341,632

Included in key management personnel compensation is remuneration of certain directors of the Company amounting to US$2,473,213 (2018: US$2,348,654). Director's remuneration includes salaries, bonuses, fees and other emoluments.

During the year, an amount of US$Nil (2018: US$277,811) was paid to certain key management personnel under the Performance Share Plan (note 13).

34 Financial instruments

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 which is an external service provider. 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.

34 Financial instruments (cont'd)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

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.

The trade receivables of the Group arises from 1 debtor (2018: 1 debtor) that represents 100% (2018: 100%) of trade receivables.

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

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

A summary of the exposure to credit risk for trade receivables is as follows:

	Group			
	2019		2018	
	Not credit-impaired	Credit-impaired	Not credit-impaired	Credit-impaired
	US$	US$	US$	US$
Customer with four or more years' trading history with the Group	236,631	–	1,329,256	–
Total gross carrying amount	236,631	–	1,329,256	–
Loss allowance	–	–	–	–
	236,631	–	1,329,256	–

	Company			
	2019		2018	
	Not credit-impaired	Credit-impaired	Not credit-impaired	Credit-impaired
	US$	US$	US$	US$
Subsidiaries	6,990,486	–	4,052,128	–
Total gross carrying amount	6,990,486	–	4,052,128	–
Loss allowance	–	–	–	–
	6,990,486	–	4,052,128	–

Expected credit loss assessment for the individual customer

The Group uses an allowance matrix to measure the ECLs of trade receivable from its individual customer, which comprise of a single balance.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off and are based on actual credit loss experience over the past three years, adjusted by the Group's view of economic conditions over the expected lives of the receivables.

34 Financial instruments (cont'd)

Expected credit loss assessment for the individual customer (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables for customer as at 31 December:

	Group			
	Weighted average loss rate	Gross carrying amount US$	Impairment loss allowance US$	Credit impaired
2019				
Current (not past due)	0%	236,631	–	No
2018				
Current (not past due)	0%	1,329,256	–	No

	Company			
	Weighted average loss rate	Gross carrying amount US$	Impairment loss allowance US$	Credit impaired
2019				
Current (not past due)	0%	312,615	–	No
1 – 30 days past due	0%	200,796	–	No
31 – 60 days past due	0%	271,911	–	No
61 – 90 days past due	0%	298,671	–	No
More than 90 days past due	0%	5,906,493	–	No
		6,990,486	–	
2018				
Current (not past due)	0%	584,616	–	No
1 – 30 days past due	0%	216,047	–	No
31 – 60 days past due	0%	169,721	–	No
61 – 90 days past due	0%	213,024	–	No
More than 90 days past due	0%	2,868,720	–	No
		4,052,128	–	

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. 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 both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

34 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 2019					
Non-derivative financial liabilities					
Loans and borrowings	962,400	(1,234,850)	(236,157)	(998,693)	–
Trade and other payables	6,750,528	(6,750,528)	(6,750,528)	–	–
Dividends payable	534,482	(534,482)	(534,482)	–	–
	8,247,410	(8,519,860)	(7,521,167)	(998,693)	–
At 31 December 2018					
Non-derivative financial liabilities					
Loans and borrowings	784,072	(1,082,128)	(105,553)	(976,575)	–
Trade and other payables	7,189,033	(7,189,033)	(7,189,033)	–	–
Dividends payable	1,052,957	(1,052,957)	(1,052,957)	–	–
	9,026,062	(9,324,118)	(8,347,543)	(976,575)	–
Company					
At 31 December 2019					
Non-derivative financial liability					
Loans and borrowings	113,796	(118,386)	(108,156)	(10,230)	–
Trade and other payables	6,793,787	(6,793,787)	(6,793,787)	–	–
	6,907,583	(6,912,173)	(6,901,943)	(10,230)	–
At 31 December 2018					
Non-derivative financial liability					
Trade and other payables	7,147,333	(7,147,333)	(7,147,333)	–	–

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.

34 Financial instruments (cont'd)

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 and Singapore where the operating expenses are primarily incurred in USD, Singapore Dollars ("SGD"), Hong Kong Dollars ("HKD") 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 USD 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.

Exposure to currency risk

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

	SGD US$	HKD US$	MYR US$
Group			
At 31 December 2019			
Loans and receivables	24,754	–	1,176,093
Cash and cash equivalents	230,458	–	15,766,226
Loans and borrowings	(113,796)	–	(848,604)
Trade and other payables	(1,083,117)	(11,614)	(3,865,134)
Net financial (liabilities)/assets	(941,701)	(11,614)	12,228,581
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	–	–	(414,220)
Net currency exposure	(941,701)	(11,614)	11,814,361
Sensitivity analysis	94,170	1,161	(1,181,436)
At 31 December 2018			
Loans and receivables	31,312	–	2,325,426
Cash and cash equivalents	228,697	–	17,657,209
Loans and borrowings	–	–	(784,072)
Trade and other payables	(1,215,916)	(259,310)	(4,041,619)
Net financial (liabilities)/assets	(955,907)	(259,310)	15,156,944
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	–	–	(666,827)
Net currency exposure	(955,907)	(259,310)	14,490,117
Sensitivity analysis	95,591	25,931	(1,449,012)

34 Financial instruments (cont'd)

Exposure to currency risk (cont'd)

	SGD US$	HKD US$	MYR US$
Company			
At 31 December 2019			
Loans and receivables	970,947	–	4,965,828
Cash and cash equivalents	172,015	–	–
Loans and borrowings	(113,796)	–	–
Trade and other payables	(6,360,577)	(7,704)	(3,896)
Net financial assets	(5,331,411)	(7,704)	4,961,932
Less: Net financial assets denominated in the respective entities' functional currencies	–	–	–
Net currency exposure	(5,331,411)	(7,704)	4,961,932
Sensitivity analysis	533,141	770	(496,193)
At 31 December 2018			
Loans and receivables	3,419,954	–	4,233,495
Cash and cash equivalents	164,328	–	–
Trade and other payables	(6,312,052)	(255,400)	(158,271)
Net financial assets	(2,727,770)	(255,400)	4,075,224
Less: Net financial assets denominated in the respective entities' functional currencies	–	–	–
Net currency exposure	(2,727,770)	(255,400)	4,075,224
Sensitivity analysis	272,777	25,540	(407,522)

A 10% strengthening of USD against the SGD, HKD and MYR at the respective reporting dates would increase/(decrease) profit before tax 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, HKD 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, trade and other payables and dividends payable) are assumed to approximate their fair values because of the short period to maturity.

34 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	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		US$	US$	US$	US$	US$	US$	US$
Group								
At 31 December 2019								
Financial assets not measured at fair value								
Trade and other receivables*	11	1,489,237	–	1,489,237				
Cash and cash equivalents	12	16,016,461	–	16,016,461				
		17,505,698	–	17,505,698				
Financial liabilities measured at fair value								
Derivative financial instrument	18	–	(27,516)	(27,516)	–	–	(27,516)	(27,516)
Financial liabilities not measured at fair value								
Convertible loan	17	–	(602,046)	(602,046)	–	(466,363)	–	(466,363)
Lease liabilities	17	–	(360,354)	(360,354)	–	(385,643)	–	(385,643)
Trade and other payables	20	–	(6,750,528)	(6,750,528)				
Dividends payable		–	(534,482)	(534,482)				
		–	(8,247,410)	(8,247,410)				
At 31 December 2018								
Financial assets not measured at fair value								
Trade and other receivables*	11	2,950,264	–	2,950,264				
Cash and cash equivalents	12	17,910,184	–	17,910,184				
		20,860,448	–	20,860,448				
Financial liabilities measured at fair value								
Derivative financial instrument	18	–	(27,222)	(27,222)	–	–	(27,222)	(27,222)
Financial liabilities not measured at fair value								
Convertible loan	17	–	(595,618)	(595,618)	–	(449,619)	–	(449,619)
Finance lease liabilities	17	–	(188,454)	(188,454)	–	(204,649)	–	(204,649)
Trade and other payables	20	–	(7,189,033)	(7,189,033)				
Dividends payable		–	(1,052,957)	(1,052,957)				
		–	(9,026,062)	(9,026,062)				

34 Financial instruments (cont'd)

Accounting classifications and fair values (cont'd)

	Note	Carrying amount			Fair value			
		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 2019								
Financial assets not measured at fair value								
Trade and other receivables*	11	12,792,519	–	12,792,519				
Cash and cash equivalents	12	175,166	–	175,166				
		12,967,685	–	12,967,685				
Financial liability not measured at fair value								
Trade and other payables	20	–	(6,793,787)	(6,793,787)				
Lease liabilities	17	–	(113,796)	(113,796)				
		–	(6,907,583)	(6,907,583)				
At 31 December 2018								
Financial assets not measured at fair value								
Trade and other receivables*	11	11,413,424	–	11,413,424				
Cash and cash equivalents	12	167,479	–	167,479				
		11,580,903	–	11,580,903				
Financial liability not measured at fair value								
Trade and other payables	20	–	(7,147,333)	(7,147,333)				

* Excluded prepaid expenses of US$18,743 (2018: US$22,117) and US$18,743 (2018: US$15,367) for the Group and the Company respectively.

Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

34 Financial instruments (cont'd)

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Group			
Derivative financial instrument	*Discounted cash flows:* The valuation model considers the cost of acquisition at the acquisition date of the subsidiary adjusted for the changes in net assets from the acquisition date to the balance sheet date and the present value of expected payment upon maturity date, discounted using a risk-adjusted discount rate.	• Risk-adjusted discount rate at 7.01% (2018: 7.30%).	The estimated fair value would increase (decrease) if the risk-adjusted discount rate was lower (higher).

Financial instruments not measured at fair value

Type	Valuation technique
Group	
Convertible loan and lease liabilities	Discounted cash flows: The valuation model considers the present value of expected payment upon maturity date, discounted using a risk-adjusted discount rate.

Sensitivity analysis

For the fair value of derivative financial instrument, reasonably possible change at the reporting date to the unobservable input, holding other inputs constant, would have the following effects.

Derivative financial instrument

	Group	
	Profit or loss	
	Increase	Decrease
	US$	US$
At 31 December 2019		
Derivative financial instrument		
Risk-adjusted discount rate (1% movement)	483	(483)
At 31 December 2018		
Derivative financial instrument		
Risk-adjusted discount rate (1% movement)	1,988	(1,740)

35 Subsequent events

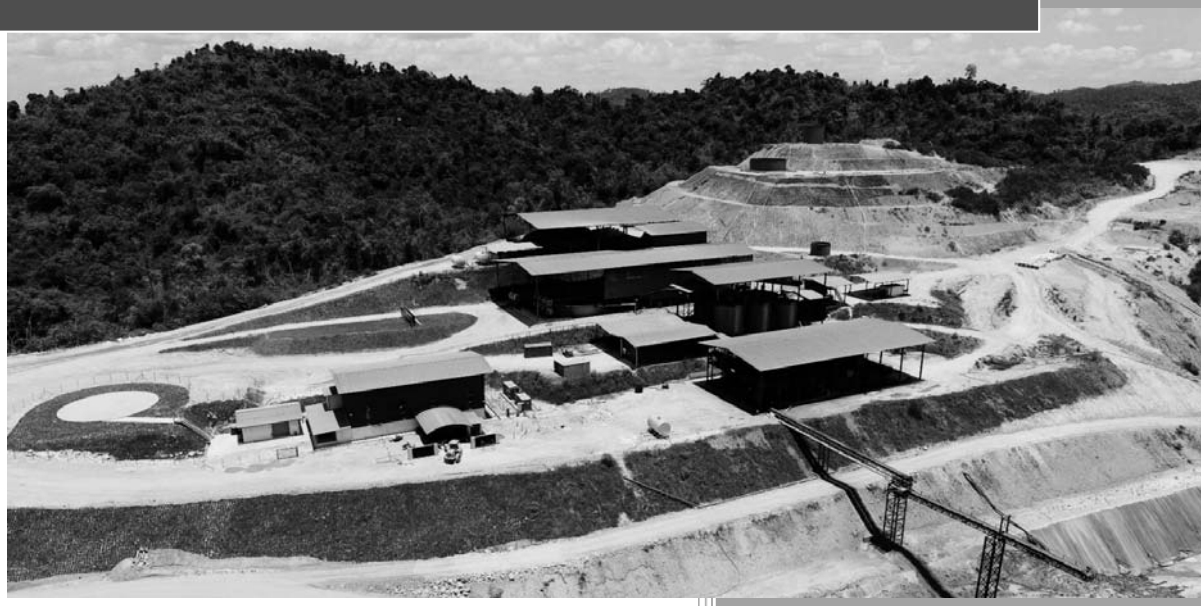
On 31 January 2020, the Group announced that the Company's underground mining operations in Malaysia are affected by the novel coronavirus ("COVID-19") outbreak. Nevertheless, the Company's open-pit mining, heap leaching, vat leaching and carbon-in-leach operations at Sokor gold field are proceeding as normal as almost all of its crew members are local Malaysians.

On 16 March 2020, the federal government of Malaysia initiated the Movement Control Order ("MCO") and requires all businesses, government departments and private premises (excluding those providing essential services) to close for two weeks from 18 March 2020 to 31 March 2020 as part of its effort to contain the outbreak. The Company has since stopped all the mining activities in Kelantan.

On 25 March 2020, the government of Malaysia further announced that MCO would be extended to 14 April 2020 to contain the worsening spread of COVID-19.

The emergence of COVID-19 has brought about some uncertainties to the Group's operating environment and may impact the Group's operations and its financial position subsequent to the financial year end. The Group will continuously assess the situation, work closely with the local authorities in Malaysia to support their efforts in containing the spread of COVID-19, and put in place appropriate measures to minimise any adverse impact to the Group's business. As the situation is still evolving, the full effect of the outbreak that might have upon the Group's operations is presently unascertainable.

CNMC Goldmine Holdings Limited Independent Qualified Persons' Report as at 31 December 2019



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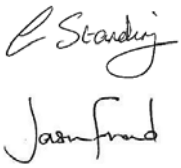
Principal Authors:	Christine Standing *BSc (Hons) (Geology), MSc (Min Econs), MAusIMM, MAIG* Jason Froud *BSc Hons, Grad Dip (Fin Mkts), MAusIMM, MAIG* Stephen O'Grady *BEng, MAusIMM*	Signature:	
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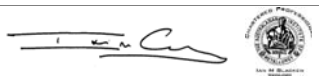
Principal Reviewer:	Ian Glacken *BSc (Hons) (Geology), MSc (Geology), MSc (Geostatistics), DIC, FAusIMM (CP), FAIG, MIMMM, CEng*	Signature:	
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1 April 2020 Our Ref: J_2438

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Dear Sirs

INDEPENDENT QUALIFIED PERSONS' REPORT AS AT 31 DECEMBER 2019

At the request of CNMC Goldmine Holdings Limited (CNMC), Optiro Pty Ltd (Optiro) has prepared an Independent Qualified Persons' Report (IQPR) on the Sokor, Kelgold and CNMC Pulai Projects located in Malaysia. The Report has been prepared by Optiro in accordance with the Singapore Stock Exchange's (SGX) 'Additional Listing Requirements for Mineral, Oil and Gas Companies'. The Mineral Resources at the Sokor Project (Rixen, Manson's Lode, New Discovery, New Found, Ketubong and Sg Amang) and at the Pulai Feldspar Project, and the Ore Reserves at the Sokor Project (Rixen, Manson's Lode, New Discovery, New Found and Ketubong) have 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).

SOKOR PROJECT

The Sokor Project in Kelantan State, northern Peninsular Malaysia, is currently 81% owned by 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 four gold deposits in the southern part of the project area (Manson's Lode, New Discovery, New Found and Ketubong), and a fifth gold deposit (Rixen) approximately 3 km to the north of Ketubong. Additional base metal and silver mineralisation is also present at Manson's Lode and at Sg Amang, 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 drillholes and 200 underground face samples collected by CNMC during 2019, since CNMC's previous 31 December 2018 Mineral Resource and Ore Reserve Statement. Mineral Resources have been updated for Rixen, Manson's Lode, Ketubong and the combined mineralisation at New Discovery and New Found and a Mineral Resource has been estimated for the base metal mineralisation at Sg Amang. Ore Reserve estimates have been updated for Rixen, New Discovery and Manson's Lode and Ore Reserves have been estimated at New Found and Ketubong. CNMC has mined ore from Rixen, Ketubong, Manson's Lode, New Discovery and New Found during 2019. The Mineral Resources and Ore Reserves at Rixen, Ketubong, Manson's Lode, New Discovery and New Found have been depleted for mining to 31 December 2019.

KELGOLD PROJECT

The Kelgold Project comprises a 100% owned right to explore for gold, iron ore and other minerals over an area of approximately 15.5 km^2. The concession is located in the state of Kelantan, Malaysia, approximately 30 km northwest of the Sokor mine.

Assessment of the Kelgold Project by CNMC is at an early stage and is currently on-going. CNMC considers that its Kelgold acquisition has significant potential based on the geological information available and offers a strategic synergy due to the proximity to the Group's existing Sokor Project. Optiro notes the presence of historic workings and gold in soil anomalism and considers further follow-up work is warranted.

CNMC PULAI

CNMC holds a 51% interest in CNMC Pulai Mining Sdn. Bhd. (formerly known as Pulai Mining Sdn. Bhd.) (CNMC Pulai) which owns exploration and mining licenses with a combined license area of 38.41 km^2. The project area is approximately 100 km south of the Sokor mine and 20 km to the southwest of the city of Gua Musang in the State of Kelantan, Malaysia.

The project area has historically been subject to alluvial gold mining operations especially along the Galas River. Feldspar mining has also been occurring and commenced prior to CNMC's involvement. Total alluvial gold production has been in the order of 260 kg and approximately 480,000 tonnes of feldspar has been produced. CNMC considers that geological data collected by previous explorers supports the potential for primary gold mineralisation similar to that discovered at the Sokor Project. Optiro considers that the work to date is encouraging and warrants follow-up.

During 2019, CNMC conducted exploration of the feldspar deposit, including collection and analysis of rock chip samples and the drilling of five diamond core holes for analysis and density measurements. From this data an Inferred Mineral Resource and an Exploration Target have been defined.

INDEPENDENT QUALIFIED PERSONS' REPORT

Optiro has prepared this document in support of CNMC's Annual Report for the year 2019. 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, the Mineral Resource and exploration results for the CNMC Pulai Project and the exploration results for the Kelgold Project as at 31 December 2019 for incorporation into CNMC's Annual Report for the Year 2019; 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.

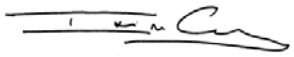
The Mineral Resource estimates were prepared by Mrs Christine Standing and reviewed by Mr Ian Glacken. Mr Glacken, Director of Optiro and Fellow of the Australasian Institute of Mining and Metallurgy, and Mrs Standing, Principal of Optiro and Member of the Australasian Institute of Mining

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 Stephen O'Grady, Associate Consultant at Optiro and a Member of the Australasian Institute of Mining and Metallurgy. Mr O'Grady 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



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

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1. EXECUTIVE SUMMARY

1.1. INTRODUCTION

At the request of CNMC Goldmine Holdings Limited (CNMC), Optiro Pty Ltd (Optiro) has prepared an Independent Qualified Persons' Report (IQPR) on the Sokor, Kelgold and CNMC Pulai Projects located in Malaysia. Optiro has prepared this document in support of CNMC's Annual Report for the year 2019. The Report has been prepared by Optiro in accordance with the Singapore Stock Exchange's (SGX) 'Additional Listing Requirements for Mineral, Oil and Gas Companies'.

The objectives of this Report are to provide an overview of the geological setting of CNMC's mineral assets and the associated mineralisation, outline the recent and historic exploration work undertaken over the project areas, report on the Mineral Resources and Ore Reserves defined within the projects and comment on the exploration potential of the projects.

1.2. SOKOR PROJECT

The Sokor Project, located in Kelantan State in northern Peninsular Malaysia, is currently owned 81% by 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 four deposits in the southern part of the project area (Manson's Lode, New Discovery, New Found and Ketubong) and a fifth deposit (Rixen), approximately 3 km to the north of Ketubong. Base metal and silver mineralisation is also present at Manson's Lode and at Sg Amang, to the east of Rixen.

Optiro visited to the Sokor Project during December 2011, June 2015 and January 2018 to review data for the Mineral Resource estimate, and during October 2012, June 2015, January 2018 and again in April 2018 to review the mining operations for the Ore Reserve estimate. Optiro most recently visited the Sokor Project in October 2019 to review the Sokor Project including underground operations at Ketubong. CNMC provided Optiro with the drillhole logging, assay and survey data for the drilling undertaken during 2019 and updated topographical data and production data for mining undertaken during 2019.

Optiro has been assisting CNMC with collation of the drillhole data, Mineral Resource and Ore Reserve estimates since 2012. Ore has been mined by CNMC at Rixen since 2012, at Manson's Lode and New Discovery from 2012 and 2013 respectively, and at New Found from 2016. During 2019 open pit mining was undertaken at Rixen, New Discovery and New Found, and underground mining development commenced at Ketubong. Optiro has updated the Mineral Resource models at Rixen, Manson's Lode, New Discovery, New Found and Ketubong and has estimated Mineral Resources at the Sg Amang deposit. Optiro has updated the Ore Reserve estimates at Rixen, New Discovery, New Found and Manson's Lode and reported a new Ore Reserve for Ketubong underground. The Mineral Resource and Ore Reserve estimates have been depleted for all mining to 31 December 2019.

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).

MINERAL RESOURCE ESTIMATE

The gold mineralisation within the Sokor Project is lithologically and structurally controlled and is generally hosted in acid to intermediate volcanic 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 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 deposits.

At Manson's Lode there is economic grade silver, lead and zinc mineralisation in addition to gold that has been incorporated into the Mineral Resource model. At Rixen, New Discovery, New Found and Ketubong 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 and Sg Amang also include economic zinc and lead grades.

At Rixen, Manson's Lode, New Discovery and New Found a nominal cut-off grade of 0.15 g/t gold was used to define the mineralisation. At Ketubong, where open pit mining has ceased and underground mining has commenced, a nominal cut-off grade of 0.5 g/t gold was used to define the mineralisation. At Manson's Lode and Sg Amang base metal mineralisation was interpreted above a nominal 2% lead plus zinc (Pb+Zn) cut-off grade.

At New Discovery, New Found 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 relatively flat zones at Manson's Lode and several east-dipping zones at Rixen. At Sg Amang the base metal mineralisation has been interpreted as narrow zones of structurally-controlled mineralisation.

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 369 sections of diamond drill core and measurements of alluvial and backfilled material from 41 test pits.

Mining at Rixen during 2019 extracted 2,886.9 kt of ore for the production of 10,485 ounces of gold via heap leach extraction, which was ongoing as at 31 December 2019. Mining at New Found, New Discovery and Mason's Lode during 2019 extracted 155.6 kt of ore for the production of 1,889 ounces of gold via vat leach extraction, which was ongoing as at 31 December 2019. Mining at New Discovery and Ketubong extracted 195.4 kt of ore for the production of 15,763 ounces of gold via a Carbon in Leach (CIL) extraction.

MINERAL RESOURCE AND ORE RESERVE TABULATION

The Mineral Resource estimate, as at 31 December 2019, 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 Rixen, New Discovery, New Found, Manson's Lode and Ketubong to 31 December 2019. The Mineral Resources are reported above a 0.5 g/t gold cut-off grade at Manson's Lode and Ketubong, and for the transitional and fresh rock at New Discovery and New Found, and above a 0.17 g/t gold cut-off grade at Rixen and for the oxide material at New Discovery and New Found to reflect current commodity prices, differential operating costs and processing options. As at 31 December 2019, the total Measured, Indicated and Inferred gold Mineral Resource for the Sokor Project (above a 0.17 g/t gold cut-off grade at Rixen and for oxide rock at New Discovery and New Found and above a 0.5 g/t gold cut-off grade at Manson's Lode and Ketubong, and at New Discovery, New Found for transitional and fresh rock,) is 16,320 kt at 1.7 g/t gold for 900,000 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 2% lead plus zinc (Table 1.1). Lead, zinc and silver Mineral Resources have been reported for Sg Amang above a cut-off of 2% lead plus zinc (Table 1.1).

The total Measured, Indicated and Inferred gold resources for the Sokor Project, previously reported in December 2018, were 17,910 kt at 1.6 g/t gold, with contained gold of 914,000 ounces. After depletion for mining at Rixen, New Discovery, New Found, Manson's Lode and Ketubong and resource extension through additional drilling the December 2019 Mineral Resource represents an overall decrease of approximately

1% in contained gold. The Manson's Lode Mineral Resource also contains silver, lead and zinc. As at 31 December 2018 this was 1,410 kt with an average grade of 42 g/t silver, 1.6% lead and 1.7% zinc. With the additional drilling at Manson's Lode and the definition of Mineral Resources at Sg Amang, the total resource for the silver, lead and zinc mineralisation is 1,720 kt with an average grade of 61 g/t silver, 2.1% lead and 2.5% zinc. This represents an increase of 74% in contained silver, 58% in contained lead and 84% in contained zinc. The Mineral Resource figures discussed above are inclusive of material which has subsequently been modified to produce Ore Reserves.

Table 1.1 Sokor Project – Mineral Resource statement as at 31 December 2019 (inclusive of Ore Reserves)

Category	Mineral	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	0.38	2.6	30	0.31	2.6	30	-12%
Indicated	Gold	9.44	1.6	480	7.65	1.6	390	10%
Inferred	Gold	6.50	1.7	380	5.26	1.7	310	-13%
Total	**Gold**	**16.32**	**1.7**	**900**	**13.22**	**1.7**	**730**	**-1%**
Measured	Silver	0.38	69	860	0.31	69	690	25%
Indicated	Silver	0.16	66	340	0.13	66	280	-16%
Inferred	Silver	1.17	57	2,150	0.95	57	1,740	156%
Total	**Silver**	**1.72**	**61**	**3,350**	**1.39**	**61**	**2,710**	**74%**
Measured	Lead	0.38	2.0	7,570	0.31	2.0	6,130	50%
Indicated	Lead	0.16	1.6	2,610	0.13	1.6	2,120	2%
Inferred	Lead	1.17	2.2	26,160	0.95	2.2	21,190	70%
Total	**Lead**	**1.72**	**2.1**	**36,340**	**1.39**	**2.1**	**29,430**	**58%**
Measured	Zinc	0.38	2.1	7,960	0.31	2.1	6,450	25%
Indicated	Zinc	0.16	1.8	2,960	0.13	1.8	2,400	-12%
Inferred	Zinc	1.17	2.8	32,390	0.95	2.8	26,240	135%
Total	**Zinc**	**1.72**	**2.5**	**43,320**	**1.39**	**2.5**	**35,090**	**84%**

Note: Inconsistencies in totals are due to rounding

Since the Mineral Resource was reported as at 31 December 2018, data from 69 holes drilled at Rixen, Manson's Lode, New Discovery, New Found and Ketubong were used to update the Mineral Resources. In addition, results from 200 face samples from the underground workings at Ketubong were used to update the Mineral Resource.

At Rixen, the drilling infilled an area adjacent to the southern pit design and extended the resource to the south and down-dip to the east. Mining at Rixen during 2019 has depleted both the Indicated and Inferred Resources. Mining at New Discovery and New Found has depleted the Measured, Indicated and Inferred Resources. The Measured Resources have essentially all been mined, with only less than 0.2 kt remaining. The additional drilling at New Found has increased both the Indicated and Inferred Resources. At Manson's Lode, the drilling extended the central area of the resource to the north-west and an updated and more accurate pit survey was used to deplete the resource model for all mining to 31 December 2019. At Ketubong, the revised cut-off grade used for the mineralisation interpretation (to reflect extraction by underground mining) has significantly increased the average grade of the resources. The increased cut-off grade and the exclusion of small discontinuous zones of mineralisation has decreased the resource tonnage.

As at 31 December 2019, the total Measured, Indicated and Inferred gold Mineral Resource for the Sokor Project (above a 0.17 g/t gold cut-off grade at Rixen and for oxide rock, New Discovery and New Found and above a 0.5 g/t gold cut-off grade at Manson's Lode and Ketubong and for transitional and fresh rock at New Discovery and New Found) is 16,320 kt at 1.7 g/t gold for 900,000 ounces of contained gold. Compared to the 31 December 2018 Mineral Resource estimate, there has been a decrease in gold Mineral Resource tonnage of 1,530 kt, the average gold grade has increased from 1.6 g/t to 1.7 g/t and there is an overall small decrease of 1% in contained gold in the 2019 Mineral Resource.

The 2019 Ore Reserves have been reported in Table 1.2. In this tabulation it should be noted that the Mineral Resources (in Table 1.2) have been reported '*exclusive*' of and additional to Ore Reserves as at 31 December 2019. This means that there will be material declared in Table 1.1 which is neither reported as additional Mineral Resources nor Ore Reserves in Table 1.2; for instance, material which falls within the final pit, but which is below the Ore 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).

The Ore Reserves reported for 2019 are greater than 2018, largely due to changes at Rixen relating to changes in the Mineral Resources, reductions due to depletion by mining during the year, addition of the deeper extension of the southern pit areas and increases due to an elevated gold price. The Ore Reserves have increased at Manson's Lode, due to a lower cut-off grade and increased gold prices. Ore Reserves have decreased at New Discovery and New Found due to mining depletion. Optiro has depleted the Ore Reserves for the Rixen and New Discovery pits with the current 2017 pit production, which is in accordance with guidelines of the JORC Code.

Furthermore, CNMC is considering underground mining for Rixen but these remain plans at a preliminary stage as at 31 December 2019. This has the potential to increase Ore Reserves at Rixen in the future.

Table 1.2 Combined Sokor Project gold Ore Reserves (Manson's Lode, New Discovery, New Found, Ketubong and Rixen) and exclusive Mineral Resources (at Manson's Lode, New Discovery and New Found, Rixen and Ketubong that are additional to Ore Reserves at Manson's Lode, New Discovery and Rixen) as at 31 December 2019

Category	Mineral	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	254	3.0	25	206	3.0	20	-20
Probable	Gold	4,238	1.3	180	3,432	1.3	145	73
Total	**Gold**	**4,492**	**1.4**	**204**	**3,638**	**1.4**	**165**	**51**
Additional Mineral Resources								
Measured	Gold	129	1.5	6	105	1.5	5	67
Indicated	Gold	6,288	1.5	307	5,093	1.5	248	-4
Inferred	Gold	7,107	1.7	393	5,757	1.7	319	17
Total	**Gold**	**13,524**	**1.6**	**706**	**10,955**	**1.6**	**572**	**-7**

Note: Inconsistencies in totals are due to rounding

1.3. KELGOLD PROJECT

The Kelgold Project comprises a 100% owned right to explore for gold, iron ore and other minerals over an area of approximately 15.5 km^2. The concession is located in the state of Kelantan, Malaysia approximately 30 km northwest of the Sokor mine.

During 2019, CNMC completed 29 exploration trenches within Kelgold Project. All trenching carried out in 2019 was located in the southern portion of the licence area.

Assessment of the Kelgold Project by CNMC is at an early stage and is currently on-going. CNMC considers that its Kelgold acquisition has significant potential based on the geological information available and that it offers a strategic synergy due to the geographic proximity to the Group's existing Sokor Project. Optiro notes the presence of historic workings and gold in soil anomalism and considers that further follow-up work is warranted.

1.4. CNMC PULAI

CNMC holds a 51% interest in CNMC Pulai Mining Sdn. Bhd. (formerly known as Pulai Mining Sdn. Bhd.) (CNMC Pulai) which owns exploration and mining licenses with a combined license area of 38.41 km^2. The project area is approximately 100 km south of the Sokor mine and 20 km to the southwest of the city of Gua Musang in the State of Kelantan, Malaysia.

The project area has historically been subject to alluvial gold mining operations especially along the Pulai River along with recent feldspar mining. Total alluvial gold production has been in the order of 260 kg and approximately 480,000 tonnes of feldspar has been produced.

During 2019, CNMC conducted exploration and resource development of the feldspar deposit, including collection and analysis of rock chip samples and the drilling of five diamond core holes for analysis and density measurements. From this data an Inferred Mineral Resource has been defined. As advised by CNMC, and commensurate with current mining practices at CNMC Pulai by the subcontractor which supplies feldspar to ceramics manufacturers in Malaysia, the Mineral Resource has been reported above a cut-off grade of 8% Na_2O+K_2O. The Inferred Mineral Resource for the CNMC Pulai Project is 23.7 Mt with an average grade of 6.8% Na_2O and 2.8% K_2O (Table 1.3). Optiro notes that the contents of the deleterious minerals (MgO and, Fe_2O_3) are higher than industry norms, but CNMC Pulai has advised that they are acceptable and can be further reduced through beneficiation processes. Furthermore, CNMC Pulai is currently carrying out testwork to explore the possibility of extracting silica sands from the ore.

In addition to the Mineral Resource, an Exploration Target of 50 to 60 Mt with an average grade of 6 to 7% Na_2O and 2.5 to 3% K_2O has been defined adjacent to and to the north of the Inferred Mineral Resource. It is important to note that the potential quantity and grade of the Exploration Target is conceptual in nature, as there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Table 1.3 CNMC Pulai Project – Mineral Resource statement as at 31 December 2019

Category	Mineral type	Gross attributable to licence			Gross attributable to CNMC			
		Tonnes (millions)	Grade ($Na_2O\%+K_2O\%$)	Contained Na_2O+K_2O Kt	Tonnes (millions)	Grade ($Na_2O\%+K_2O\%$)	Contained Na_2O+K_2O Kt	Change from previous update
Measured	Feldspar	-	-	-	-	-	-	Not previously reported
Indicated	Feldspar	-	-	-	-	-	-	
Inferred	Feldspar	23.7	9.5	2.5	12.1	9.5	1.3	
Total	**Feldspar**	**23.7**	**9.5**	**2.5**	**12.1**	**9.5**	**1.3**	

2. INTRODUCTION

2.1. TERMS OF REFERENCE

At the request of CNMC Goldmine Holdings Limited (CNMC), Optiro Pty Ltd (Optiro) has prepared an Independent Qualified Persons' Report (IQPR) on the Sokor, Kelgold and CNMC Pulai Projects located in Malaysia. The Report has been prepared by Optiro in accordance with the Singapore Stock Exchange's (SGX) 'Additional Listing Requirements for Mineral, Oil and Gas Companies'. CNMC listed on the Catalist Board of the Singapore Exchange (SGX) by way of an Initial Public Offering on 28 October 2011.

The objectives of this report are to provide an overview of the geological setting of CNMC's mineral assets and the associated mineralisation, outline the recent and historic exploration work undertaken over the project areas, report on the Mineral Resources and Ore Reserves defined within the projects and comment on the exploration potential of the projects.

Optiro has prepared this report to document the update to the Mineral Resource and Ore Reserve estimates in support of the planned 2019 Annual Report, and to provide a market update on Mineral

Resources and Ore Reserves as at 31 December 2019, as required under the mineral, oil and gas guidelines of the SGX.

CNMC Goldmine Holdings Limited, through its subsidiary CMNM Mining Group Sdn. Bhd., holds an 81% interest in the Sokor Project (Figure 2.1 and Figure 2.2). 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. Additional exploration tenure is held at the Kelgold and CNMC Pulai Projects. CNMC considers that these projects have significant exploration potential (Figure 2.1).

The Mineral Resources at the Sokor Project (Rixen, Manson's Lode, New Discovery, New Found, Ketubong and Sg Amang) and the Ore Reserves at Rixen, Manson's Lode and New Discovery have 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).

CNMC has defined four deposits in the southern part of the Sokor Project area (Manson's Lode, New Discovery, New Found and Ketubong) and a fifth deposit (Rixen), approximately 3 km to the north of Ketubong (Figure 2.2). Additional base metal mineralisation is present at Sg Amang, to the east of Rixen, and Mineral Resource has been defined at Sg Amang. Base metal mineralisation has also been identified at Sg Tiger, within the southern part of the Sokor Project area, but at present there is insufficient data to define Mineral Resources at Sg Tiger.

During 2019, CNMC drilled an additional 69 holes for a total of 11,096.85 m which were incorporated into the database used for resource estimation. This included eight holes at Manson's Lode, 16 holes at Rixen, four holes at Ketubong, two holes at New Discovery, 20 holes at New Found and 19 holes at Sg Amang. In addition, 200 face samples from the underground workings at Ketubong were analysed for gold. The Mineral Resource estimates have been updated for the combined New Found and New Discovery deposits, the Rixen, Manson's Lode and Ketubong deposit and a Mineral Resource has been estimated for the Sg Amang deposit.

Ore was mined at Rixen, New Discovery, New Found and Ketubong during 2019. The Mineral Resource and Ore Reserve estimates have been depleted for mining to 31 December 2019. All the Mineral Resources and Ore Reserves have been classified and reported in accordance with the guidelines of the JORC Code.

Figure 2.1 Location of CNMC's project area at Sokor, Kelgold and Pulai

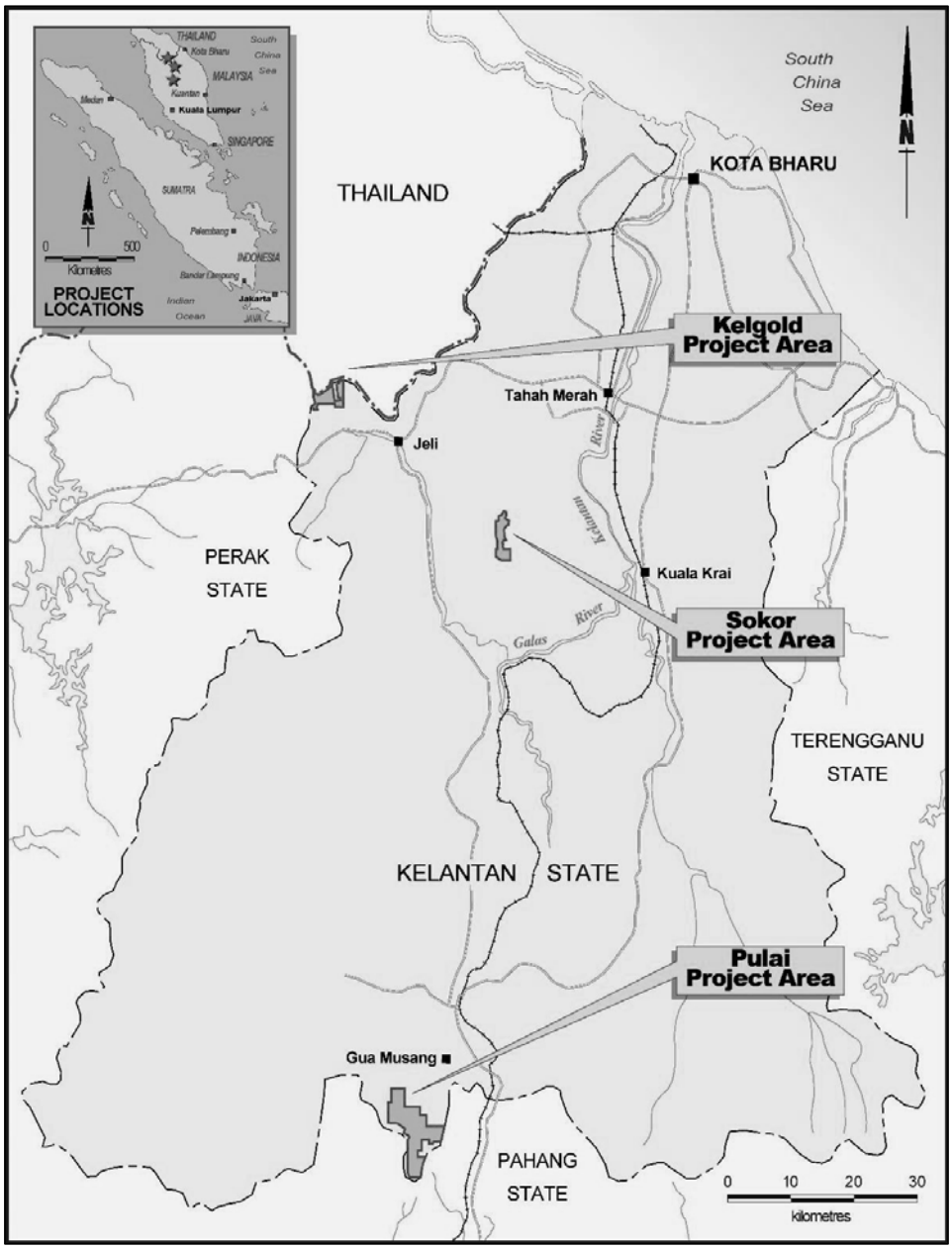
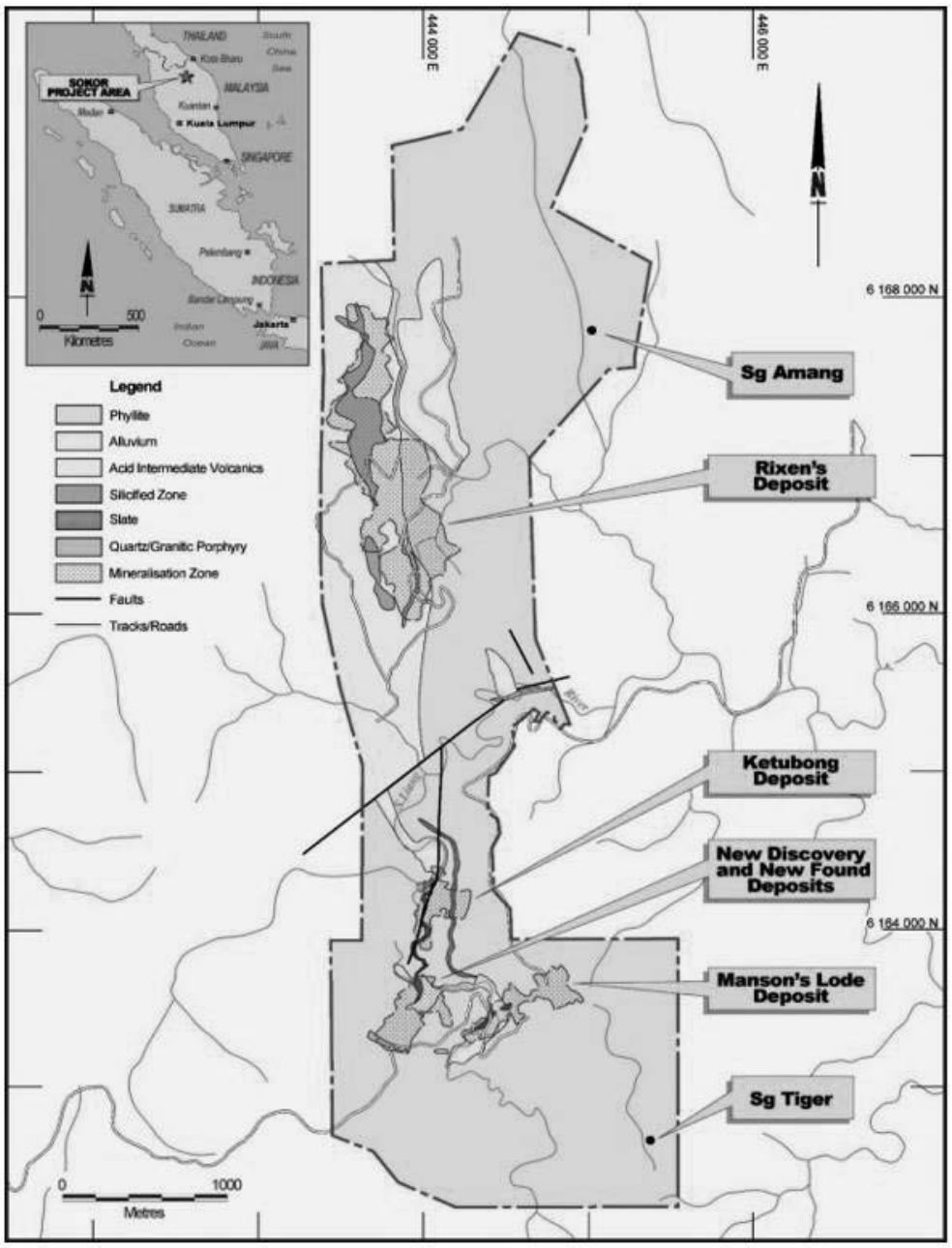


Figure 2.2 Sokor Project – local geology and deposit location



2.2. COMPETENT PERSONS

Behre Dolbear Australia Pty Ltd (BDA) 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 between 1 and 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. Mrs Christine Standing and Mr Michael Leak visited the Sokor operation on 14 January 2018 to inspect the mine site and drillhole core and to examine the changes in mining and processing practices since 2015. Mr Jason Froud undertook a site visit to the Sokor Project between 8 and 10 April 2018 to review data and inspect the Sokor mine site, drilling procedures and drillhole core. Mr Jason Froud and Mr Stephen O'Grady most recently visited the Sokor Project in October 2019 to review the project and underground operations and development at Ketubong. CNMC provided Optiro with the drillhole logging, assay and survey data for the drilling undertaken during 2019 and updated topographical data and production data for mining undertaken during 2019.

Mrs Christine Standing visited the Kelgold and Pulai projects in January 2018 and Mr Jason Froud visited the Kelgold and Pulai projects in October 2019 to review and inspect the ongoing mining and exploration activities.

The Mineral Resource estimates were 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 35 years' worldwide experience in the mining industry. She has six years' experience as an exploration geologist in Western Australia and over 25 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 35 years worldwide experience in the mining industry. Ian is a geologist with postgraduate qualifications in geostatistics, mining geology and computing. Mr Glacken has over 20 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 250 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. He was a founding Director of Optiro.

Mr Jason Froud [BSc (Hons) Geology, MAusIMM, MAIG] is a geologist with over 20 years' experience in mining geology, exploration, resource definition, mining feasibility studies, reconciliation, consulting and corporate roles in gold, iron ore, base metal and uranium deposits principally in Australia and Africa. Mr Froud has previously acted as a Competent Person and Independent Expert across a range of commodities with expertise in mineral exploration, grade control, financial analysis, reconciliation and quality assurance and quality control.

The Ore Reserve Estimate has been compiled by Mr Stephen O'Grady, Associate Consultant at Optiro and Member of the Australasian Institute of Mining and Metallurgy. Mr O'Grady fulfils the definition and

requirements of Competent Persons as defined in the JORC Code and accepts 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 O'Grady [BEng (Mining), MAusIMM] is a mining engineer with over 35 years' experience in both open pit and underground operations in Australia, Africa and Asia. He has experience in various commodities including gold, copper, nickel, tin and lead-zinc and his skills are in operational management, due diligence, Ore Reserves, feasibility studies, mine planning and financial analysis.

2.3. 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. SOKOR PROJECT

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 2.1). The project is accessed by a sealed road from Kota Bharu to Kampong Bukit, which is approximately 18 km from site, and thence 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 10/2016) covering approximately 10 km^2 (known as the "Sokor Block"). In 2016, CNMC's mining rights to the Sokor Block were extended until 31 December 2034.

The Corporate income tax rate in Malaysia is 24%. A gold royalty of 10% of gross revenue is payable to the Kelantan State Government (KSG) and an additional tribute payment of 4% of gross revenue is payable to the Kelantan State Economic Development Corporation (KSEDC). Large scale mining approval was obtained from KSG in 2016, allowing for large scale mine production of unlimited 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. The EIA and EMP for a CIL

plant was approved in February and May 2018. 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.

CNMC, through its subsidiary CMNM Mining Group Sdn. Bhd., holds an 81% interest in ML 10/2016 (which replaces 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.

Table 3.1 Sokor Project tenement schedule

Tenement ID	CNMC Interest	Status	Expiry date	Area km^2	Type of mineral deposit	Remarks
ML 10/2016	81%	Development	31/12/2034	10.0	Gold	Mining rights

3.3. 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 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. Over the length of its tenure CNMC has conducted geological mapping, soil sampling, Induced Polarisation geophysical surveys and diamond drilling programmes, and has excavated 27 trenches. Gold mineralisation was identified at New Found by CNMC in 2015. Diamond drilling has been undertaken at Manson's Lode, New Discovery, Ketubong, Rixen and New Found, and has tested areas to the east of Rixen, at Sg Amang and to the southeast of Manson's Lode, at Sg Tiger.

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 t heap leach facility to treat ore from the Rixen deposit.

During 2017, CNMC commissioned the design of a CIL flowsheet and subsequently in 2018 built a 500 tonne per day CIL processing plant for Sokor. During 2019, some 195 kt of ore material was processed through the CIL plant. The current mine operating practice is that ore from Rixen, New Found and New Discovery will continue to be treated by both heap leach and vat leach processes and fresh rock ore sources from the adjacent deposits will be treated by the CIL plant.

3.3.1. 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 2019, and this is summarised for 2015 to 2019 in Table 3.2.

Table 3.2 Sokor production statistics for 2015 to 2019

Commodity	Production statistics	2015	2016	2017	2018	2019
Rixen						
Mined	Ore tonnes mined (claimed)	2,236,674	2,243,667	1,871,856	2,582,057	2,886,867
	Ore tonnes processed	2,236,674	2,243,667	1,871,856	2,869,429	2,886,867
	Ore stockpiled (not processed as at 31 December)	-	-	-	-	-
Gold	Calculated grade (g/t)	0.61	0.41	0.33	0.31	0.33
	Recovered gold (oz)	29,645	20,324	11,472	9,742	10,485
Ketubong, New Discovery and New Found						
Mined	Ore tonnes mined (claimed)	-	154,241	105,101	287,372	351,083
	Ore tonnes processed	-	154,241	105,101	287,372	351,083
Gold	Calculated grade (g/t)	-	1.92	1.40	3.20	1.91
	Recovered gold (oz)	-	7,080	3,345	21,731	17,652
Total						
Mined	**Ore tonnes mined (claimed)**	**2,236,674**	**2,397,908**	**1,976,957**	**2,869,429**	**3,237,950**
	Ore tonnes processed	**2,236,674**	**2,397,908**	**1,976,957**	**3,156,801**	**3,237,950**
Gold	**Calculated grade (g/t)**	**0.61**	**0.51**	**0.45**	**0.58**	**0.50**
	Recovered gold (oz)	**29,645**	**27,190**	**14,817**	**31,474**	**28,137**

3.4. GEOLOGICAL SETTING

3.4.1. 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.

3.4.2. LOCAL GEOLOGY

The Ulu Sokor area is underlain by north-south trending meta-sediments including phyllite, slate, conglomerate, limestone and felsic to intermediate volcanic rocks. The meta-sediments are lower greenschist facies and appear to form an asymmetric anticline with shallow easterly dips in the eastern part of the concession and steeper westerly dips in the west. Locally the rocks are highly folded and display variable shallow to steep dips.

The concession area is divided into two parts by the north-south trending Ketubong-Rixen fault zone. The eastern part is dominated by calcareous and argillaceous sediments interbedded with carbonate rocks which dip eastwards at 10 to 40°. The western part of the concession is dominated by tuffaceous volcanics

interbedded with minor calcareous phyllites and carbonate rocks. The acid to intermediate volcanic rocks comprise volcanic breccias and crystal tuffs. Silicification in the volcanic rocks is widespread.

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.

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. Drilling has outlined a zone of pervasively silicified tuffs and mineralisation extends over a strike of approximately 2,150 m, an across strike length of up to 700 m and to a depth of 400 m. The Rixen deposit has been tested by 264 diamond drillholes totalling 35,340.95 m.

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 mineralisation extends for up to 300 m across strike and from surface to a depth of 120 m. The Manson's Lode deposit has been tested by 183 diamond drillholes totalling 11,544.38 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 general strike and dip as the gold mineralisation and extends along strike to the northeast and down-dip to the southeast, 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.

NEW DISCOVERY AND NEW FOUND DEPOSITS

The New Discovery deposit is located approximately 500 m west-northwest of Manson's Lode. Drilling during 2015 indicated that the mineralisation at New Discovery extended to the south: CNMC has named this area New Found. The gold mineralisation at New Discovery and New Found is associated with the Ketubong-Rixen fault that runs through the central part of the concession area.

At New Discovery, 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. 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.

The New Discovery deposit has been drilled down-dip to a depth of 280 m from surface and generally remains open at depth. The mineralisation at New Discovery and New Found has a combined strike length of 500 m and a maximum width of 400 m. Mineral Resources at the New Discovery and New Found deposits have been defined by 133 diamond drillholes totalling 13,098.86 m.

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. 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 that 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 that the mineralisation is closely associated with a limestone unit within phyllite. Open-pit mining at Ketubong was completed in early 2018 and underground development, which includes development of three drives, commenced in 2018.

CNMC has tested the Ketubong deposit with 57 diamond drillholes totalling 9,866.58 m and an additional five holes for a total of 1,036 m have been drilled to the north of Ketubong. In addition, 200 face samples from the underground workings at Ketubong were analysed for gold. Mineral Resources have been defined over a strike length of 550 m and an across strike length of around 350 m. Mineralisation has been intersected to a depth of 270 m.

SG AMANG DEPOSIT

The Sg Amang deposit is located approximately 1.2 km to the east of the Rixen deposit. Base metal sulphide mineralisation (predominantly pyrite, galena and sphalerite) is present in series of steeply veins within a sequence of limestone and phyllite. In 2019, CNMC conducted Induced Polarisation and Resistivity surveys at the Sg Amang deposit. A crescent-shaped anomalous zone was delineated, steeply inclined with each end dipping northwest and southwest.

CNMC has tested the base metal mineralisation at Sg Amang with 28 drillholes totalling 4,531.43 m. The Sg Amang deposit has been drilled to a depth of 200 m from surface and generally remains open at down dip and at depth. The mineralisation has been interpreted as five lodes that have a combined strike length of 200 m and across strike extent of 200 m. The mineralisation dips to the north-west at around 50°.

3.5. EXPLORATION DATA USED FOR MINERAL RESOURCE ESTIMATION

BDA previously documented findings 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 to define Mineral Resources and are in accordance with industry standards. In Optiro's overall opinion, the geological database forms an appropriate and reasonable basis for resource estimation.

3.5.1. DRILLING

The five Sokor gold deposits (Manson's Lode, New Discovery, New Found, Ketubong and Rixen) have been evaluated by both surface trenches and diamond core drilling. Diamond drilling was completed on all five deposits using a combination of inclined and vertical drillholes on drill sections oriented normal to the strike of the mineralisation. Diamond drilling was completed at Sg Amang using inclined drillholes. Only the data from the CNMC diamond drillholes has been used for resource estimation. A total of 675 diamond drillholes for 75,970 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 spreadsheets. Optiro consolidated this data and generated a drillhole database using Datamine mining software. 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. CNMC provided data from the 2016 to 2019 drillholes as a series of Excel spreadsheets and as Datamine files. Optiro used these files to update the master Datamine database used for Mineral Resource estimation.

3.5.2. SURVEY DATA

CNMC has completed a topographic survey over a 7 km^2 area covering the five 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) devices and from this data a digital terrain model (DTM) was produced.

Drillhole collars have been surveyed using EDM equipment. Comparison of the drillhole collar data from the holes drilled prior to 2016 revealed that many of the drillhole collar elevations were significantly different to the DTM. This issue was resolved during 2016, and the collar elevations provided for holes drilled after 2016 match the current topographical survey data, once allowances have been made for excavation of material to prepare the drilling pad.

The 2019 drillholes were surveyed using industry standard downhole survey equipment at the start and end of the hole and at approximately 50 m intervals downhole for inclined holes and 100 m intervals for vertical holes. For the 2019 drillholes the dip deviations are generally less than 2° and the azimuth deviations average less than 2°, with a maximum deviation of 3°.

Mining at Rixen, New Discovery and New Found was undertaken during 2019, along with underground development mining at Ketubong. Open-pit mining at Ketubong was completed in early 2018. Detailed aerial pit surveys of Rixen, Manson's Lode, New Discovery and New Found were conducted at the end of 2019 using an unmanned aerial vehicle (UAV) and processed by Land Surveys, an Australian based company. Optiro has depleted the 2019 resource models at Rixen, New Discovery, New Found and Manson's Lode below the detailed 2019 mining surfaces.

3.5.3. 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. From 2011 to 2013 the average length of the samples selected for analysis was 1.46 m, during 2014 and 2015 the average sample length was 1.27 m and for 2016 to 2018 the average sample length was 0.99 m. Sample intervals selected for analysis from the 2019 drillholes are between 0.16 m and 2.01 m with an average of 0.90 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 holes drilled during 2014 to 2018 drillholes recorded oxidised, transition and fresh material.

Half core samples were selected for analysis, with quarter core samples used for quality assurance/quality control (QAQC) analysis. Prior to 2012, sample preparation was undertaken at the ALS Group Laboratory in Perth, Australia; the samples collected from 2012 to 2015 were prepared by SGS (Malaysia) Sdn. Bhd. laboratory, Malaysia, and the samples collected from holes drilled after 2015 were prepared at CNMC's on-site laboratory. 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.

3.5.4. SAMPLE SECURITY

Prior to 2016, 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. After 2016, samples were analysed at CNMC's on-site laboratory.

3.5.5. ASSAYING

Gold analyses at all five 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 (ALS); 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 and Sg Amang 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 2019 drilling programmes were analysed by SGS (Malaysia) Sdn. Bhd. Laboratory by four-acid digest, followed by AAS.

The samples from 2019 (gold) drilling programmes were analysed at the CNMC on-site laboratory with 7% of the samples sent to SGS (Malaysia) Sdn. Bhd. Laboratory for check analysis. Approximately 26% of the check samples were sent to ALS Group Laboratory in Perth for inter-laboratory check analysis.

At New Discovery, New Found, Ketubong and Rixen, silver and base metal concentrations are low and the majority of samples were analysed for gold only.

3.5.6. QUALITY ASSURANCE/QUALITY CONTROL

CNMC's QAQC protocols for the 2019 drilling programme included the insertion of standard, duplicate and blank samples, with duplicate samples sent to SGS (Malaysia) Sdn. Bhd. Laboratory and inter-laboratory duplicate samples (of pulps) being submitted to ALS in Perth, Australia.

Duplicate samples (1,006) were analysed by SGS (Malaysia) Sdn. Bhd. Laboratory. Of the duplicate samples, 503 samples that were analysed by CNMC's on-site laboratory and SGS (Malaysia) Sdn. Bhd. Laboratory (SGS) were also analysed by the umpire laboratory, ALS, Perth, Western Australia. For all three sets of data, the original and duplicate results show a high correlation and no bias in the data sets.

CNMC noted that the results from the standard samples submitted to SGS showed a low-grade bias and SGS advised that there was a problem with the equipment. Optiro recommends that both the duplicate samples and the standard samples that are in the batches that were analysed when there was a problem with the equipment should be re-assayed by SGS.

For the 2019 drilling and underground face sampling programmes, standard samples have been inserted at a rate of 7%. Of the 336 gold standard samples submitted to the CMNC on-site laboratory with the drill samples and underground face samples, all but three of the results (one of which was mis-labelled) are within three standard deviations of the expected certified value and indicate acceptable precision of the assay data.

Blanks samples were inserted with the drilling samples at a rate of 2%. Optiro recommends that blank samples are submitted with the face samples. Of the 23 blank samples submitted from drilling at Sokor, 22 returned below detection assay results and one sample returned 0.05 g/t gold. This indicates good sample preparation with little sample contamination.

3.5.7. BULK DENSITY

Bulk density measurements are made on selected core samples of approximately 0.2 m in length using the water immersion method (weight in air and water). Samples are dried before measurement. Bulk density

values for each deposit and material type were calculated using measurements from 369 sections of diamond drill core (including 40 measurements obtained during 2019) and of alluvial/eluvial and backfill material from 41 test pits.

3.6. MINERAL PROCESSING AND METALLURGICAL TESTING

3.6.1. 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, during 2016 with ore from the Rixen and New Found pits, and during 2018 with ore being supplied from the Rixen, New Found, New Discovery and Ketubong pits.

In 2019, material from Rixen, New Found and New Discovery pits and oxide material from Manson's Lode were supplied to both heap and vat leaching processes. Heap leach recoveries during the year ranged from 18% to 60% (average 37%) at Rixen, 21% to 74% (average 47%) at New Found and for the CIL plant 80% to 99% (average 88%) at New Discovery.

Sampling of the spent heap leach during 2016 indicated that over 60% of the results have less than 0.2 g/t gold. This indicates good performance of the heap leaching process.

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 continues 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, as well as to validate the new process flowchart for the recently constructed and commissioned CIL plant.

LEACHING OPTIONS

CNMC is currently using a combination of heap and vat leaching and CIL processing. The heap leach was still the predominant processing method (for tonnes) in 2019.

HEAP LEACHING

The heap leaching process previously 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 60% being achieved during 2017. The spent heap leach material is then removed from the heap pad to a tailings storage area, which is then progressively rehabilitated during the year.

CNMC had during second half of 2018 completed the construction of the first of two new permanent heap leach pads to replace three older leach pads. The new permanent heap leach pad, which was put to use during second half of 2018, is designed to hold mined ore for continuous leaching to enhance gold recovery.

The second new permanent heap leach pad was completed by early 2019 and was put to use during the year. CNMC is now constructing a third permanent heap leach pad, scheduled to complete by first half of 2020. Together, these three permanent leach pads are expected to boost the CNMC's heap leaching capacity to 6 Mt of ore.

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VAT LEACHING

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 leaching vats, each with a capacity of 2,300 t of ore
- pregnant, barren and raw water ponds
- eight activated carbon columns set up in two trains of four columns

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 to 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, whence it is pumped back to the vat. The loaded carbon for both the heap leach and vat processes is transferred to the gold room at northern part of Sokor mine site 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 bars.

CARBON IN LEACH CIRCUIT

During 2017, CNMC commissioned the design of a CIL flow sheet and subsequently build a 500 tonne per day CIL processing plant for Sokor.

The general extraction of the gold through a CIL process can be thought of as:

- the use of cyanide to dissolve the gold from the rock into solution
- the extraction of the gold from the cyanide solution by adsorption onto activated carbon
- the removal of the gold from the activated carbon by acid washing and elution
- the re-solidification and extraction of gold from solution by way of electrowinning and smelting to remove impurities.

Due to the expansion of New Found pit, the existing crushing circuit will be relocated to approximately 500 m southwest of the CIL plant. The crushed ore will feed both the CIL plant and vat leaching process. Until this occurs, the Sokor CIL Plant does not include a crushing circuit as it has been designed to accept ore feed material from the existing crushing circuit, located near the New Discovery pit, which is trucked to the CIL plant.

The CIL plant consists of:

- a crushed ore feed conveyor
- two ball mills, to reduce the ore feed material to -200 micron
- a thickener
- six leach tanks, containing cyanide solution to leach gold onto the activated carbon

- a filter press, to dewater tailings material for dry stacking
- dry tailings stacking infrastructure.

A new gold room was built as part of the plant in 2018. The new gold room is designed to handle activated carbon from the CIL leach tanks for acid washing and elution to remove the gold from the carbon. The gold solution is then electrowon and smelted to produce gold doré bars.

The flowsheet for the recently built Sokor CIL plant is shown in Figure 3.1, and pictured in Figure 3.2 as of March 2019.

During 2019, some 195 kt of ore material was processed through the CIL plant. The plant achieved an average recovery of 94.5% over the period. The current mine operating practice is that all oxide ore will continue to be treated via the heap leach and vat leach processes and certain fresh rock ore sources will be treated via the CIL plant.

Figure 3.1 Sokor CIL flowsheet

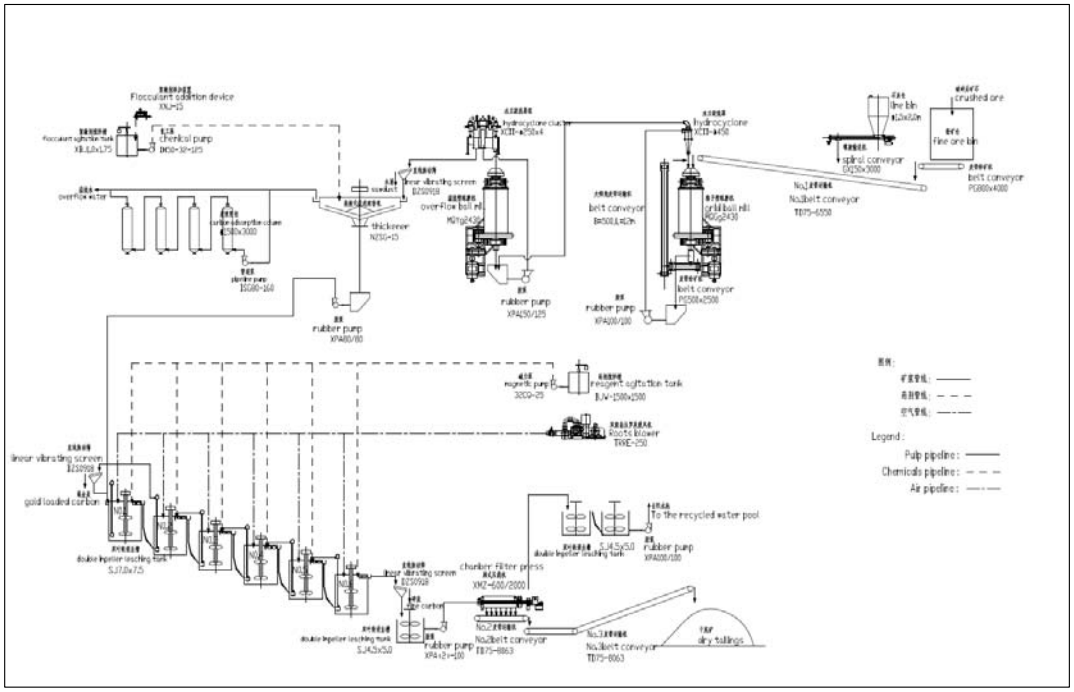
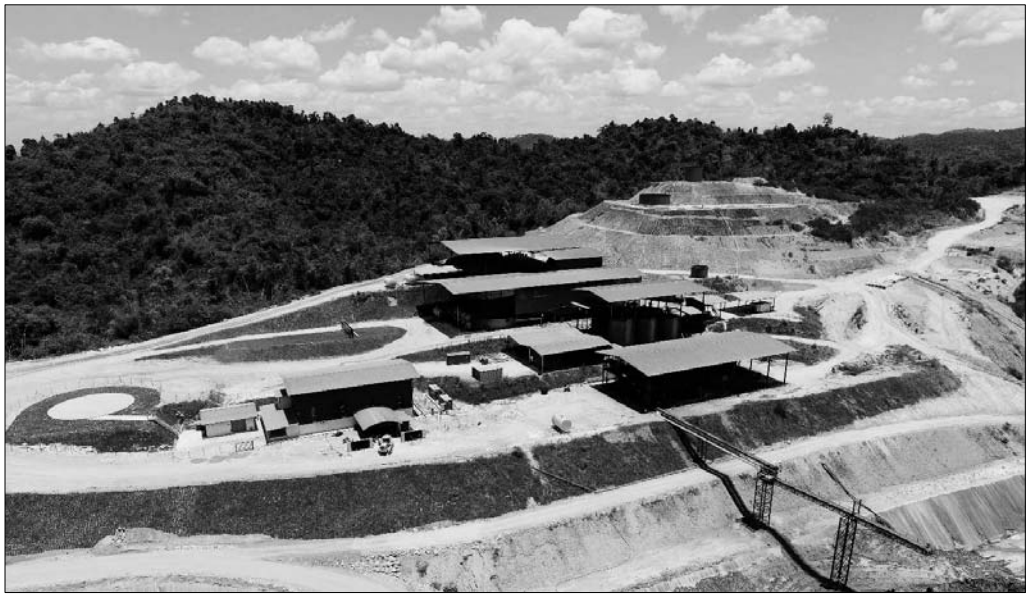


Figure 3.2 Sokor CIL plant and tailings facility – March 2019



LEAD-ZINC PROCESSING

In March 2018, CNMC engaged Yantai Xinhai Mining Research & Design Co Ltd (Xinhai) to complete mineral process testing on lead-zinc mineralisation from Manson's Lode to provide a basis for mine design.

CNMC provided seven separate samples with a total weight of 46 kg. After blending and splitting, the samples were made into test samples containing 2.65% lead, 2.60% zinc, 90.8 g/t silver, 4.37 g/t gold, 27.6% sulphur, 33.6% iron, 0.34% tin and 0.38% arsenic. The mineralogy comprised mainly pyrite, galena, sphalerite, chalcopyrite, pyrite, magnetite and cassiterite, while non-metallic minerals were feldspar and quartz.

The Xinhai test analysed the characteristics of the ore minerals and mineral processing technology, mineral processing method, process flow structure, mineral processing indexes, technological conditions and final products. According to the different metal contents of the samples, Xinhai conducted comparative research on three mineral processing schemes and detailed condition tests on Schemes 1 and 2. The three schemes comprised:

- Scheme 1: When the raw material comprised a high lead and zinc grade and a low gold grade, a differential flotation process was adopted.
- Scheme 2: When the raw material comprised a low lead and zinc grade and a high gold grade, a leaching process was applied.
- Scheme 3: When the raw material comprised a high lead, zinc, gold and silver grade, leaching and differential flotation was applied.

Differential flotation process (Scheme 1). Raw material was ground to 65% passing -200 mesh (75 μm). Lead was recovered first through differential flotation and lead concentrate recovered through one-stage roughing, two-stage scavenging and two-stage cleaning. The lead concentrates had a yield of 4.05%, a lead grade of 51.6% and a silver grade of 1,378 g/t. Lead recovery was 78.8% and silver recovery was 60.1%.

The lead flotation tailings flowed to the zinc flotation process with one-stage roughing, two-stage scavenging and two-stage cleaning. The zinc concentrate had a yield of 4.67%, a zinc grade of 46.5% and a zinc recovery of 83.5%.

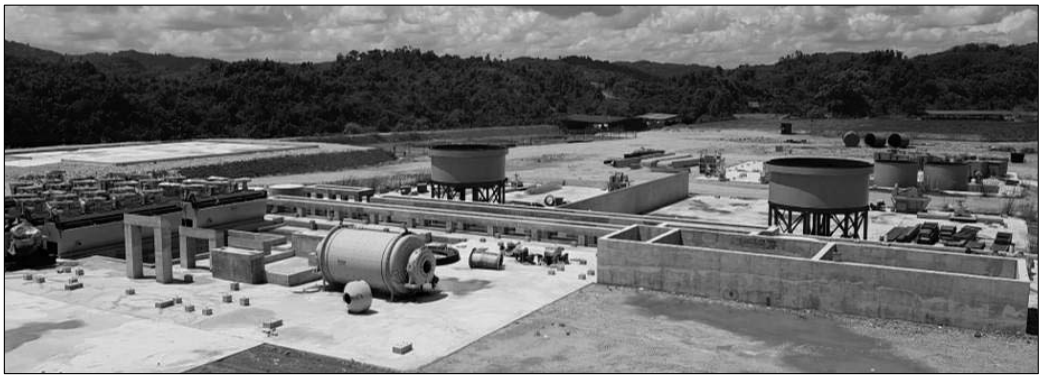
The closed-circuit tailings were treated by sulphur flotation (one-stage roughing and one-stage scavenging). Then sulphur flotation tailings were deslimed and then subject to a gravity separation process. Gravity concentrates were processed by two-stage magnetic separation (4,000 Oersted [Oe] and 7,000 Oe) to retrieve tin concentrates with an operation yield of 0.13% (0.12% relative to raw ore), a tin grade of 43.5% and a tin operational recovery of 20.9% (15.3% relative to raw ore). The recovery of tin was notably lower due to tin being dominantly distributed in fine fraction (-200 mesh) and partly associated with sulphides.

Leaching process (Scheme 2 and 3). Raw material was ground to 85% passing -200 mesh and lime was used as protective alkali. The gold grade of leaching tailings and the gold leaching rate achieved 0.43 g/t and 90.16% respectively under a lime dosage of 14 kg/t, a sodium cyanide dosage of 5 kg/t and a leaching time of 24 hours.

For raw material with a high lead, zinc, gold and silver grades, after the raw material was ground to 85% passing -200 mesh, gold and silver were retrieved through the leaching process. The leaching process achieved a gold leaching rate of 88.3% and a silver leaching rate of 45.7% (with some loss of lead and zinc). Leaching tailings were treated by differential flotation to retrieve lead and then lead concentrates are retrieved through one-stage roughing, one-stage scavenging and two-stage concentration. The lead concentrates achieved a yield of 1.56% and a lead concentrate grade of 75.8%, a silver grade of 1,272 g/t, a lead recovery of 51.8% and a silver recovery of 41.0%. After lead flotation, tailings flow to the zinc flotation process. Through two-stage roughing, two-stage scavenging, and two-stage concentration, zinc concentrates were recovered, with a yield of 3.2%, a zinc grade of 47.0% and a zinc recovery of 62.9%. The leaching and flotation process tests achieved a gold recovery of 88.3% and a silver recover of 68.4% (45.7% in leaching process and 22.7% in the flotation process).

During 2019, CNMC commenced construction of a flotation plant for the production of lead and zinc concentrate based on the Scheme 1 process flow and design prepared by Xintai. CNMC expects the flotation plant to be operational in 2021.

Figure 3.3 Construction of Sokor flotation plant – October 2019



3.7. MINING

3.7.1. MINING METHODS

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

- the deposits almost all 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 of the ore zones and the dip would be problematic for underground extraction.

Underground development commenced at Ketubong in 2019 with the mining by shrinkage stoping and accessed by a vertical shaft. Three horizontal development drives have been wholly or partly excavated, accessing the deposit along strike with a 40 m vertical design stope height (approximately 80 m down dip). Rises and related works are designed on both sides of the stope and along the dip. 5 m crown pillars are to be kept at the top and bottom of the stopes and recovered after completion. Ore rib pillars within the mine stope will be kept at suitable spacing and will be recovered depending on the wall condition.

No stope ore had been taken from the Ketubong deposit by the end of 2019 with only a small amount of development ore hoisted to surface.

Figure 3.4 Ketubong shaft headframe – October 2019

3.7.2. PIT OPTIMISATION

PROCESS

Whittle mining software was used to determine the optimum pit limits. This programme 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.

PROCESSING STREAMS

For the purposes of the open pit optimisation, and in line with current operating practices, pit optimisations were run such that:

- the only available processing stream for oxide material was the heap leach
- transitional and fresh rock above the processing cut-off grade was sent to the CIL plant.

COSTS

Site costs were provided by CNMC for the 2019 calendar year and do not provide breakdown as to the type of material mined. The average 2019 mining costs as supplied were:

- Rixen – $0.48/t mined (range from $0.28 to $0.72/t)
- New Discovery/New Found and Manson's Lode – $2.40/t mined (range from $0.67 to $6.55/t).

The mining unit costs applied in the pit optimisations were:

- Rixen – oxide $0.45/t, transition $1.00/t and fresh $1.50/t
- New Discovery/New Found – oxide $1.00/t, transition $1.50/t and fresh $2.50/t
- Manson's Lode – oxide $1.00/t, transition $1.50/t and fresh $2.50/t.

Costs applied reflected the fact that Rixen has been extensively mined and with the other deposits, Optiro has taken a more conservative approach to the unit costs. It is understood that the CNMC figures reported to Optiro do not contain the final rehabilitation costs and these have been added back, based on known costs of similarly sized, geographically similarly located operations.

Processing costs, inclusive of administration and royalties for the heap leach and CIL for the 2019 calendar year were supplied by CNMC. The average 2019 processing costs were:

- heap leach at Rixen – $3.15/t
- vat leach at New Found – $12.43/t.
- CIL at New Discovery/New Found and Manson's Lode – $30.02/t.

The total processing costs applied in the optimisations were:

- heap leach - $3.50/t for Rixen.
- CIL - $30.00/t for New Discovery/New Found and Mason's Lode deposits.

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 zones were estimated at 5% and 95% respectively. These assumptions result in average grades for heap leach material that closely approximate historical performance and which are considered reasonable.

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 and New Discovery, the slope angles used were:

- 40° for oxide material
- 42° for transitional material
- 45° for fresh rock. At Rixen this was reduced to 40° below the 60 mRL to allow for ramp inclusion in the deeper extensions of the southern pit area.

At Manson's Lode an overall slope angle of 50° was used and restricted to the base of the existing pit walls.

OPTIMISATION INPUTS

Input parameters used for pit optimisation are listed in Table 3.3.

Table 3.3 Optimisation input parameters

Item	Units	Amount	Comment
Overall slope angle – Rixen and New Discovery			
Oxide material	degrees	40	Oxidation states have not been fully logged
Transitional material	degrees	42	at Manson's Lode, hence one overall wall
Fresh material	degrees	40/45	angle which roughly approximates the Rixen
Overall slope angle – Manson's Lode	degrees	50	average slope angle was used
Production factors			
Dilution	%	5	Optiro estimates which
Mining recovery	%	95	align well with previous performance
Ore processing limit – heap leach	Mtpa	1.0	
Ore processing limit – CIL	Ktpa	182	
Mining costs			
Oxide material - Rixen	US$ /t	0.45	Optiro estimates based on 2019 CNMC data
Transitional material - Rixen	US $/t	1.00	
Fresh material – Rixen	US $/t	1.50	
Oxide material – All other deposits	US $/t	1.00	Optiro estimate based on CNMC costs extrapolated for other pits
Transition material – All other deposits	US $/t	2.50	
Fresh material – All other deposits	US$ /t	2.50	
Processing recovery			
Heap leach - All deposits	%	35%	2019 CNMC recoveries in later months
CIL - New Discovery and Manson's Lode	%	94.5%	Jun / Dec CNMC 2019 CIL performance
Processing costs			
Heap leach	US$ /t ore	3.50	Explained in costs section
CIL (inclusive of administration and royalty	US$ /t ore	30	
Revenue			
Gold	US$ /oz	1,500	

OPTIMISATION RESULTS

The optimisation results for each deposit are shown in Figure 3.5 to Figure 3.8. In each instance a pit shell smaller than the highest theoretically conceivable value pit has been chosen as the basis for the design. Optiro believes pits larger than the chosen shell do not have sufficient reward (contained ounces, NPV, free cashflow) to justify the additional risk (larger pit, higher stripping ratio and higher costs). In each instance the pit shell chosen as the basis for design is shown in red.

Figure 3.5 Optimisation results - Rixen

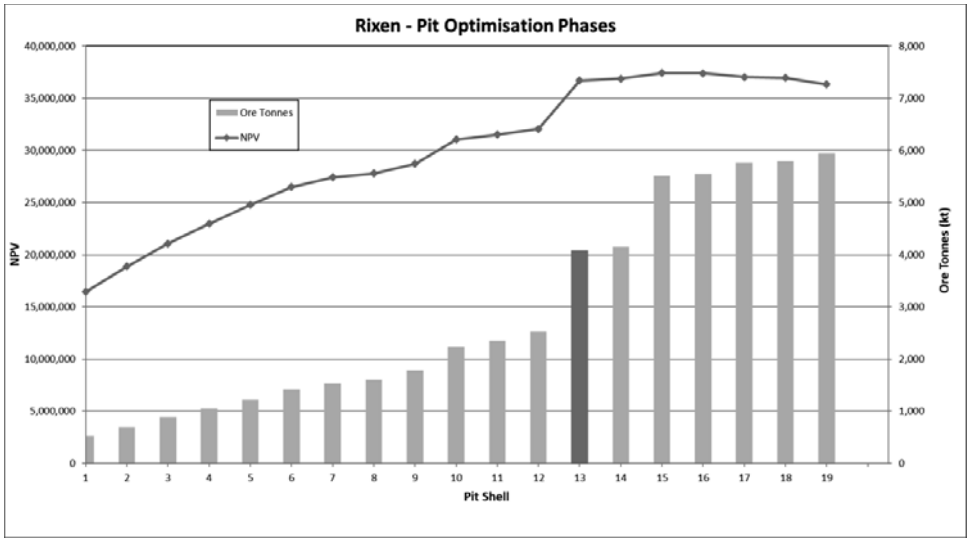


Figure 3.6 Optimisation results – New Discovery

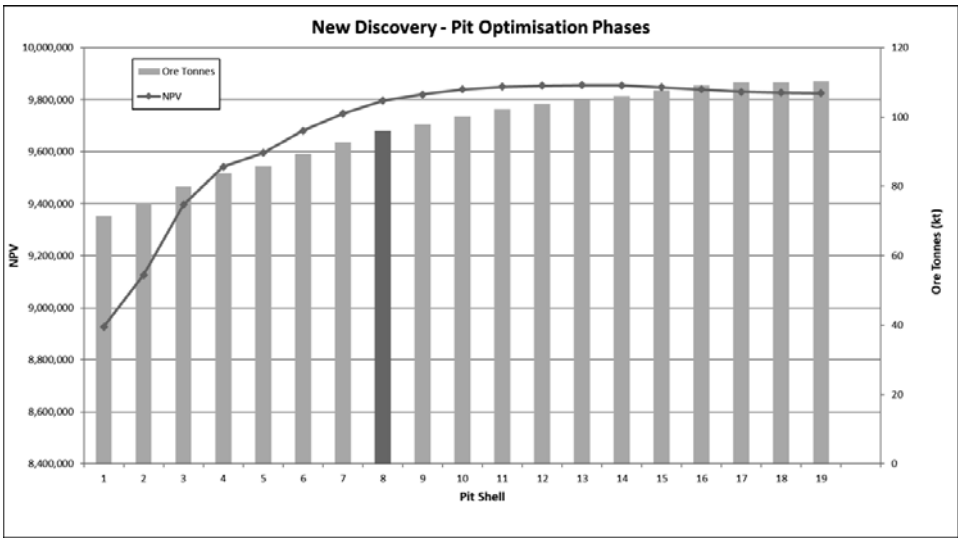


Figure 3.7 Optimisation results – New Found

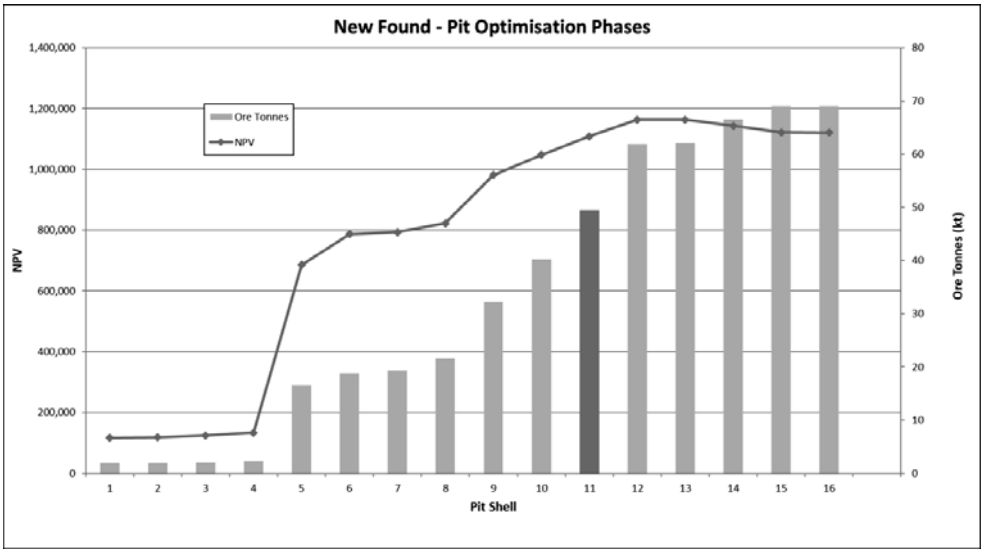
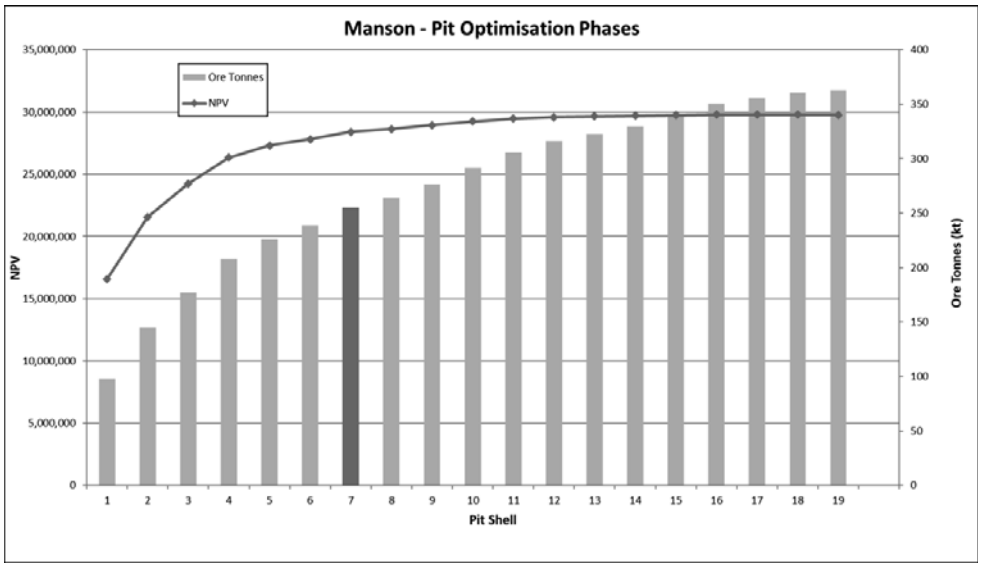


Figure 3.8 Optimisation results - Manson's Lode



SENSITIVITY

A sensitivity analysis (Figure 3.9 to Figure 3.12) was undertaken to:

- ensure that the chosen pit shell for design was still relevant at an appropriate range of key input drivers
- test overall project sensitivity.

Sensitivity analysis was undertaken on the following parameters:

- a gold price of ±US$200 per ounce (base case is US$1,500 per ounce)
- ± 20% on processing cost
- ± 20% on mining cost.

Figure 3.9 Sensitivity results - Rixen

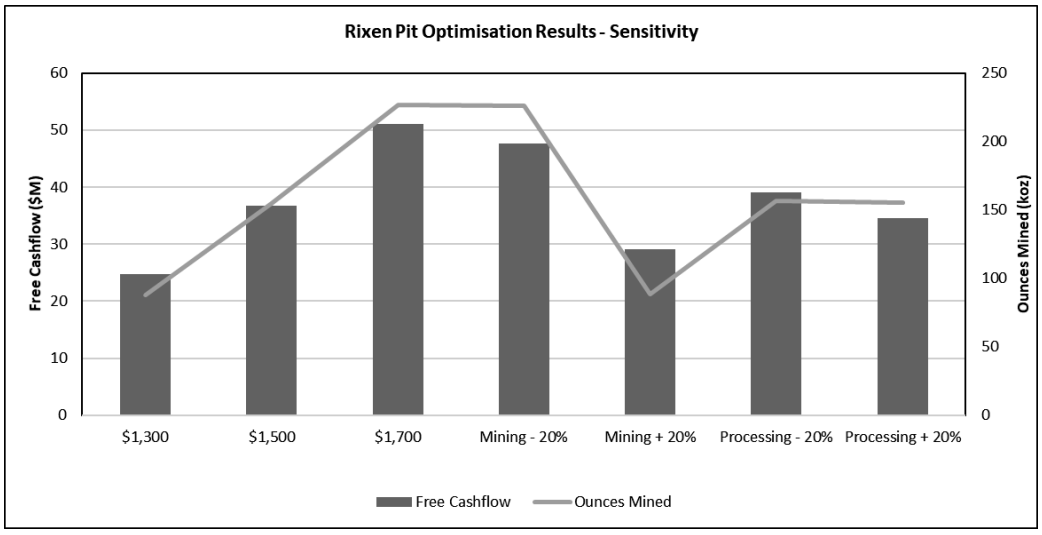


Figure 3.10 Sensitivity results - New Discovery

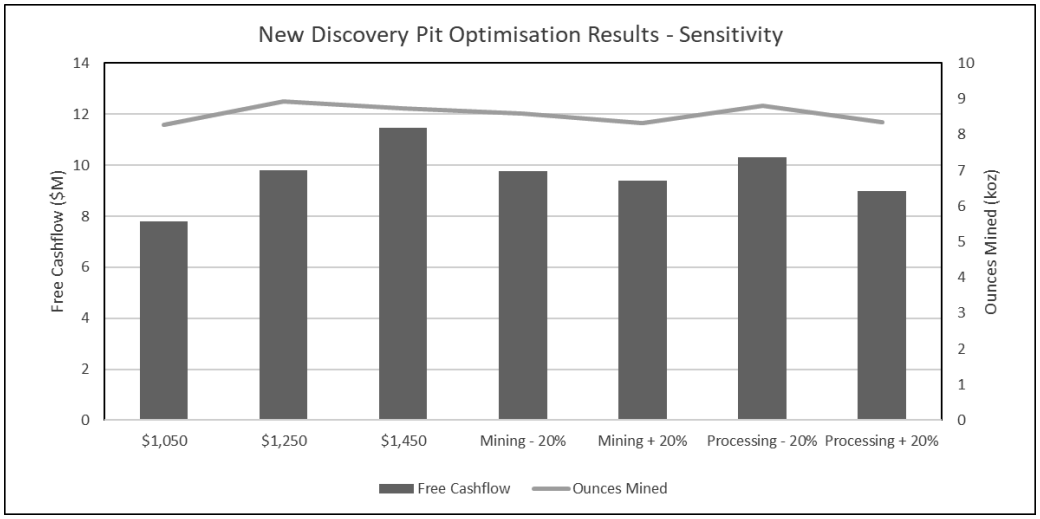


Figure 3.11 Sensitivity results - New Found

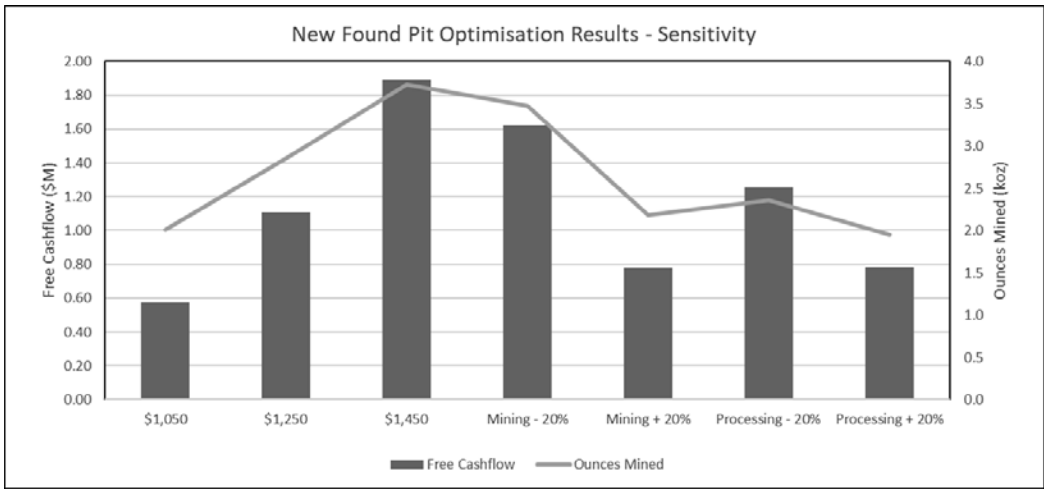
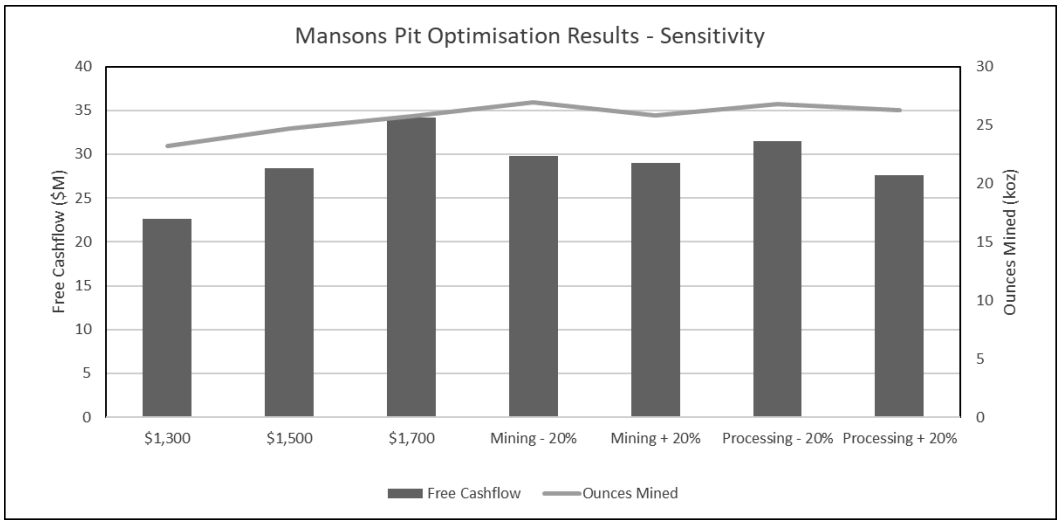


Figure 3.12 Sensitivity results - Manson's Lode



The results of the sensitivity analysis (highest theoretical NPV pit is shown for comparison) show that whilst the value (free cashflow) of the mine changes with input parameter, the key physical (contained ounces) is relatively unchanged (relatively insensitive). The results also show that all cases (including downside sensitivities) contain, at the very least, a pit with equivalent tonnes, grade, contained ounces and similar stripping ratios as that chosen as the basis of the pit design. Thus, the pit selection as the basis for design is robust and a relatively low-risk option.

3.7.3. 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.

DESIGN PARAMETERS

Design parameters are summarised in Table 3.4.

Table 3.4 Mine design parameters

Item	Units	Amount
Batter angles		
Oxide and transitional	degrees	60
Fresh	degrees	60
Batter height	m	10/12
Berm width	m	5
Ramp width		
Dual lane	m	18
Single lane*	m	9
Minimum mining width	m	15

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

PIT DESIGN

Pit designs are depicted in Figure 3.13 to Figure 3.16.

The pit design at Rixen has been modified from the previous 2018 design with the addition of a southerly extension of the main northern pit and a deepening and a major expansion of the separate southern pit area.

Figure 3.13 Final pit design – Rixen (north to right)

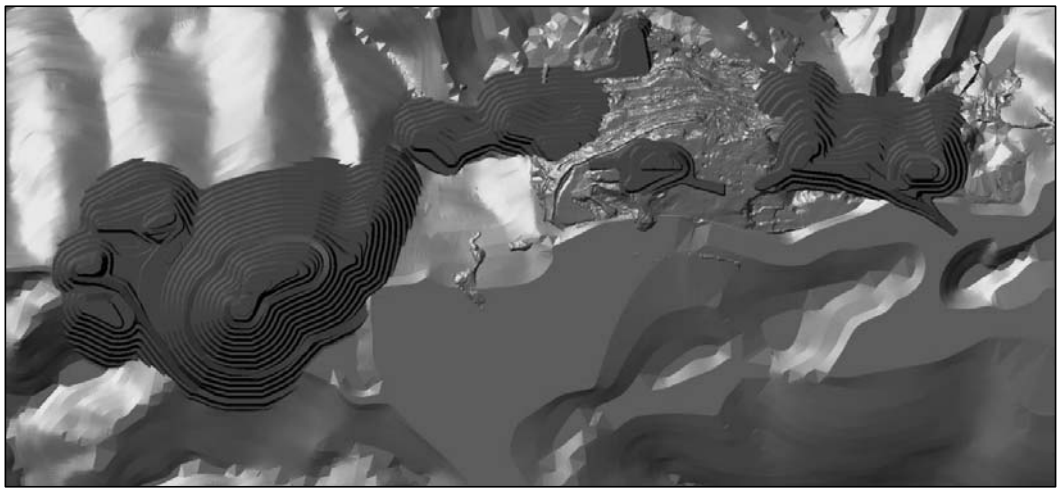


Figure 3.14 Final pit design - New Discovery

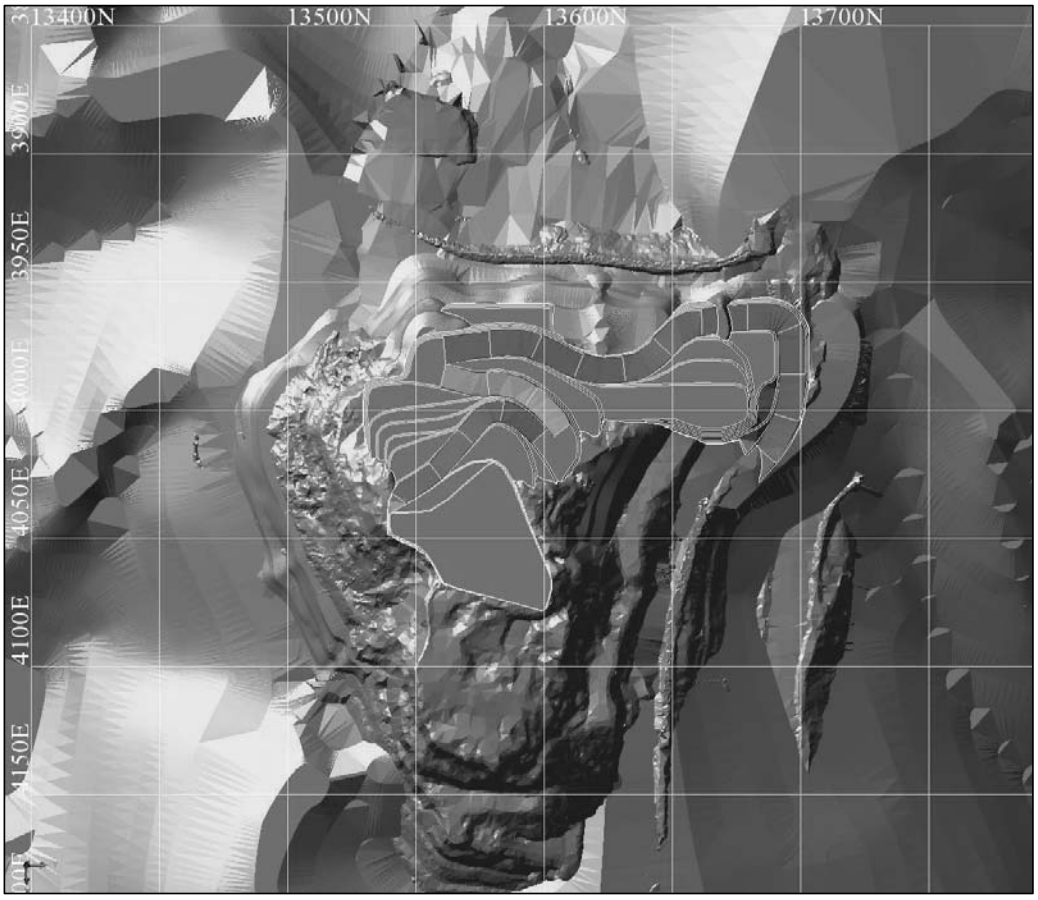


Figure 3.15 Final pit design - New Found

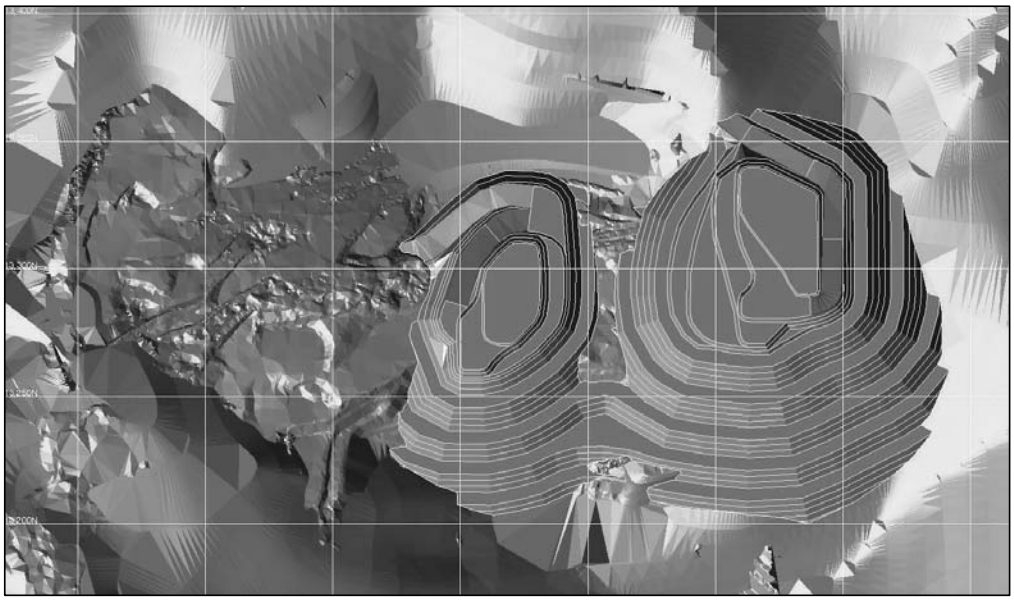
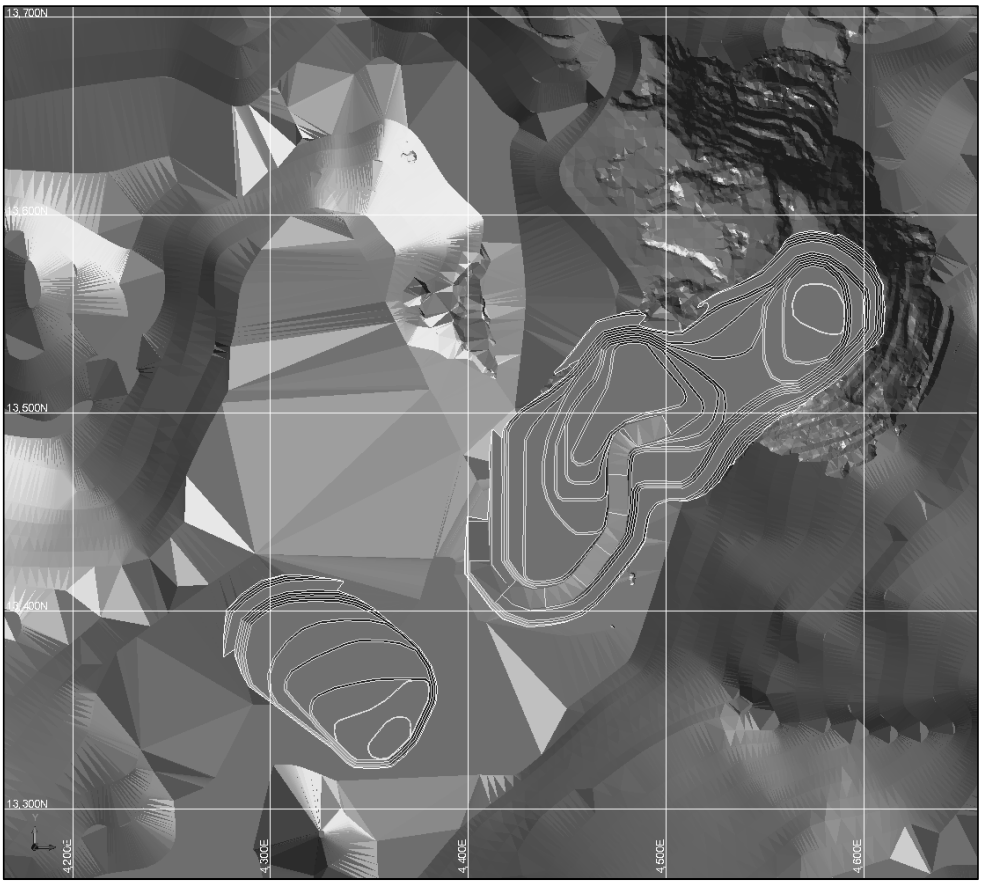


Figure 3.16 Final pit design - Manson's Lode



MINE DESIGN PHYSICALS

The mine designs were reimported into the optimisation package to report key physicals. This was done to ensure that a consistent method of reporting ore and waste by rock type, processing stream and the applicable cut-off grade was adhered to. The key physicals of each mine design are shown in Table 3.5.

Table 3.5 Mine design physicals

Deposit	Waste	Ore tonnes (kt)			Ore grade (g/t Au)			Gold mined (koz)		
	kt	Heap leach	CIL	Total	Heap leach	CIL	Total	Heap leach	CIL	Total
Manson's Lode	264	0	280	280	0.00	2.97	2.97	0	27	27
New Discovery	77	0	69	69	0.00	3.30	3.30	0	7	7
New Found	1,069	0	53	53	0.00	1.77	1.77	0	3	3
Rixen	30,085	30,085	0	30,085	1.24	0.00	1.24	161	0	161
Ketubong UG	0	0	49	49	0.00	3.97	3.97	0	6	6
Total	**31,495**	**30,085**	**451**	**30,536**	**1.24**	**2.99**	**1.26**	**161**	**43**	**204**

3.7.4. 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.

SCHEDULING STRATEGY

The mine schedule had three primary objectives:

- Continue to mine heap leach sources as per current operating practice (scheduled at a nominal 1 Mtpa)
- achieve the nominal CIL rate of 500 tpd
- mine CIL sources in order of decreasing grade (New Discovery First, then Manson's Lode)
- smooth overall material movement as much as possible to keep the stripping ratio constant.

SCHEDULE OUTPUTS

The key outputs of the mining schedule are shown in Table 3.6. Optiro notes that the mining schedule is for Ore Reserves estimation purposes only.

3.7.5. MINING OPERATIONS

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.

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.

Table 3.6 Mining schedule physicals

Source	Unit	Total	Year 1	Year 2	Year 3	Year 4
Manson's Lode						
Waste	kt	264	198	53	13	0
Total ore	kt	280	121	130	29	0
Heap leach ore	kt	0	0	0	0	0
CIL ore	kt	280	121	130	29	0
Heap leach ore grade	g/t	0.0	0.0	0.0	0.0	0.0
CIL ore grade	g/t	3.1	2.7	3.4	3.6	0.0
Gold mined (heap leach)	koz	0	0	0	0	0
Gold mined (CIL)	koz	28	11	14	3	0
Gold mined	koz	28	11	14	3	0
New Discovery / New Found						
Waste	kt	1,149	719	354	75	0
Total ore	kt	122	74	12	37	0
Heap leach ore	kt	0	0	0	0	0
CIL ore	kt	122	74	12	37	0
Heap leach ore grade	g/t	0.0	0.0	0.0	0.0	0.0
CIL ore grade	g/t	2.8	3.3	1.9	1.9	0.0
Gold mined (heap leach)	koz	0	0	0	0	0
Gold mined (CIL)	koz	11	8	1	2	0
Gold mined	koz	11	8	1	2	0
Rixen						
Waste	kt	30,144	6,565	8,532	9,504	5,544
Total ore	kt	4,038	1,103	984	1,232	719
Heap leach ore	kt	4,038	1,103	984	1,232	719
CIL ore	kt	0	0	0	0	0
Heap leach ore grade	g/t	1.2	1.5	1.2	0.9	1.3
CIL ore grade	g/t	0.0	0.0	0.0	0.0	0.0
Gold mined (heap leach)	koz	156	53	36	35	31
Gold mined (CIL)	koz	0	0	0	0	0
Gold mined	koz	156	53	36	35	31
Ketubong						
Waste	kt	0	0	0	0	0
Total ore	kt	49	26	23	0	0
Heap leach ore	kt	0	0	0	0	0
CIL ore	kt	49	26	23	0	0
Heap leach ore grade	g/t	0.0	0.0	0.0	0.0	0.0
CIL ore grade	g/t	4.0	4.0	4.0	0.0	0.0
Gold mined (heap leach)	koz	0	0	0	0	0
Gold mined (CIL)	koz	6	3	3	0	0
Gold mined	koz	6	3	3	0	0
Sokor Project - Total						
Waste	**kt**	31,556	7,482	8,939	9,591	5,544
Total ore	**kt**	4,489	1,324	1,149	1,297	719
Heap leach ore	**kt**	4,038	1,103	984	1,232	719
CIL ore	**kt**	451	221	165	65	0
Heap leach ore grade	**g/t**	1.2	1.5	1.2	0.9	1.3
CIL ore grade	**g/t**	3.1	3.1	3.4	2.7	0.0
Gold mined (heap leach)	**koz**	156	53	36	35	31
Gold mined (CIL)	**koz**	45	22	18	6	0
Gold mined	**koz**	201	75	54	40	31

MINING FLEET

Due to the small volumes of material movement required, the pit is mined using a small fleet of machinery. Several back-hoe type excavators in the 60 t to 120 t class are used 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 t 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.

3.8. MINERAL RESOURCE 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 areas at Manson's Lode, New Discovery, New Found, Ketubong, Rixen or Sg Amang, has not been included in this report.

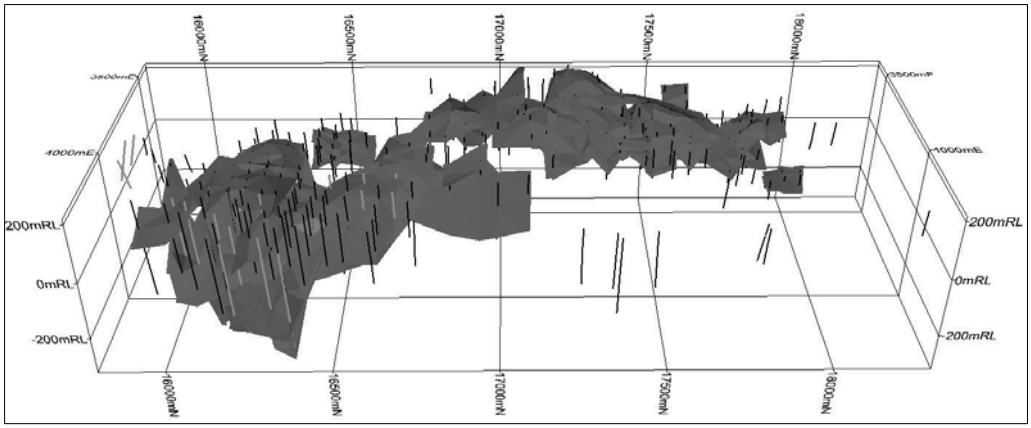
3.8.1. MINERAL RESOURCE

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. Interpretation of the 2014 to 2019 drillhole data was by Optiro, and used the geological logs provided by CNMC and the assay data. It maintained a similar orientation to that interpreted by CNMC geologists prior to 2014.

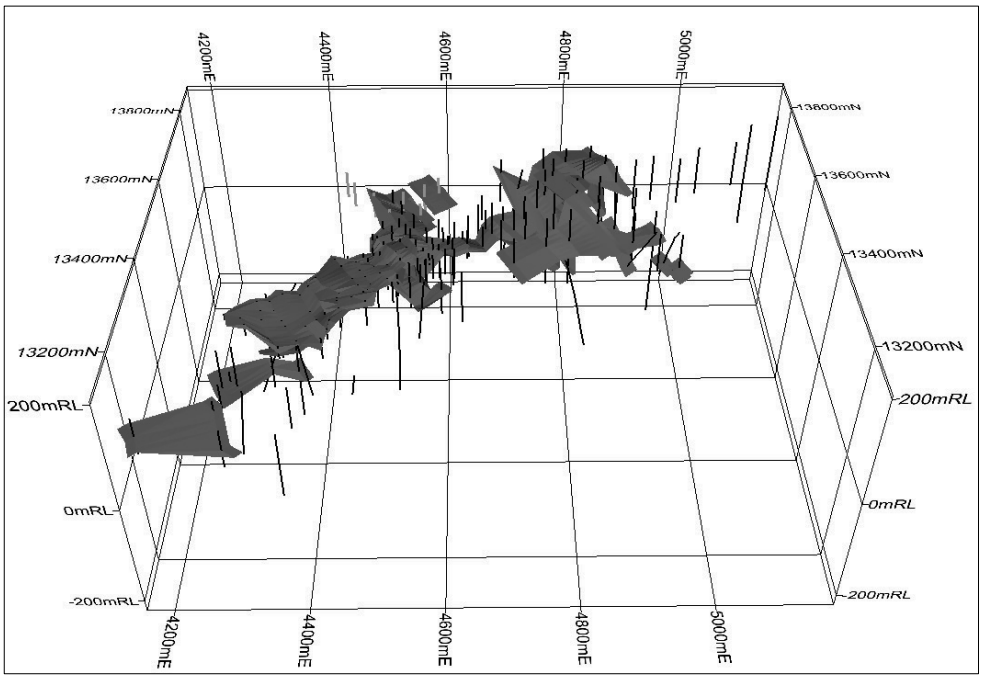
For the 2019 update to the Rixen, Manson's Lode and the combined New Discovery and New Found resource models, a nominal 0.15 g/t gold cut-off grade was used to interpret the gold mineralisation. At Rixen, the 2019 drilling infilled an area within the southern part of Rixen and extended the resource down-dip to the east and long strike to the south. The drillholes and the resource interpretation for 2019 are illustrated in Figure 3.17.

Figure 3.17 Rixen - Mineral Resource interpretation as at 2019 (red) and drillholes (prior to 2019 black and 2019 green)



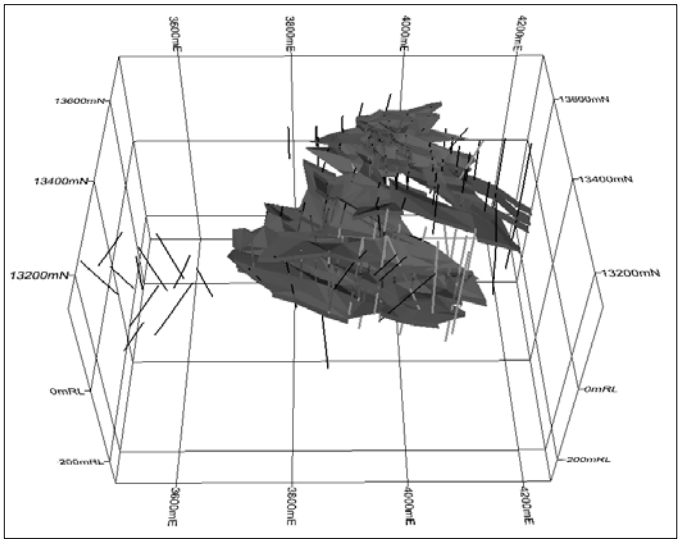
At Manson's Lode, the 2019 drilling extended the gold mineralisation to the northwest, within the central area of the deposit. The base metal mineralisation (interpreted using a nominal 2% lead+zinc cut-off grade) also extended to the northeast, but not as far as the gold mineralisation. The drillholes and the resource interpretation for 2019 are illustrated in Figure 3.18.

Figure 3.18 Manson's Lode – gold Mineral Resource interpretation as at 2019 (red) and drillholes (prior to 2019 black and 2019 green)



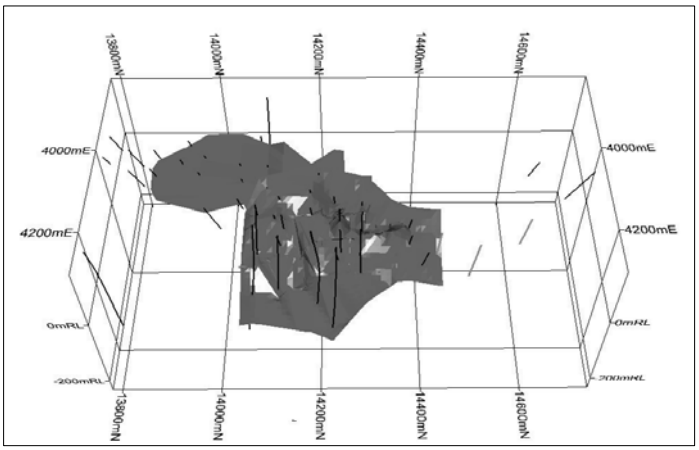
Two holes were drilled at New Discovery during 2019. This drilling tested the mineralisation at depth and has extended the mineralisation down-dip, to the east. The 2019 drilling at New Found has extended the resource to the south and down-dip, to the east. The drillholes and the resource interpretation for 2019 for New Discovery and New Found are illustrated in Figure 3.19.

Figure 3.19 New Discovery and New Found - Mineral Resource interpretation as at 2019 (red) and drillholes (prior to 2019 black and 2019 green)



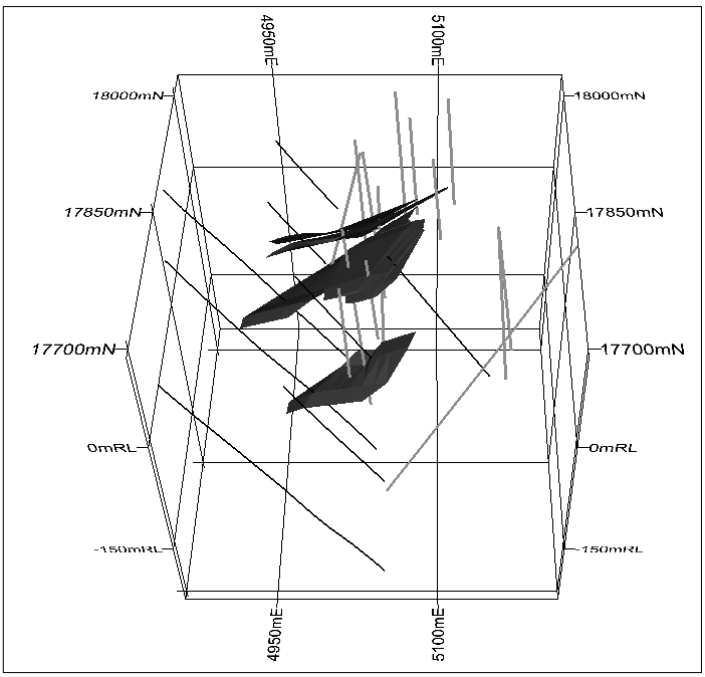
Open pit mining stopped at Ketubong during 2018 and the focus is now on extending the resource at depth and down dip for undergound extraction. Four holes were drilled at Ketubong in 2019 to investigate the mineralisation at depth within the northern area of the deposit and two of these drillholes extended the resource to the north. Sampling of the underground workings included results from 200 face samples. The cut-off grade used for mineralisation interpretation was increased from 0.15 g/t gold to 0.5 g/t gold, commensurate with the planned underground mining method. The resource was screened to exclude mineralisation within 10 m of the existing open pit. The drillholes and the resource interpretation for 2019 for Ketubong and the underground workings are illustrated in Figure 3.20.

Figure 3.20 Ketubong - Mineral Resource interpretation as at 2019 (red), drillholes (prior to 2019 black and 2019 green) and underground workings (grey)



Drilling in 2019 at Sg Amang has defined five lodes of base metal mineralisation. The drillholes and the resource interpretation for 2019 for Sg Amang is illustrated in Figure 3.21.

Figure 3.21 Sg Amang - Mineral Resource interpretation as at 2019 (red) and drillholes (prior to 2019 black and 2019 green)



DATA ANALYSIS

Data within the interpreted mineralisation Manson's Lode was composited to 1.5 m downhole intervals and data within the interpreted mineralisation at Rixen, New Discovery, New Found and Sg Amang was composited to 1.0 m downhole intervals.

The data was then 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-cut values range between 10 g/t gold (within the eluvial mineralisation at Rixen) to 32 g/t gold (within the lithologically controlled mineralisation at New Discovery and New Found). These top-cuts affected the top 0.4% to 2.3% of the gold data.

At Manson's Lode, silver, lead and zinc grades were top-cut to 310 g/t silver, 9% lead and 2.8% zinc respectively within the backfill material, and to 450 g/t silver, 23% lead and 19% zinc within the bedrock material. These top-cuts affected the top 0.3% to 2.3% of the data. The resource at Sg Amang is based on relatively sparse data, which was taken into consideration for resource classification. As the data distributions are poorly defined and positively skewed, the top-cuts that were applied (of 1,100 g/t Silver, 25% lead and 30% zinc) are more restrictive and affected the top 7.8% to 13.2% of the data.

At Ketubong, the face sample data from the underground workings was combined with the drillhole data and a seam model was used to model the potential underground resources, the samples were then length weighted for statistical and geostatistical analysis and for grade estimation. Top-cuts were not applied.

The gold mineralisation at the Sokor deposits has a low to moderate nugget effect (10% to 30% of the total sample variance) and mineralisation continuity was interpreted from variogram analysis to have an along-strike range of 46 m to 135 m, and a down-dip range of 44 m to 98 m. The longest ranges of continuity are within the fresh rock at Manson's Lode. The gold accumulation data at Ketubong has a moderately high nugget effect (35% of the total sample variance), an along strike range of 65 m and a down dip range of 44 m. The base metal mineralisation (lead and zinc) at Manson's Lode and Sg Amang has a low nugget effect (10% to 15% of the total sample variance) and along strike ranges of 74 m to 105 m and down-dip ranges of 52 m to 130 m.

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 and New Discovery/New Found, 10 mE by 20 mN on 2 m benches at Rixen and 10 mE by 10 mN by 1 m benches at Sg Amang. Block grades were estimated using ordinary kriging with appropriate top-cuts, as previously described, applied per deposit and style of mineralisation.

For Ketubong, a seam model using a block size of 5 mE by 5 mN with a variable bench height was used to represent the increased selectivity that can be achieved by underground mining practices. The face sampling data and drillhole data were length weighted for the entire thickness of the interpreted mineralised lode and ordinary kriging was used to estimate gold accumulation (gold grade times length). The block height was determined from the lode thickness at each block centroid and this was used convert the estimated gold accumulation grade to a gold grade for each block by division.

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 2019 Mineral Resource estimate at Rixen were 2.62 t/m^3 for the oxide and transitional material and 2.84 t/m^3 for the fresh material. For the combined New Discovery and New Found resource estimate, 2.60 t/m^3 was used for the oxide material and 2.82 t/m^3 for the transitional and fresh material. A bulk density of 2.2 t/m^3 was used for the eluvial material at Rixen, New Discovery and New Found. Bulk density values used at Ketubong were 2.47 t/m^3 for the oxide material and 2.85 t/m^3 for the transitional and fresh material.

For the 2019 Mineral Resource for Manson's Lode, a bulk density of 1.85 t/m^3 was used for the backfill material and a density of 2.91 t/m^3 was used for the gold mineralised lodes within the bedrock material.

There is a strong relationship between the sulphide mineralisation and the bulk density. An ordinary multivariate least squares regression model between density and metal grade was developed and the following equation (and a minimum density of 2.6 t/m^3) was used to determine the bulk density for the bedrock material at Manson's Lode within the base metal lodes as a function of the lead and zinc grades:

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

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.

MINERAL RESOURCE TABULATION

The Mineral Resource estimate, as at 31 December 2019 for the Sokor Project, is reported in Table 3.7. 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 0.17 g/t gold cut-off grade at Rixen and for oxide material at New Discovery and New Found and above a 0.5 g/t gold cut-off grade at Manson's Lode and Ketubong, and for transitional and fresh material at New Discovery and New Found to reflect current commodity prices, operating costs and processing options. The Mineral Resources in Table 3.7 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 grade determined from Optiro's mining study of 0.17 g/t at Rixen and New Discovery was used to report the Mineral Resources at Rixen and the oxide Mineral Resources at New Discovery and New Found. Optiro's mining study at New Discovery and Manson's Lode indicates that the current economic cut-off grade for reporting of transitional and fresh material (to be processed using CIL) is 0.7 g/t gold. A cut-off grade of 0.5 g/t gold was used to report the Mineral Resources at Manson's Lode and Ketubong, the transitional and fresh Mineral Resources at New Discovery and New Found. This cut-off grade is lower than the current economic mining cut-off grade, and reflects potential future economic extraction.

Table 3.7 Sokor Project – Gold Mineral Resource statement as at 31 December 2019 (inclusive of material modified to generate Ore Reserves)

Deposit	Measured		Indicated		Inferred		Total	
	Tonnes (kt)	Grade (Au g/t)	Tonnes (kt)	Grade (Au g/t)	Tonnes (kt)	Grade (Au g/t)	Tonnes (kt)	Grade (Au g/t)
Manson's Lode	380	2.6	160	2.3	550	1.0	1,090	1.7
New Discovery	0.2	3.7	120	2.7	390	1.5	510	1.8
New Found	-	-	350	1.5	660	1.0	1,010	1.2
Ketubong	-	-	30	7.4	650	3.7	680	3.9
Rixen	-	-	8,780	1.5	4,250	1.8	13,030	1.6
Total	**380**	**2.6**	**9,440**	**1.6**	**6,500**	**1.8**	**16,320**	**1.7**

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 3.8 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 2% lead plus zinc (Pb+Zn) cut-off grade in Table 3.8. Silver, lead and zinc mineralisation has also been identified at Sg Amang and has been reported above a 2% lead plus zinc cut-off grade in Table 3.8.

Table 3.8 Silver and base metal Mineral Resources at Manson's Lode and Sg Amang as at 31 December 2019 (inclusive of material modified to generate Ore Reserves)

Deposit	Cut-off grade	Measured				Indicated				Inferred				Total			
		Tonnes (kt)	Ag g/t	Pb %	Zn %	Tonnes (kt)	Ag g/t	Pb %	Zn %	Tonnes (kt)	Ag g/t	Pb %	Zn %	Tonnes (kt)	Ag g/t	Pb %	Zn %
Manson's Lode	0.5 g/t Au	380	69	2.0	2.1	160	66	1.6	1.8	550	40	1.4	1.2	1,090	54	1.7	1.6
	2% Zn+Pb	-	-	-	-	0.7	53	2.3	1.7	450	3	2.2	2.1	450	3	2.2	2.1
Sg Amang	2% Zn+Pb	-	-	-	-	-	-	-	-	180	243	4.6	9.3	180	243	4.6	9.3
Total		**380**	**69**	**2.0**	**2.1**	**160**	**66**	**1.6**	**1.8**	**1,170**	**57**	**2.2**	**2.8**	**1,720**	**61**	**2.1**	**2.5**

Note: Inconsistencies in totals are due to rounding

The total Mineral Resource, inclusive of material used to generate Ore Reserves, is presented in Table 3.9. 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 3.10.

Table 3.9 Sokor Project – Mineral Resources as at 31 December 2019 (inclusive of Ore Reserves)

Category	Mineral	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	0.38	2.6	30	0.31	2.6	30	-12%
Indicated	Gold	9.44	1.6	480	7.65	1.6	390	10%
Inferred	Gold	6.50	1.7	380	5.26	1.7	310	-13%
Total	**Gold**	**16.32**	**1.7**	**900**	**13.22**	**1.7**	**730**	**-1%**
Measured	Silver	0.38	69	860	0.31	69	690	25%
Indicated	Silver	0.16	66	340	0.13	66	280	-16%
Inferred	Silver	1.17	57	2,150	0.95	57	1,740	156%
Total	**Silver**	**1.72**	**61**	**3,350**	**1.39**	**61**	**2,710**	**74%**
Measured	Lead	0.38	2.0	7,570	0.31	2.0	6,130	50%
Indicated	Lead	0.16	1.6	2,610	0.13	1.6	2,120	2%
Inferred	Lead	1.17	2.2	26,160	0.95	2.2	21,190	70%
Total	**Lead**	**1.72**	**2.1**	**36,340**	**1.39**	**2.1**	**29,430**	**58%**
Measured	Zinc	0.38	2.1	7,960	0.31	2.1	6,450	25%
Indicated	Zinc	0.16	1.8	2,960	0.13	1.8	2,400	-12%
Inferred	Zinc	1.17	2.8	32,390	0.95	2.8	26,240	135%
Total	**Zinc**	**1.72**	**2.5**	**43,320**	**1.39**	**2.5**	**35,090**	**84%**

Note: Inconsistencies in totals are due to rounding

Table 3.10 Sokor Project – gold Mineral Resources at 31 December 2019 (exclusive of material used to generate Ore Reserves)

Category	Mineral	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	129	1.5	6	105	1.5	5	36
Indicated	Gold	6,288	1.5	307	5,093	1.5	248	0
Inferred	Gold	7,107	1.7	393	5,757	1.7	319	17
Total	**Gold**	**13,524**	**1.6**	**706**	**10,955**	**1.6**	**572**	**9**

Note: Inconsistencies in totals are due to rounding

3.8.2. COMPARISON WITH DECEMBER 2018 MINERAL RESOURCE

As at 31 December 2018, the total Measured, Indicated and Inferred gold Mineral Resource for the Sokor Project (above a 0.17 g/t gold cut-off grade at Rixen and for oxide rock at Ketubong, New Discovery and New Found and above a 0.5 g/t gold cut-off grade at Manson's Lode and for transitional and fresh rock at Ketubong, New Discovery and New Found) was 17,910 kt at 1.6 g/t gold for 914,000 ounces of contained gold. The Manson's Lode Mineral Resources contained silver, lead and zinc and, as at 31 December 2018, this was 1,410 kt with an average grade of 42 g/t silver, 1.6% lead and 1.7% zinc. The 2018 Mineral

Resources have been subdivided by resource category below in Table 3.11; this table can be compared directly with Table 3.9.

Table 3.11 Sokor Project – Mineral Resource as at 31 December 2018 (inclusive of Ore Reserves)

Category	Mineral	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	0.41	2.8	37	0.33	2.8	30	-25%
Indicated	Gold	9.22	1.5	438	7.47	1.5	355	56%
Inferred	Gold	8.27	1.7	439	6.70	1.7	355	12%
Total	**Gold**	**17.91**	**1.6**	**914**	**14.50**	**1.6**	**740**	**26%**
Measured	Silver	0.34	63	683	0.27	63	553	0%
Indicated	Silver	0.17	74	407	0.14	74	330	0%
Inferred	Silver	0.90	29	838	0.73	29	679	0%
Total	**Silver**	**1.41**	**42**	**1,928**	**1.14**	**42**	**1,562**	**0%**
Measured	Lead	0.34	1.5	5,058	0.27	1.5	4,097	0%
Indicated	Lead	0.17	1.5	2,560	0.14	1.5	2,074	0%
Inferred	Lead	0.90	1.7	15,407	0.73	1.7	12,480	0%
Total	**Lead**	**1.41**	**1.6**	**23,025**	**1.14**	**1.6**	**18,650**	**0%**
Measured	Zinc	0.34	1.9	6,370	0.27	1.9	5,160	0%
Indicated	Zinc	0.17	2.0	3,365	0.14	2.0	2,726	0%
Inferred	Zinc	0.90	1.5	13,770	0.73	1.5	11,154	0%
Total	**Zinc**	**1.41**	**1.7**	**23,505**	**1.14**	**1.7**	**19,039**	**0%**

Note: Inconsistencies in totals are due to rounding

Since the Mineral Resource was reported as at 31 December 2018, data from 69 holes drilled at Rixen, Manson's Lode, New Discovery, New Found and Ketubong were used to update the Mineral Resources. In addition, results from 200 face samples from the underground workings at Ketubong were used to update the resource. Detailed aerial pit surveys of Rixen, New Discovery, New Found and Manson's Lode were conducted at the end of 2019 and resource models for Rixen, New Discovery, New Found and Manson's Lode were depleted for all mining to 31 December 2019. The Ketubong resource model was depleted for underground mining to the end of 2019 and resources within 10 m of the existing open pit were excluded from the reported Mineral Resource.

At Rixen, the drilling infilled an area adjacent to the southern pit design and extended the resource to the south and down-dip to the east. Mining at Rixen during 2019 has depleted both the Indicated and Inferred Resources. After depletion for mining at Rixen during 2019, the Indicated Mineral Resource tonnage did not change, the average grade increased by 10%, with an overall increase of 10% in contained gold. The Inferred Mineral Resource tonnage decreased by 28%, the grade increased by 21%, with an overall decrease of 13% in contained gold. The total Mineral Resource tonnage at Rixen has decreased by 11%, the average grade increased by 13%, with an overall increase of 1% in contained gold.

Mining at New Discovery has depleted the Measured, Indicated and Inferred Resources. The Measured Resources have essentially all been mined, with only less than 0.2 kt remaining. The Indicated tonnage has decreased by 34%, the grade decreased by 11%, for an overall decrease of 42% in contained gold. The Inferred Mineral Resource tonnage decreased by 1%, the grade decreased by 1%, with an overall decrease of 2% in contained gold. The total Mineral Resource tonnage at New Discovery has decreased by 22%, the average grade decreased by 19%, with an overall decrease of 36% in contained gold.

Mining at New Found has depleted the Inferred Resources. The additional drilling at New Found has increased the Inferred Resources and has defined Indicated Mineral Resources. The total Mineral Resource tonnage at New Found has increased by 117%, the average grade increased by 16%, with an overall increase of 152% in contained gold.

At Manson's Lode, the drilling extended the central area of the resource to the northwest and an updated and more accurate pit survey was used to deplete the resource model for all mining to 31 December 2019. For the gold resources the Measured tonnage increased by 14%, the average grade increased by 2%, with an overall increase of 16% in contained gold. The Indicated tonnage decreased by 5%, the average grade decreased by 6%, with an overall decrease of 11% in contained gold. The Inferred tonnage increased by 22%, the grade decreased by 3%, with an overall increase of 19% in contained gold. The total gold Mineral Resource tonnage at Manson's Lode has increased by 9%, the average grade increased by 1%, with an overall increase of 10% in contained gold.

At Ketubong, the revised cut-off grade used for the mineralisation interpretation (to reflect extraction by underground mining) has significantly increased the average grade of the resources. The increased cut-off grade and the exclusion of small discontinuous zones of mineralisation has decreased the resource tonnage. The Indicated tonnage decreased by 66%, the average grade increased by 125%, with an overall decrease of 24% in contained gold. The Inferred tonnage decreased by 37%, the grade increased by 15%, with an overall decrease of 28% in contained gold. The total gold Mineral Resource tonnage at Ketubong has decreased by 35%, the average grade increased by 19%, with an overall decrease of 23% in contained gold.

As at 31 December 2019, the total Measured, Indicated and Inferred gold Mineral Resource for the Sokor Project (above a 0.17 g/t gold cut-off grade at Rixen and for oxide rock, New Discovery and New Found and above a 0.5 g/t gold cut-off grade at Manson's Lode and Ketubong and for transitional and fresh rock at New Discovery and New Found) is 16,320 kt at 1.7 g/t gold for 900,000 ounces of contained gold. Compared to the 31 December 2018 Mineral Resource estimate and after depletion for mining during 2019, there has been a decrease in gold Mineral Resource tonnage of 1,590 kt, the average gold grade has increased from 1.6 g/t to 1.7 g/t and there is an overall small decrease of 1.8% in contained gold in the 2019 Mineral Resource.

The Manson's Lode Mineral Resources contained silver, lead and zinc and, as at 31 December 2018, this comprised 1,410 kt with an average grade of 42 g/t silver, 1.6% lead and 1.7% zinc. With the additional base metal mineralisation defined at Sg Amang and the drilling at Manson's Lode, there has been a significant increase in the silver, lead and zinc resources. As at 31 December 2019, this comprised 1,720 kt with an average grade of 61 g/t silver, 2.1% lead and 2.5% zinc. The total Mineral Resource tonnage has increased by 22%, the contained silver by 74%, the contained lead by 58% and the contained zinc by 84%.

3.9. 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 are due to rounding.

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 3.10. Where changes in ounces as a percentage are quoted, these refer 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.

3.9.1. RIXEN PIT ORE RESERVES

Between the period of 1 January 2019 and 31 December 2019, there was mining at Rixen. CNMC reported to Optiro that for the 2019 production period, approximately 2,887 kt of ore was removed from the Rixen Pit as contained in the spreadsheet '*Production_and_Cost_Inputs_Spreadsheet_2019*'; however, accurate reporting of 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 2019 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 at 31 December 2019.

The Rixen Pit Ore Reserve estimate is reported above a 0.19 g/t gold cut-off grade for all ore going to the heap leach, incorporating 95% mining recovery and 5% dilution at zero grade, and using a gold price of US$1,500 per ounce. The 2019 Ore Reserve estimate is quoted in Table 3.12.

Table 3.12 Rixen Pit gold Ore Reserves and Mineral Resources (additional to Ore Reserves) as at 31 December 2019

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	0	0
Probable	Gold	4,041	1.2	161	3,273	1.2	130	88
Total	**Gold**	**4,041**	**1.2**	**161**	**3,273**	**1.2**	**130**	**88**
Additional Mineral Resources								
Measured	Gold	0	0.0	0	0	0.0	0	0
Indicated	Gold	5,805	1.5	281	4,702	1.5	227	-5
Inferred	Gold	4,590	1.6	242	3,718	1.6	196	-13
Total	**Gold**	**10,395**	**1.6**	**523**	**8,420**	**1.6**	**423**	**-9**

Notes:
- *Ore Reserves reported as per the JORC Code 2012 edition*
- *Totals may display rounding inconsistencies*
- *Cut-off grade for Rixen Mineral Resources is 0.17 g/t and Ore Reserves is 0.19 g/t gold*
- *Gold price used for cut-off calculation is US$1,500 /oz*
- *No Inferred material is included in the Ore Reserves*
- *Dilution of 5% and ore loss of 5% have been applied to Ore Reserves, with zero grade attributed to dilution*
- *Inconsistencies in totals are due to rounding.*

COMPARISON WITH 2018 ORE RESERVES ESTIMATE - RIXEN

The variance between the 2018 and 2019 Ore Reserves estimates is due to:

- changes in the Mineral Resources
- reductions due to depletion by mining during the year
- addition of the deeper extension of the southern pit areas
- increases due to an increased gold price.

The operating cost base used for the 2019 Ore Reserves was based on the actual (weighted) cost base as reported to Optiro over the 2019 production year for oxide material mined in the Rixen Pit. The cost for mining fresh material was taken from the 2019 actual mining costs for New Found and Ketubong which produced fresh material during 2019.

Pit surveys were taken for the end-of-reporting period of 31 December 2019, and these formed the basis of the depletion model. CNMC has reported to Optiro that for the period up to 31 December 2019 4,661 kt of material had been mined.

Any variation between the claimed mined tonnes and the surveyed depletion of the Mineral Resources/Ore Reserves 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 during mining.

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 2019. As no detailed reconciliation data was provided to Optiro with respect to mine production, this Ore Reserve estimate (Table 3.12) 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.

3.9.2. MANSON'S LODE PIT ORE RESERVES

Between the period of 1 January 2019 and 31 December 2019, approximately 32 kt of ore was removed from the Manson's Lode Pit as contained in the spreadsheet '*Production_and_Cost_Inputs_Spreadsheet_2019*'; however, accurate reporting of 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 2019 depleted block model.

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 previously undertaken to determine lead and zinc recoveries from previously stockpiled material from Manson's Lode. Based on a feasibility study conducted during 2018, it was concluded that extracting base metals using a flotation facility can achieve a recovery rate of 60% for silver, 84% for zinc and 85% for lead.The Manson's Lode Pit Ore Reserves are reported above a 1.14 g/t gold cut-off grade, using a 95% mining recovery and 5% dilution at zero grade and a gold price of US$1,500 per ounce. The 2019 Ore Reserves are quoted in Table 3.13 with the 2019 Mineral Resources (additional to the Ore Reserves) presented below. The total of the Ore Reserves and additional Mineral Resources will not equal the inclusive Mineral Resources, due mainly to the difference in cut-off grade between the Mineral Resources and Ore Reserves and the exclusion of Inferred Resources inside the pit designs.

Table 3.13 Manson's Lode Pit gold Ore Reserves and Mineral Resources (additional to Ore Reserves) as at 31 December 2019

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	254	3.0	25	206	3.0	20	11
Probable	Gold	26	2.5	2	21	2.5	2	-33
Total	**Gold**	**280**	**3.0**	**27**	**226**	**3.0**	**22**	**5**
Additional Mineral Resources								
Measured	Gold	129	1.5	6	105	1.5	5	67
Indicated	Gold	135	2.2	10	110	2.2	8	14
Inferred	Gold	524	0.9	16	425	0.9	13	8
Total	**Gold**	**789**	**1.3**	**32**	**639**	**1.3**	**26**	**18**

Notes:
- *Ore Reserves reported as per the JORC Code 2012 edition*
- *Totals may display rounding inconsistencies*
- *Cut-off grade for Manson's Lode Ore Reserves is 0.69 g/t gold*
- *Cut-off grade for Manson's Lode Mineral Resources is 0.5 g/t gold outside optimised pit and 0.5 g/t gold for Inferred transitional and fresh material inside optimised*
- *Gold price used for cut-off calculation is US$1,500 /oz*
- *No Inferred material is included in the Ore Reserves*
- *Dilution of 5% and ore loss of 5% have been applied to Ore Reserves, with zero grade attributed to dilution*
- *Inconsistencies in totals are due to rounding.*

Although there has been no mining at Manson's in the 2018 calendar year, the increase in the Reserve is attributable to the expansion of the pit in the South East sector that recovers economic resource.

3.9.3. NEW DISCOVERY AND NEW FOUND PIT ORE RESERVES

Between the period of 1 January 2019 and 31 December 2019, mining activity occurred at New Discovery and New Found. CNMC reported to Optiro that for the 2019 production period approximately 312 kt of ore was mined from the New Discovery and New Found Pit.

The New Discovery and New Found Pit Ore Reserve estimate has been reported above a 0.69 g/t gold cut-off grade for all oxide, transitional and fresh ore going to the CIL plant, 95% mining recovery and 5% dilution at zero grade and a gold price of US$1,500 per ounce. The resultant Ore Reserves for the combined New Discovery and New Found pits are reported below in Table 3.14 and are applicable for 2019. The additional

Mineral Resources (exclusive of Ore Reserves) are for the combined New Discovery and New Found deposit only.

Table 3.14 New Discovery and New Found Pit gold Ore Reserves and Mineral Resources (additional to Ore Reserves) as at 31 December 2019

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	0.10	6.9	0.02	0.08	6.9	0.02	-100
Probable	Gold	122	2.6	10	99	2.6	8	-33
Total	**Gold**	**122**	**2.6**	**10**	**99**	**2.6**	**8**	**-56**
Additional Mineral Resources								
Measured	Gold	0	6.5	0	0	6.5	0	0
Indicated	Gold	343	1.5	16	278	1.5	13	550
Inferred	Gold	1,022	1.3	41	828	1.3	33	18
Total	**Gold**	**1,365**	**1.3**	**57**	**1,106**	**1.3**	**46**	**48**

Notes:
- *Ore Reserves reported as per the JORC Code 2012 edition*
- *Totals may display rounding inconsistencies*
- *Cut-off grade for New Discovery Ore Reserves is 0.69 g/t gold for oxide, transitional and fresh ore going to the CIL plant*
- *Cut-off grade for Mineral Resources is 0.17 g/t gold for oxide, transitional and fresh material outside optimised pit and 0.5 g/t gold for Inferred transitional and fresh rock inside optimised*
- *Gold price used for cut-off calculation is US$1,500 /oz*
- *No Inferred material is included in the Ore Reserves*
- *Dilution of 5% and ore loss of 5% have been applied to Ore Reserves, with zero grade attributed to dilution*
- *The change in Proved Ore Reserves is not shown due to the immaterial portion of material remaining.*

COMPARISON WITH 2018 ORE RESERVES ESTIMATE – NEW DISCOVERY

The variance between the 2018 and 2019 Ore Reserve estimate is primarily due to changes in the Mineral Resource, increased gold price, mining depletion of 312 kt of ore and 1.10 Mt of total movement and to changes in the cut-off grade from 1.17 g/t down to 0.69 g/t. No other modifying factors have been changed for the New Discovery and New Found Pit Ore Reserves between 2018 and 2019.

3.9.4. KETUBONG

An Ore Reserve estimate has been calculated for the underground working area of the Ketubong deposit. CNMC is currently underground mining with level and vertical development as the primary source of ore at Ketubong. Optiro has determined the Ore Reserves at Ketubong using preliminary underground cost and physical development and stoping parameters provided by CNMC and with other modifying factors applied to allow the reporting of an Ore Reserve.

The UG Reserve has been estimated using the following guidelines:

1. Only the Indicated resource classification of the resource can be converted to a Probable Ore Reserve. Figure 3.22 shows the position of the Indicated resource located around the strike drive development at the 8 mRL where significant face sampling has occurred. Only this portion of the resource can be converted to an Ore Reserve. The Indicated resource is 33.2 kt at 7.67 g/t gold for 8,185 ounces. Optiro expects that a significant portion of the Inferred material will be converted to Indicated with further underground face sampling.
2. Only ore development drives have been provided. There are no designs provided that outline stoping panels and pillars required to undertake the gallery stoping method proposed.
3. The underground mining cost supplied was $30/t of ore but a detailed breakdown was not provided. The total underground ore cost inclusive of processing is $60/t. The underground cut-off grade is calculated as 1.3 g/t of gold. Figure 3.23 shows the grade distribution above and below cut-off within the Indicated resource.

Figure 3.22 UG Ketubong Mineral Resource interpretation as at 2019 (Indicated – blue; Inferred – green)

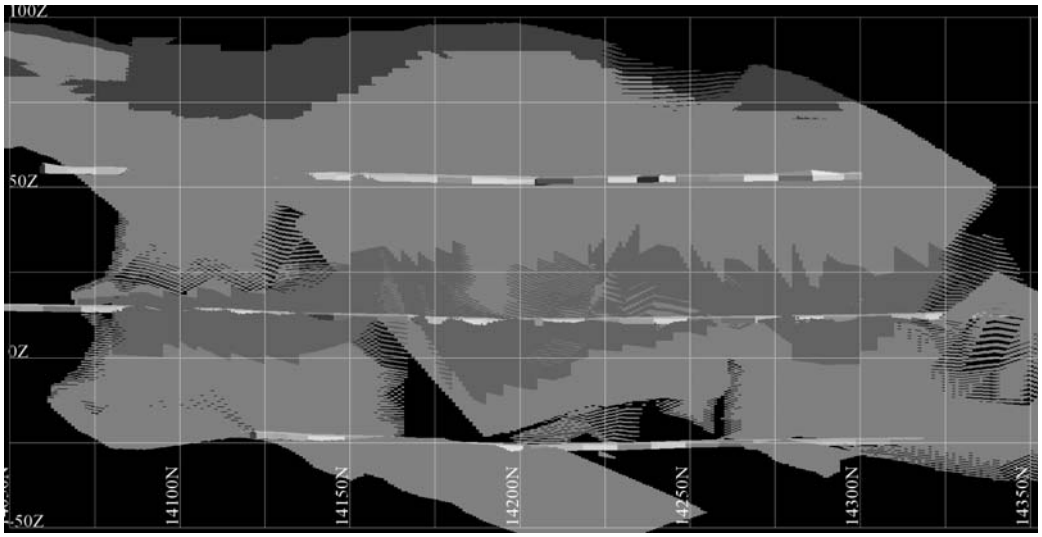
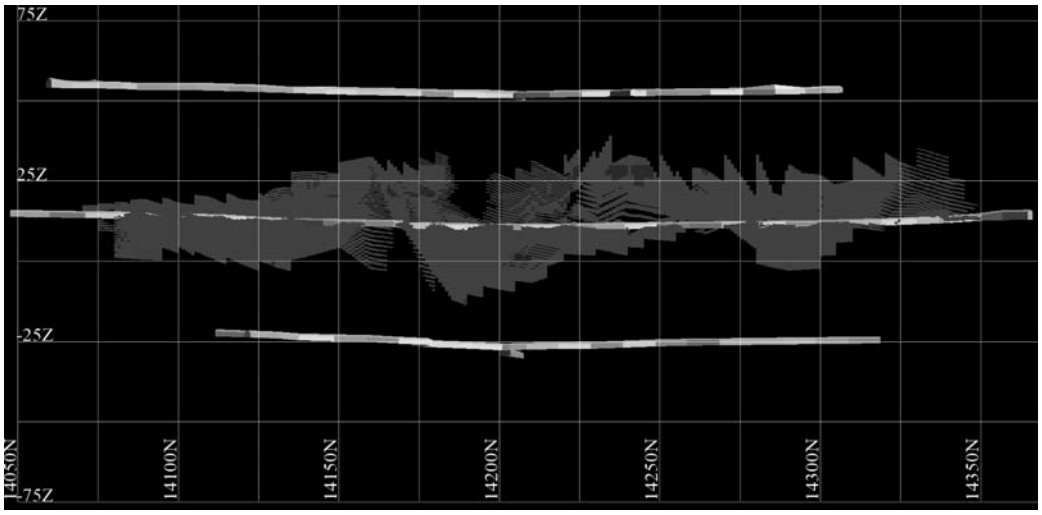


Figure 3.23 UG Ketubong Mineral Resource (above cut-off – red; below cut-off – blue)



4. Within the Indicated resource the:
   - minimum width is 0.12m
   - maximum width is 8.1m
   - average width is 1.12m.
5. To estimate the dilution factor the footwall and hanging wall wireframes where expanded to a minimum mining width of 1.5 m.
6. Planned dilution of 0.50 m was then added to the minimum mining width.
7. After addition of the minimum width and planned dilution factors the diluted Indicated resource now has:
   - minimum width of 2.0 m
   - maximum width of 8.6 m
   - average width of 2.1 m.
8. The resulting diluted resource is 65.4 kt at 3.97 g/t gold for 8,330 ounces.
9. To account for pillars and ore loss a factor of 75% has been applied to the diluted resource.

10. The resulting underground Probable Reserve is 49.0 kt at 3.96 g/t for 6,250 contained ounces.

Table 3.15 Ketubong UG gold Ore Reserves and Mineral Resources at Ketubong (additional to Ore Reserves) as at 31 December 2019

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	0	N/A
Probable	Gold	49	4.0	6	40	4.0	5	N/A
Total	**Gold**	**49**	**4.0**	**6**	**40**	**4.0**	**5**	**N/A**
Additional Mineral Resources								
Measured	Gold	0	0.0	0	0	0.0	0	N/A
Indicated	Gold	1	4.5	0	1	4.5	0	N/A
Inferred	Gold	697	3.7	84	564	3.7	68	N/A
Total	**Gold**	**698**	**3.7**	**84**	**565**	**3.7**	**68**	**N/A**

Notes:
- *Ore Reserves reported as per the JORC Code 2012 edition*
- *Totals may display rounding inconsistencies*
- *Cut-off grade for Ketubong Ore Reserves is 1.32 g/t gold for oxide, transitional and fresh ore going to the CIL plant*
- *Cut-off grade for Mineral Resources is 0.5 g/t gold for oxide, transitional and fresh material.*
- *Gold price used for cut-off calculation is US$1,500 /oz*
- *No Inferred material is included in the Ore Reserves*
- *Dilution applied based on min mining width of 1.5m, 0.5m planned dilution and 75% recovery factor have been applied to Ore Reserves, with zero grade attributed to dilution*
- *Inconsistencies in totals are due to rounding.*

3.10. STATEMENT OF SOKOR MINERAL RESOURCES AND ORE RESERVES

The combined Ore Reserve estimate for Rixen, Manson's Lode, Ketubong and New Discovery deposits has been calculated and is shown in Table 3.16, accompanied by the additional Mineral Resources tabulation for Rixen, Manson's Lode, Ketubong and New Discovery deposits (reported exclusive of and additional to Ore Reserves) and for New Found (where Ore Reserves have not been defined).

Table 3.16 Combined Sokor Project gold Ore Reserves (Manson's Lode, New Discovery, Ketubong, and Rixen) and Mineral Resources (at Manson's Lode, New Discovery/New Found, Rixen and Ketubong that are additional to Ore Reserves at Manson's Lode, New Discovery, Ketubong and Rixen) as at 31 December 2019

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	254	3.0	25	206	3.0	20	-20
Probable	Gold	4,238	1.3	180	3,432	1.3	145	73
Total	**Gold**	**4,492**	**1.4**	**204**	**3,638**	**1.4**	**165**	**51**
Additional Mineral Resources								
Measured	Gold	129	1.5	6	105	1.5	5	67
Indicated	Gold	6,288	1.5	307	5,093	1.5	248	-4
Inferred	Gold	7,107	1.7	393	5,757	1.7	319	-10
Total	**Gold**	**13,524**	**1.6**	**706**	**10,955**	**1.6**	**572**	**-7**

Notes:
- *Mineral Resources and Ore Reserves reported as per the JORC Code 2012 edition*
- *Totals may display rounding inconsistencies*
- *Cut-off grade for Ore Reserves is 0.19 g/t gold for ore going to the heap leach (all Rixen material) and 0.69 g/t gold for transitional and fresh ore going to the CIL plant (oxide, transitional and fresh rock from Manson's Lode, and New Discovery and New Found) and 1.32 g/t gold for fresh ore (UG at Ketubong) going to the CIL plant*
- *Cut-off grade for Mineral Resources is 0.17 g/t gold for Rixen, 0.5 g/t gold for oxide, transitional and fresh material outside optimised pit and 0.5 g/t gold for Inferred oxide, transitional and fresh material inside the optimised pit*
- *Gold price used for cut-off calculation is US$1,500 /oz for all lodes*
- *No Inferred material is included in the Ore Reserves*
- *Dilution of 5% and ore loss of 5% have been applied, with zero grade attributed to dilution*
- *Inconsistencies in totals are due to rounding.*

3.11. INFRASTRUCTURE, FACILITIES, ENVIRONMENTAL AND COMMUNITY ISSUES

3.11.1. INFRASTRUCTURE

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. In 2017, five additional high-power diesel generators were added to provide additional power generation for the newly constructed carbon-in-leach facility. CNMC plans to install a national grid power line at Sokor Project to reduce dependence on diesel generators to supply power.

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.

3.11.2. MINE SITE FACILITIES

CNMC has constructed offices, accommodation camp, assay laboratories and equipment maintenance facilities on the site. Communications are provided via satellite phone systems and cell tower. Telephone, fax and data transmission facilities are provided.

3.11.3. ENVIRONMENTAL AND COMMUNITY ISSUES

Optiro understands that BDA reviewed the project's Environmental Impact Assessment in 2008, 2009 and its 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).

ENVIRONMENTAL IMPACT ASSESSMENT

The project mining and environmental approvals are granted by the Kelantan State Department of Environment (DOE). 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. CNMC obtained the large-scale mining permit for the Sokor Project in December 2016 and EIA approval for the CIL plant in February 2018. The EMP for the CIL plant was approved on 30 May 2018.

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 I.Z. Environmind Sdn. Bhd., whilst the EMP document was prepared by I.Z. Environmind Sdn. Bhd. The Sokor Mining Schemes Report was prepared by CMNM Mining Consultant Engineer, KF Lee Mining Consultant and Surveyor.

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 January 2018, 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.

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 Malaysia ambient standards.

SURFACE HYDROLOGY

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

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.

WATER MANAGEMENT

Given the project area's high rainfall, water management is a significant issue for the project, with the need 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 storm-water 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.

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 has mainly been processed via the heap leach circuit, with the CIL plant coming online in 2018.

Optiro has not 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 storm-water (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 has 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 storm-water (safety) pond and that the cyanide content of water in the pond will be constantly monitored to ensure it remains below 0.05 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.

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.

REHABILITATION

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

SOCIAL ISSUES

There is a possibility that the Sokor Project may encroach into fishing areas, which may impact on revenue and livelihoods for the local communities which 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.

3.12. FINANCIAL ANALYSIS

The current production schedule was updated by Optiro to reflect the depletion due to mining at Rixen, Manson's Lode and New Discovery. The schedule mines the deposits to achieve the production rate of the newly commissioned CIL plant, ensuring that heap leach Ore Reserves are depleted at the same rate (i.e. the heap leach processing and CIL processing are scheduled to finish at the same time). Whilst this mining schedule is adequate for the purpose of 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 for the purpose of an Ore Reserve estimate. The mining schedule is presented in Section 3.7.4 and Table 3.6 of this report.

3.12.1. 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 undertaken during 2020.

3.12.2. 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 escalated cost assumptions for reasons of conservatism and consistency over variable recorded costs. The mining costs used are considered to be in line with current operational expectations and actuals. A forecast gold price of US$1,500 per ounce has been applied at the request of CNMC. The unit operating costs and cut-off grade calculations used are presented in Table 3.17.

3.12.3. ECONOMIC EVALUATION

Economic evaluation of the Ore Reserves for the Sokor Project shows that the net cashflow from the operation is estimated to be US$79.3 M, with a Net Present Value of US$65.0 M (based on a 10% discount rate). In-line with the pit optimisation sensitivity, the financial metrics were tested at an upside and downside gold price case of US$1,700/oz and US$1,300/oz respectively, the results of which are shown in Table 3.18.

Based on the economic evaluation undertaken by Optiro, Optiro can demonstrate, and is satisfied that, there is a positive financial outcome for the Manson's Lode, Rixen, New Found and New Discovery deposits. Financial analysis has been completed for the Ketubong deposit, but actual underground mining capital and operating cost parameters are considered to be of a preliminary nature in December 2019.

Table 3.17 Mining unit costs and cut-off grade

	Units	Heap Leach	CIL material
Processing costs			
Processing cost	US$ /t	3.50	30
Revenue and selling costs			
Rehabilitation cost	US$ /t ore	-	-
Selling cost	US$ /g US$ /g	0.05 2.95	0.05 2.95
Total sale cost	US$ /g	3	3
Gold price	US$ /oz US$ /g	1,500 48.22	1,500 48.22
Final sale price	US$ /g	40.19	40.19
Mining recovery	%	95%	95%
Process recovery	%	34.00%	94.50%
Recovered revenue	US$ /g	20.0	28.1
Marginal cut-off	**g/t**	**0.19**	**0.69**

Table 3.18 Financial metrics at varying gold prices

Gold price (US$ /oz)	$1,300	$1,500	$1,700
Free cashflow (US$ M)	59.0	79.3	99.7
NPV (US$ M)	48.6	65.0	81.5

3.13. INTERPRETATION AND COMMENTS

The geology and mineralisation controls at Sokor are reasonably well understood, with mineralisation being both structurally and lithologically controlled. The 2019 drilling has extended the mineralisation at Rixen to the south and down-dip to the east and the drilling at New Found has extended the mineralisation to the east and at depth. Mining at Ketubong is now from underground. The additional drilling and face sampling data have confirmed the extension of the gold mineralisation at depth, although this has indicated that there are possible faults and off-sets to the mineralisation that are not yet fully understood. Drilling at Sg Amang has defined additional base metal resources. Optiro considers that there is considerable potential remaining in the Sokor Block mining licence to locate additional gold and base metal mineralisation.

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 to 2019. Accurate reporting of mining locations and material movements on to and off 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 for 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 2016 to 2019.

On a similar note, the movement of material from stockpiles to leach pads continued to be recorded during 2019. Optiro recommends that additional details are recorded in the future 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.

The above operational processes are considered to be essentials for a single-source mining and processing operation. With the continued 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 2016.

3.14. CONCLUSIONS AND RECOMMENDATIONS

CNMC purchased Datamine mining software in 2015. CNMC is maintaining the database and using this to plan drilling programmes to test for Mineral Resource extensions. CNMC is intending to undertake regular updates to the resource models. CNMC has obtained high quality and detailed survey data of the Rixen, Manson's Lode, New Discovery and New Found pits. This has improved confidence in the remaining material.

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

- As noted by CNMC, the results from the standard samples submitted to SGS show a low grade bias due to equipment problems. Optiro recommends that both the duplicate samples and the standard samples that are in the batches that were analysed when there was a problem with the equipment should be re-assayed by SGS.
- Ongoing updates to the mineralisation interpretations should be undertaken during the drilling programmes. This will assist with optimisation of the drilling programmes and with planning any additional drillholes.
- 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.
- A database of the grade control data from the operating pits should be maintained and used to construct grade control block models for reconciliation with the Mineral Resource models.
- Reconciliation of the Mineral Resource models, grade control data and production should be undertaken at quarterly intervals.
- Facilities at the core shed should be improved to allow drill core to be laid out from an entire drillhole and tables should be installed so the core is at waist height.

Optiro has the following recommendations with respect to the data used for the Ore Reserves estimate at the Sokor Project. These are considered 'best practice' recommendations:

- A detailed life-of-mine schedule should be updated with the depleted Ore Reserves and accounting for mining activities that have occurred.
- Certain sections of the resource block models are believed to be backfill material (due to changes year on year of the provided topographical surface) that has been placed in situ from nearby mining activities. Now that detailed 3D topographic surfaces for each deposit have been developed, this assumption should be validated on the ground at Sokor and the block models updated should the historical assumption not be accurate.
- A more detailed cost capturing process should be developed to allow understanding of different cost elements by mining location. This will allow more deposit specific cost and cut-off grade assumptions 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 improved during 2016.

- A pit reconciliation system needs to be established that reconciles the actual pit production against the planned production versus the Ore Reserves and versus the Mineral Resources on a classification by classification basis. That is whether (A) the production material mined was from Proved or Probable Ore Reserves in the pit or was from Inferred Mineral Resources or additional material within the optimised pit design – Ore Reserves reconciliation; or (B) the production material mined was from Measured, Indicated or Inferred Mineral Resources in the pit or was from additional material within the optimised pit design – Mineral Resources reconciliation.
- Surveys of mining face positions and stockpile profiles should continue to be generated 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.

4. KELGOLD PROJECT

On 20 March 2017, CNMC announced that the Company had entered into a share sale agreement to acquire 100% of KelGold Mining Sdn. Bhd. (KelGold). KelGold had the right to explore for iron ore, gold and other minerals in an area of approximately 1,550 hectares (15.5 km^2) that expired in 2019. A renewal application has been submitted and paid for and renewal of the licence is expected. This concession is located in the state of Kelantan, Malaysia immediately south of the Thailand-Malaysia border and approximately 30 km northwest of the Sokor mine.

4.1. GEOLOGICAL SETTING

The Kelgold Project area falls within the Central Gold Belt of Malaysia which also hosts CNMC's Sokor mine and the third party Penjom and Selinsing mines among others. The project geology comprises a sequence of north-south trending Permian to Triassic marine sedimentary rocks along with a mylonitic granite in the central portion of the licence. The main units include argillite, sericite-quartz schist, tuff and sandy slate.

The lithologies within the licence area are affected by regional tectonic movement and are generally foliated and folded with complicated structural observations in outcrop. The strata generally trend near north-south with dipping to the east or northwest controlled by folding dipping between 35° to 85°. A series of anticline folds are found in the south-eastern portion of the project area, with a north-south trending axis.

Faulting is well developed in the area. The larger rivers are typically located within fracture zones trending near north-south, north-westerly or north-easterly with compressive-twisting. The main fault in the area is in the east of the licence area trending north-south with a strike length of approximately 8 km. Secondary faults are predominantly northeast or northwest trending. Magmatic activity is common with mylonitic monzogranite distributed in the west of the area and associated with the Noring Stong Granite. Quartz veining is common and quartz porphyry and diorite float is rarely observed. Gold anomalism / mineralisation observed to date is usually associated with fine pyritised quartz veins. The occurrence and distribution of gold anomalism remains uncertain as the exploration only began by late 2017.

Assessment of the Kelgold Project by CNMC geologists is at an early stage and is currently on-going. The current assessment of the project area includes geological mapping, soil geochemical sampling, trenching and follow-up drilling of any anomalous results. Known mineralisation within the project area includes an area of historic gold workings located in the northern part of the project associated with highly silicified rocks and pyrite or limonite mineralisation. Further gold in soil anomalism has been identified and warrants further follow-up work.

CNMC considers that the Kelgold acquisition has significant potential based on the geological information available and the strategic synergy with the Company due to the geographic proximity to the Group's existing Sokor Project.

4.2. EXPLORATION

During 2019, CNMC completed 29 exploration trenches (Table 4.1) with total trench length of 3,774.5 m. All trenching carried out in 2019 was located in the southern portion of the licence area (Figure 4.1). Significant intercepts from the 2019 trench sampling are summarised in Table 4.2.

Table 4.1 Trenches and sampling completed in 2019

Trench	Location (western extent)			Length (m)	Number of samples
	Northing	Easting	Elevation		
TC88	633532	411516	840	50	48
TC92	633458	411274	903	319.5	319
TC92-2	633343	411320	874	150	86
TC98-1	633333	411354	825	58	59
TC98-2	633317	411414	807	100	92
TC92-3	633436	411398	835	162	158
TC90-1	633485	411692	736	41	41
TC90-2	633485	411692	736	98	98
TC94-1	633386	411629	692	69	69
TC96-1	633360	411578	740	150	150
TC90-3	633423	411630	682	39	40
TC100-1	633360	411578	740	100	100
TC102-1	633169	411543	742	100	100
TC96-2	633335	411402	800	184	84
TC104-1	633129	411479	743	38	38
TC104-2	633118	411396	687	100	100
TC106-1	633047	411429	688	100	100
TC110-1	633001	411500	688	193	93
TC88-2	633589	412038	604	100	53
TC90-4	633507	412083	601	100	73
TC92-4	633427	412113	608	100	47
TC94-2	633382	412040	613	179	79
TC96-3	633394	411898	618	150	61
TC98-3	633300	411728	645	150	104
TC100-3	633589	412038	604	150	86
TC102-3	633507	412083	601	250	147
TC104-3	633427	412113	608	164	85
TC106-2	632904	411738	598	229	224
TC92-5	633405	412085	626	151	48
TC92*	633458	411274	903	-	20
TC92-3*	633436	411398	835	-	21
TC92-4*	633436	411398	835	-	40
TC92*	633458	411274	903	-	20
TC92-4*	633343	411320	874	-	13

* Resampling of existing trench

Figure 4.1 Trenching and drilling completed at the Kelgold Project in 2019

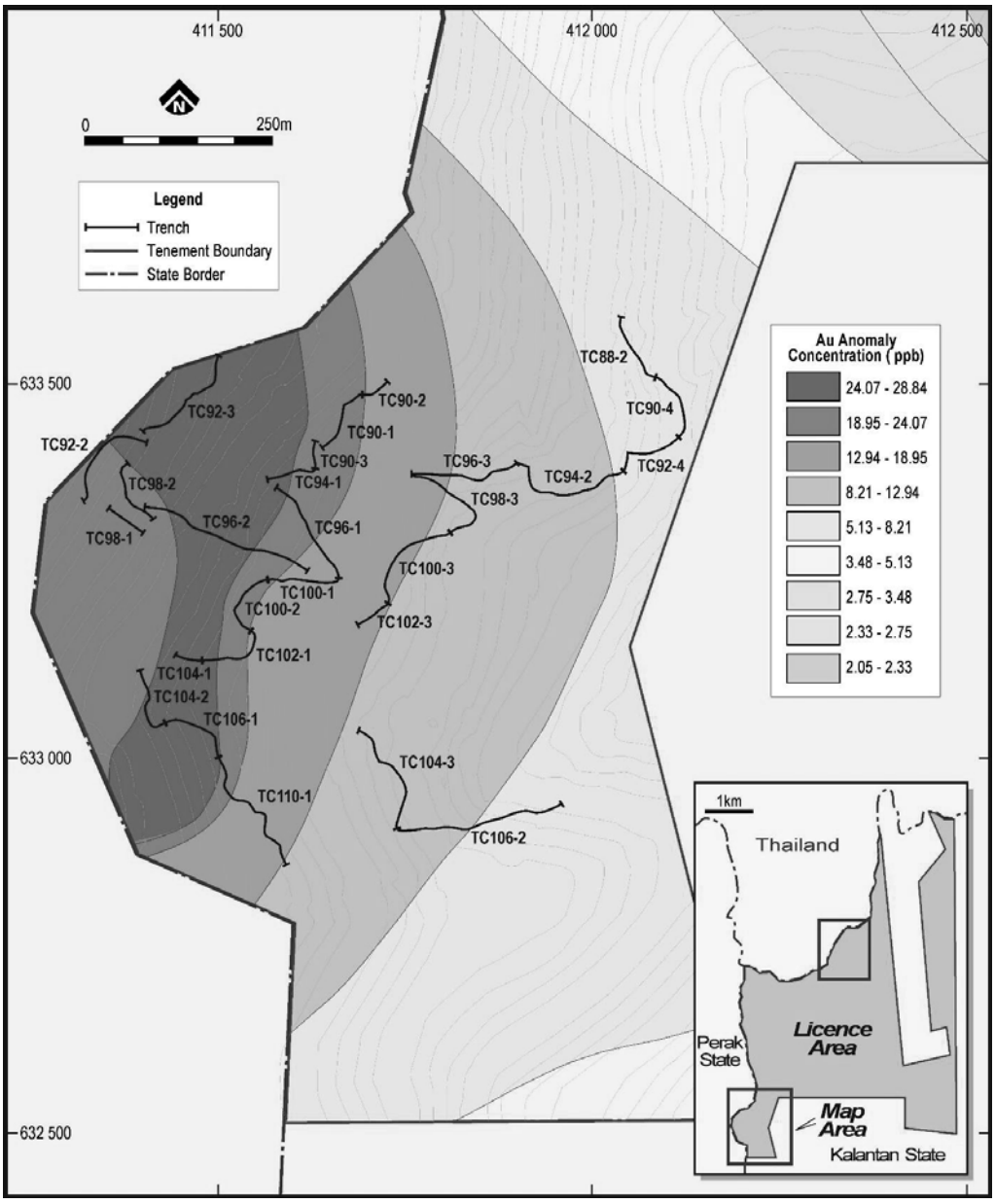


Table 4.2 2019 trench sampling significant intercepts

Drillhole	Sample no.	Length (m)	Gold (g/t)
TC92	H69	1	0.58
TC92	H172	1	0.94
TC92	H178	1	0.27
TC92	H182	1	0.96
TC92	H183	1	1.63
TC92	H319	1	0.28
TC92-3	H1	1	0.56
TC92-3	H26	1	0.87
TC92-3	H31	1	0.22
TC92-3	H32	1	0.16
TC92-3	H34	1	0.71
TC92-3	H35	1	0.19
TC92-3	H98	1	0.65
TC96-2	H38	1	0.34
TC96-2	H39	1	0.45
TC102-3	H52	1	0.11
TC102-3	H57	2	0.40
TC102-3	H58	1	0.45
TC102-3	H61	1	0.11
TC102-3	H62	1	0.18
TC102-3	H107	1.5	0.43
TC102-3	H114	2	0.14
TC104-2	H82	1	0.13
TC104-2	H83	1	0.17
TC104-2	H84	1	0.31
TC92-2	H31	1	0.37

As at 31 December 2019, the Kelgold Project is at an exploration stage of assessment. Optiro has reviewed the exploration work completed to date and whilst prospective, considers that there has been insufficient exploration completed as at 31 December 2019 to estimate a Mineral Resource in accordance with JORC 2012 guidelines. The project is at a conceptual stage and it is uncertain if further exploration will result in the estimation of a Mineral Resource. There is insufficient information as at 31 December 2019 available to disclose the location and size of any potential future mine, the expected mineral quality or the development costs.

5. CNMC PULAI PROJECT

On 28 June 2016, CNMC announced it had entered into a non-binding letter of intent with CNMC Pulai in respect of the proposed subscription of new shares in CNMC Pulai representing 51% of the enlarged issued and paid-up share capital of CNMC Pulai. The purchase consideration for the proposed subscription was RM13,800,000. On 27 February 2017, CNMC announced that it had completed the proposed subscription and CNMC Pulai was a 51%-owned subsidiary of the Company.

CNMC Pulai owns exploration and mining licenses with a combined license area of 3,841.3 hectares (38.41 km^2) and a 70% stake of Sumberjaya Land & Mining Sdn. Bhd. which holds the rights to mine iron ore for the iron ore mining licenses assigned to CNMC Pulai. The project area is approximately 100 km south of the Sokor mine and 20 km to the southwest of the city of Gua Musang in the State of Kelantan, Malaysia. This comprises:

- one exploration licence of approximately 2,300 hectares (23 km^2)
- seven gold mining licenses (of which four gold mining licences are in the process of renewal) totalling approximately 1,166.19 hectares (11.7 km^2)
- one iron ore mining licenses totalling approximately 179.7 hectares (1.7 km^2)
- one feldspar mining license for approximately 15.41 hectares (0.15 km^2).

5.1. FELDSPAR

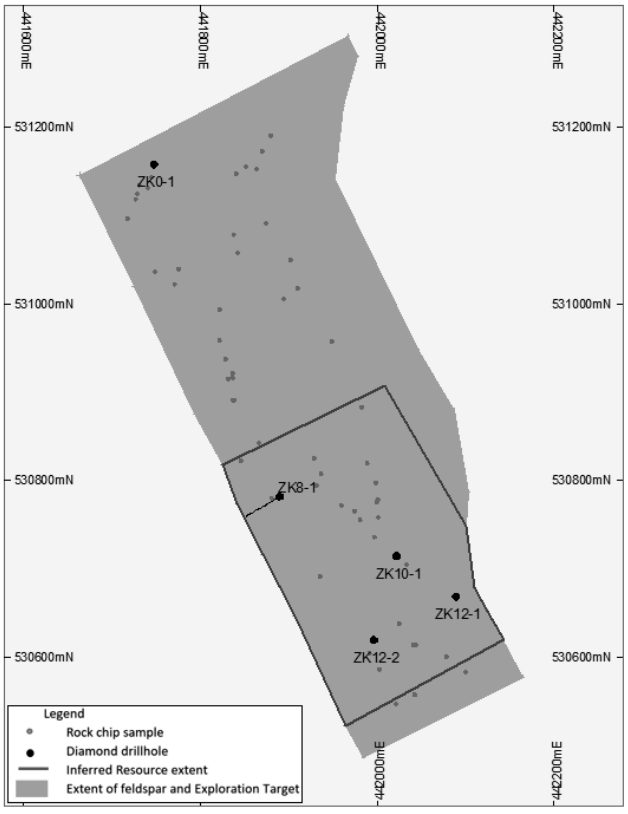
Feldspar was mined from the feldspar mining license prior to CNMC's involvement and has continued since. Mining is subcontracted to a local feldspar producer who supply to ceramics manufacturers in Malaysia. Annual production from the mining licence in summarised in Table 5.1. CNMC plans to continue to work with the existing subcontractor to further develop the Malaysian market and explore for marketing opportunities outside Malaysia.

Table 5.1 Annual Pulai feldspar production

Year	Tonnes mined
2019	72,411
2018	105,672
2017	73,174
2016	68,941
2015	92,835
2014	65,625

Feldspar mineralisation in the CNMC Pulai region has been developed by hydrothermal alteration of volcanic rocks of various types and from shallow intrusive bodies. During 2019, CNMC conducted exploration of the feldspar deposit, including collection and analysis of rock chip samples and drilling five diamond core holes (for a total of 1,046.9 m) for analysis and density measurements (Figure 5.1). From this data an Inferred Mineral Resource and Exploration Target has been defined. Half core samples were used for analysis, while quarter core samples and pulp samples were selected for QAQC analysis. The average sample length was 4.14 m, and sample intervals are between 0.98 m to 7.99 m.

Figure 5.1 Pulai feldspar deposit - plan of drilling, rock chip sampling and extent of Inferred Mineral Resource and Exploration Target



The samples were crushed and split at CNMC's Sokor onsite laboratory and subsamples were sent to SGS Australia's laboratory via SGS Malaysia. The sub-samples were pulverised and major elements were analysed by X-ray fluorescence (SGS method XRF78S).

QAQC procedures included analysis of duplicate samples, and submission of blanks samples and certified standards with the drillhole samples. Approximately 10% of samples were sent to ALS, Australia for check analysis. Of the 24 duplicate samples analysed, two samples have higher sodium (Na) and lower potassium (K) results from SGS compared to ALS. The remaining 22 samples have a high correlation and no bias. Two blank samples (OREAS 22e and 22f from Ore Research and Exploration P/L) that are essentially pure quartz, returned 0.01% K and Na. Standard samples (three of GTA-02 and two GTA-03 from Geostats Pty Ltd) were submitted. The standards performed well for K%, with all five samples returning values that are within one standard deviation of the expected mean. For Na% the results from the standard samples were all biased high with all five values higher and are outside acceptable limits (plus three standard deviations from the expected mean). This bias should be discussed with SGS and the samples reanalysed for Na.

Three geological domains were interpreted from mapping and drillhole logging to define the syenite (associated with the feldspar mineralisation), limestone, and area with eluvial and/or backfill material. A base of oxidation surface was interpreted. Grade top-cuts were not applied. Na_2O and K_2O have low coefficients of variation (0.58 and 0.41) and outliers were not observed. Variogram analysis defined mineralisation continuity ranges of 175 m along strike by 96 m down dip (-60° to the north-east) by 83 m (perpendicular to the plane of mineralisation) Al_2O_3. Variogram analysis of the Na_2O, K_2O, CaO, Fe_2O_3, MgO, SiO_2 indicated down-dip ranges of 46 m to 90 m, and perpendicular ranges of 23 m to 83 m. The variograms for grade continuity of Na_2O, K_2O, CaO, Fe_2O_3, MgO and SiO_2 in the along strike direction are poorly defined at the current drill spacing.

A block model was generated using a block size of 20 mE by 20 mN on 4 m benches. Assay data was composited to 4 m intervals within the syenite domain and block grades for Na_2O, K_2O, Al_2O_3, CaO, Fe_2O_3, MgO, SiO_2 and LOI were estimated using ordinary kriging. Density measurements were taken for 25 core samples and the average density of 2.54 t/m^3 was applied for tonnage estimation.

The feldspar Mineral Resource has been classified as 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 C. As advised by CNMC, and commensurate with current mining practices at CNMC Pulai by the subcontractor who supplies feldspar to ceramics manufacturers in Malaysia, the Mineral Resource has been reported above a cut-off grade of 8% Na_2O+K_2O. The Inferred Mineral Resource for the CNMC Pulai Project is 23.7 Mt with an average grade of 6.8% Na_2O and 2.8% K_2O (Table 5.2). Optiro notes that the contents of the deleterious minerals (MgO and, Fe_2O_3) are higher than industry norms, but CNMC Pulai has advised that they are acceptable and can be further reduced through beneficiation processes. Furthermore, CNMC Pulai is currently carrying out testwork to explore the possibility of extracting silica sands from the ore. The Mineral Resource that is attributable to CNMC is included in Table 5.3.

Table 5.2 Mineral Resource estimate for the Pulai feldspar deposit

Category	Tonnes (Mt)	Na_2O (%)	K_2O (%)	SiO_2 (%)	Al_2O_3 (%)	CaO (%)	Fe_2O_3 (%)	MgO (%)	LOI (%)
Inferred	23.7	6.8	2.8	69.7	15.5	1.9	0.9	0.4	1.9

Table 5.3 CNMC Pulai Project – Mineral Resource statement as at 31 December 2019

Category	Mineral type	Gross attributable to licence			Gross attributable to CNMC			
		Tonnes (millions)	Grade ($Na_2O\%+K_2O\%$)	Contained Na_2O+K_2O Kt	Tonnes (millions)	Grade ($Na_2O\%+K_2O\%$)	Contained Na_2O+K_2O Kt	Change from previous update
Measured	Feldspar	-	-	-	-	-	-	Not previously reported
Indicated	Feldspar	-	-	-	-	-	-	
Inferred	Feldspar	23.7	9.5	2.5	12.1	9.5	1.3	
Total	**Feldspar**	**23.7**	**9.5**	**2.5**	**12.1**	**9.5**	**1.3**	

In addition, an Exploration Target of 50 to 60 Mt with an average grade of 6 to 7% Na_2O and 2.5 to 3% K_2O has been defined adjacent to and to the north of the Inferred Mineral Resource. The potential quantity and grade of the Exploration Target is conceptual in nature, as there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

5.2. GOLD MINERALISATION

As for the Kelgold Project, the CNMC Pulai Project falls within the Central Gold Belt of Malaysia which hosts CNMC's Sokor mine and the third party Penjom and Selinsing mines, among others.

The project area has historically been subject to alluvial gold mining operations, especially along the Galas River, along with previous feldspar mining. Total historical alluvial gold production has been in the order of 260 kg.

Overall, assessment of the gold mineralisation potential at the CNMC Pulai Project by CNMC geologists is at an early stage and is currently ongoing. The current assessment of the project area includes geological mapping, soil geochemical sampling, trenching and follow-up drilling of any anomalous results.

Quaternary cover is relatively thick within the Pulai area, with outcrop mostly present along road and river cuttings. According to geological mapping and drill core logging, the lithology within the project area is mainly lower Permian metamorphic rock, pyroclastic rocks and volcanic rocks striking in a north-northeast direction. The Pulai area has been divided into the western, central and southern areas. The lithology of the western area consists of limestone, tuff (interbedded with carbonaceous slate and slate), volcanic breccia and andesite. The overall dip direction found in the western area is west-northwest and the dip angle 20° to 70°. The central area is mainly composed of andesitic tuff, with some rhyolitic tuff and andesite. Andesite, with minor andesitic tuffs, is distributed through the southern area. Pyroclastic and volcanic rocks occur widely across the area, while sedimentary rocks have only been found in the western area.

Fracture and fault structures are common across the Pulai area. Major faults are north-south and north-northeast oriented, while secondary faults are mainly northwest, west-northwest and northeast in direction. Medium to coarse grained granite has been mapped along fault zones which are partially mylonitised and accompanied by pyrite mineralisation.

Primary gold anomalism identified to date appears to be related to silicification and limonitic (after pyrite) alteration. In the west of the project area, quartz-limonite veinlets in slate and tuff associated with gold anomalism have been identified through trenching, but the controls on the occurrence of gold are not yet clear.

Several styles of gold mineralisation potentially occur within the Pulai area, with the major types being alluvial occurrences, high-arsenic mesothermal auriferous quartz veins, low-arsenic auriferous stockwork and sheeted quartz veins with variable sulphidation and porphyry-style gold mineralisation.

China Railway Resources Exploration Ltd (2015) completed geological studies and concluded that the CNMC Pulai Project has similar mineralisation characteristic to the Sokor gold mine. Comparable to the Sokor deposits, the CNMC Pulai Project was interpreted as having the following features:

- within 15 to 30 km east of the Bentong-Raub Suture
- north-south fault structures are well developed with sub-ordinate northeast, northwest and north-northeast faults controlling the distribution of alteration and mineralisation
- alluvial gold present within the project area
- geochemical anomalism of pathfinder elements antimony, arsenic and uranium.

CNMC considers that geological data collected by previous explorers supports the potential for gold mineralisation similar to that discovered at the Sokor Project. Optiro considers that the work to date is encouraging and warrants further follow-up work.

Optiro has reviewed the exploration work completed to date for definition of the gold mineralisation and considers that there has been insufficient exploration completed to estimate a Mineral Resource in accordance with JORC 2012 guidelines. The project is at a conceptual stage and it is uncertain if further exploration will result in the estimation of a Mineral Resource. There is insufficient information available to disclose the location and size of any potential future mine, the expected mineral quality or the development costs.

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7. GLOSSARY

Term	Explanation
Abbreviations	AAS - Atomic Absorption Spectrometry, Ag – silver, AIG – Australian Institute of Geoscientists, Au – gold, AusIMM – Australasian Institute of Mining and Metallurgy, CEng – Chartered Engineer, CIL – carbon in leach, CIM – Canadian Institute of Mining, Metallurgy and Petroleum, CP – Chartered Professional of the AusIMM, Cu – copper, DTM – digital terrain model, g/t – grams per tonnes, EL – Exploration Licence, ICPAES – Inductively Coupled Plasma with Atomic Emission Spectroscopy (assay device), IMMM – Institute of Materials, Mining and Metallurgy, kg – kilogram, km - kilometre, km^2 - square kilometre, koz – one thousand ounces, kt – one thousand tonnes. ktpa, kilo tonnes per annum, kW – kilowatt, one thousand watts, m - metre, m^3 - cubic metres, Ma - million years, mm - millimetre, M - million, ML – Mining Licence, Mt - million tonnes, Mtpa - million tonnes per annum, NPV – net present value, oz - (troy ounce – 31.1 g), % - percentage, Pb – lead, RQD – rock quality designation, QA/QC – quality control and quality assurance, SGX – Singapore Stock Exchange, t - metric tonnes, t/m^3 – tonnes per metre cubed, US$ – United States dollars, Zn – zinc..
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.
Face sample	The cutting of pieces of ore and rock from exposed faces of ore and waste. The faces may be natural outcrops or faces exposed in surface trenches and pits. Face samples may be taken by cutting grooves or channels of uniform width and depth across the face or sections of the face.
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.

Term	Explanation
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.
Reverse Circulation (RC)	Drilling method that uses compressed air and a hammer bit to produce rock chips.
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 Sokor Project

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.*	• All drilling by CNMC is by diamond drill rigs. • 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. • From 2011 to 2013 the average length of the samples selected for analysis was 1.46 m, during 2014 and 2015 the average sample length was 1.27 m and for 2016 to 2018 the average sample length was 0.99 m. Sample intervals selected for analysis from the 2019 drillholes are between 0.16 m and 2.01 m with an average of 0.90 m. • All sample preparation and analyses were undertaken at CNMC's Sokor on-site laboratory. • Gold analyses of the 2019 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*	• 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
	occurred due to preferential loss/gain of fine/coarse material.	
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. • From 2011 to 2013 the average length of the samples selected for analysis was 1.46 m, during 2014 and 2015 the average sample length was 1.27 m and for 2016 to 2018 the average sample length was 0.99 m. • Sample intervals selected for analysis from the 2019 drillholes are between 0.16 m and 2.01 m with an average of 0.90 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 2019 samples were assayed at CNMC's Sokor on-site laboratory. • CNMC's procedures for 2019 included the submission of blanks, blind duplicate samples and standards with samples and submission of duplicate sample to independent laboratory SGS (Malaysia) Sdn. Bhd. laboratory, Malaysia and an umpire laboratory (ALS Minerals laboratory in Perth, Australia). • Seven standard samples (G314-3, G315-2, G905-7, G912-2, G912-7, G913-10 and G916-2) from Geostats Pty Ltd were submitted to CNMC's on-site laboratory. In total, 336 standard sample were submitted and of these only 3 samples were outside the acceptable limits (of which on sample has been mis-labelled). • Analysis of the QAQC data indicates acceptable levels of precision and there is no bias across the grade ranges.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• A twin hole was drilled at New Discovery during 2013. This confirmed the mineralised intersection within the upper part of the orebody.

Criteria	JORC Code explanation	Commentary
	• *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.*	• 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.
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 CHCNAV X91 GNSS receivers of +/- 10 cm accuracy or GARMIN GPSMap 64s 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. For data prior to 2016 differences of up to 24 m were noted between the drillhole collar elevation and the topography. • Detailed aerial pit surveys of Rixen, Manson' Lode, New Discovery and New Found were conducted in early 2020 by CNMC using an unmanned aerial vehicle (UAV) and processed by Land Surveys, an Australian based company.
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.*	• A total of 675 diamond drillholes for 75,973 m have been drilled at the Sokor Project for Mineral Resource definition. • Drillhole spacing and drill section spacing averages 20 m to 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 to 1.5 m intervals was applied for Mineral Resource estimation at Manson's Lode. Downhole compositing to 1.0 m intervals was applied for Mineral Resource estimation at Rixen, New Discovery and New Found. • The data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource estimation procedure and classification applied.
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*	• 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.

Criteria	JORC Code explanation	Commentary
	should be assessed and reported if material.	
Sample security	• *The measures taken to ensure sample security.*	• All sample preparation and assaying was completed at the Sokor on-site laboratory. • Security procedures are in place including inspection of vehicles and personnel entering and leaving the mine site.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Optiro visited the Sokor project during December 2011, June 2015, January and April 2018, and October 2019. 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 10/2016 is held by CMNM Mining Group Sdn. Bhd.; a subsidiary of CNMC Goldmine Holdings Ltd.
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. • Four gold deposits have been defined within the southern area (Manson's Lode, New Discovery, New Found and Ketubong) and a fifth 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. • Base metal mineralisation (lead and zinc) has also

Criteria	JORC Code explanation	Commentary
		been defined at Sg Amang, about 1.2 km to the east of Rixen.
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 drillholes:* o *easting and northing of the drillhole 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 (e.g. 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.

Criteria	JORC Code explanation	Commentary
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Not applicable – drilling was designed for resource definition.
Other substantive exploration 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 (e.g. 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, Ketubong, New Discovery, New Found and Sg Amang, and to explore for additional mineralised zones within the Sokor project area. • Exploration drilling has been undertaken and results from this will be evaluated for further exploration drilling.

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 visits undertaken during December 2011, June 2015, January and April 2018 and October 2019 by Optiro. • During the site visits 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*	• 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.

Criteria	JORC Code explanation	Commentary
	controlling Mineral Resource estimation. • *The factors affecting continuity both of grade and geology.*	• Geological interpretation has been defined by diamond drilling. Gold mineralisation interpretation at Manson's Lode, Rixen, New Discovery and New Found was based on a nominal 0.15 g/t gold cut-off grade. The interpretation was completed along drill sections, typically at spacings of 20 m and 50 m and the interpretations were triangulated to form 3D solids of the mineralisation domains. • At Ketubong (where underground mining has commenced) the interpretation was based on a nominal 0.5 g/t gold cut-off grade. The interpreted mineralisation included results from drillholes and underground face samples. • Base metal mineralisation was interpreted at Manson's Lode and Sg Amang based on a nominal 2% Pb+Zn cut-off grade. • 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. • A base of oxidation surface and a top of fresh surface have been interpreted for each deposit area.
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 300 m across strike and extends from surface to a depth of 120 m. • At New Discovery and New Found the mineralisation strikes north-south and dips approximately 25° to the east. It has a combined strike length of 500 m and is up to 400 m across strike. Mineralisation extends from surface to a depth of up to 280 m. • At Ketubong the mineralisation strikes north-south and dips approximately 50° to the east. It is 550 m along strike by 350 m down dip. Mineralisation extends from surface to a depth of approximately 270 m. • At Rixen the mineralisation strikes north-south and dips approximately 20° to the east. It is 2,150 m along strike and is up to 700 m across strike. Mineralisation extends from surface to a depth of approximately 400 m. • The Sg Amang deposit has been drilled to a depth of 200 m from surface and generally remains open at down dip and at depth. The mineralisation has been interpreted as five lodes that have a combined strike length of 200 m and across strike extent of 200 m. The mineralisation dips to the north-west at

Criteria	JORC Code explanation	Commentary
		around 50º.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *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.*	• Drillhole sample data was flagged using domain codes generated from three-dimensional mineralisation domains and oxidation surfaces. • Data within the interpreted mineralisation at Manson's Lode was composited to 1.5 m downhole intervals and data within the interpreted mineralisation at Rixen, New Discovery and New Found was composited to 1.0 m downhole intervals. • A seam models was developed for Ketubong and the gold assay data within the mineralised lodes at Ketubong was length weighted. • 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. • Mineralisation continuity was interpreted from variogram analyses to have an along strike range of 46 m to 135 m, and a down-dip range of 44 m to 98 m. • Kriging neighbourhood analysis was undertaken in to optimise the block size, search distances and sample numbers. • Grade estimation was into parent blocks of 10 mE by 10 mN on 2 m benches at Manson's Lode and New Discovery/New Found, 10 mE by 20 mN on 2 m benches at Rixen and 10 mE by 10 mN by 1 m benches at Sg Amang. For Ketubong, a seam model with a parent block size of 5 mE by 5 mN with a variable bench height was used. • 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 77% of blocks at Manson's Lode, 42% of the blocks at Rixen, 21% of the blocks at the combined New Discovery and New Found deposits and 65% of the blocks at Sg Amang were estimated in the first pass. At Ketubong, only 4% of the blocks were estimated in the first pass and 19% in the second 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*	• The tonnages are estimated on a dry basis.

Criteria	JORC Code explanation	Commentary
	on a dry basis or with natural moisture, and the method of determination of the moisture content.	
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 for the transitional and fresh material at Ketubong, New Discovery and New Found and above a 0.17 g/t gold cut-off grade at Rixen and for the oxide material Ketubong, New Discovery and New Found to reflect current commodity prices, differential operating costs and processing options. • Base metal Mineral Resources at Manson's Lode (in addition to the gold Mineral Resources) and at Sg Amang are reported above a 2% Pb+Zn cut-off grade.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Planned extraction is by open pit mining. Mining factors such as dilution and ore loss have not been applied.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• No metallurgical assumptions have been built into the Mineral Resource models.
Environmen-tal 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*	• CNMC has identified the key potential environmental impacts arising from the project's operations and their associated mitigation measures are being implemented.

Criteria	JORC Code explanation	Commentary
	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.	
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 around 0.2 m were selected and weighted in water and air. • Bulk density values for each deposit and material type were calculated using measurements from 369 sections of diamond drill core (including 40 measurements obtained during 2019) and of alluvial/eluvial and backfill material from 41 test pits. • An ordinary least squares model was developed that was used to determine the density from the lead and zinc contents for domains with high lead and zinc contents at Manson's Lode. This was also applied for tonnage estimation used at Sg Amang. • Average bulk density values for the eluvial/alluvial and back fill material was determined from measurements of material from 41 test pits.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Mineral Resources have been classified on the basis of confidence in geological and grade continuity using the drilling density, geological model, modelled grade continuity and conditional bias measures (kriging efficiency). • Measured Mineral Resources have been defined at Manson's Lode 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 and where infill drilling has confirmed the mineralisation interpretation. • Inferred Mineral Resources have been defined generally in areas of 80 m by 80 m drill spacing 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*	• 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.

Criteria	JORC Code explanation	Commentary
	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.*	

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 undertaken by Optiro (Mr Andrew Law) in May 2012 and June 2015 and a follow-up site visit was undertaken by Optiro (Mr Michael Leak) in January 2018 to examine the changes in mining and processing practices since 2015 and in October 2019 (Mr Stephen O'Grady) to underground development and mining practices.
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 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

Criteria	JORC Code explanation	Commentary
	• *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.*	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.* • *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?*	• 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 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.
Environmen-tal 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.

Criteria	JORC Code explanation	Commentary
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 10% of gross revenue is payable to the Kelantan State Government (KSG) and an additional tribute payment of 4% of gross revenue is payable to the Kelantan State Economic Development Corporation (KSEDC). CNMC holds an 81% share in the production from the project.
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 licensed 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*	• No detailed economic analysis has been completed by Optiro as the project is already in operation and

Criteria	JORC Code explanation	Commentary
	(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.*	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 10/2016.
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*	• 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.

Criteria	JORC Code explanation	Commentary
	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.*	

Appendix B Kelgold Project

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.*	• All drilling by CNMC is by diamond drill rigs. • Trench samples were dug using an excavator and sampled by trained personnel supervised by geologist. • Drill cores were photographed and logged by geologists. Core identified as having potential for mineralisation was marked up for sampling. • All samples that were identified as having potential mineralisation were assayed. • Half core samples were selected for analysis and quarter core samples were used for quality assurance and quality control analysis. • All sample preparation and analyses were undertaken at CNMC's Sokor on-site laboratory. • Gold analyses of the 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).
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Triple tube diamond core drilling - fully drilled with diamond bit without RC pre-collar. • Core diameter varies from 122 mm, 96 mm to 76 mm with depth.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Core sample recovery recorded in logging sheet and recovery results assessed by geologists. • Statistical analysis indicates there is no relationship between recovery and grade.
Logging	• *Whether core and chip samples have*	• All drillholes were logged by geologists.

Criteria	JORC Code explanation	Commentary
	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.*	• 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. • Trenches were geologically mapped along their length.
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. • During 2017, the average length of the samples selected for analysis was 1.14 m, during 2018 the average sample length was 0.96 m. • Sample intervals selected for analysis from the 2018 drillholes are between 0.15 m and 1.65 m. • Quarter core samples were used for quality assurance and quality control analysis. • Trenches samples were collected horizontally or vertically on the field, depending on the outcrop occurrence. • Sample intervals selected for 2018 trenches are between 0.5 m to 2 m. • Sample intervals selected for 2019 trenches are between 1 m to 2 m.
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 assayed at CNMC's Sokor on-site laboratory. • CNMC's procedures included the submission of blanks, blind duplicate samples and standards with samples and submission of duplicate sample to independent laboratory SGS (Malaysia) Sdn. Bhd. laboratory, Malaysia and ALS, Perth, Western Australia and an umpire laboratory (ALS Minerals laboratory in Perth, Australia). • Six standard samples (G314-3, G910-3, G912-7, G196-1, G916-2 and G916-4) from Geostats Pty Ltd were submitted to CNMC's on-site laboratory. • Analysis of the QAQC data indicates acceptable levels of precision for all standards.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data*	• The project is at an early stage of assessment and twin holes have not been completed. • Data validation included checking for out of range assay data and overlapping or missing intervals.

Criteria	JORC Code explanation	Commentary
	storage (physical and electronic) protocols. • *Discuss any adjustment to assay data.*	• Below detection values were set to half the detection limit.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drillhole collar locations (easting, northing and elevation) are surveyed by geologists after hole completion using CHCNAV X91 GNSS receivers of +/- 10 cm accuracy or GARMIN GPSMap 64s accurate to within +/- 7 m. • Grid system used is Malaysian National Grid (MNG).
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 2018, data from 18 vertical and inclined drillholes for a total of 3,219.49 m at Kelgold were incorporated into the database. • Drillhole spacing and drill section spacing averages 50 m depending on location, access and ground conditions. • Data obtained to date is insufficient to establish the degree of geological and grade continuity. • Samples are not composited for analysis.
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.*	• Drilling and trenching has been carried out on an exploration basis and the orientation of any mineralisation is yet to be determined with sufficient confidence for Mineral Resource estimation. • Any relationship between the drilling orientation and the orientation of key mineralised structures has not yet been determined.
Sample security	• *The measures taken to ensure sample security.*	• All sample preparation and assaying was completed at the Sokor on-site laboratory. • Security procedures are in place including inspection of vehicles and personnel entering and leaving the mine site.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Optiro visited the Kelgold project during October 2019. Review of the sampling techniques did not reveal any material issues.

Appendix C Pulai Project

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.*	• All drilling completed by CNMC Pulai was by diamond drilling methods. • Drill cores were logged and photographed by geologists. Whole core was marked up for sampling for feldspar drill cores. • Half core samples were used for analysis, while quarter core samples and pulp samples were selected for QAQC analysis. • The average sample length was 4.14 m, and sample intervals are between 0.98 m to 7.99 m. • CNMC's Sokor on-site laboratory completed crushing and splitting with subsamples sent to SGS Malaysia laboratory for pulverisation and analyses. • Major elements were analysed by X-ray fluorescence (SGS method XRF78S), while REE were analysed by a four-acid digest (SGS method DIG40Q), followed by inductively coupled plasma mass spectrometry, ICP-MS (SGS method IMS40Q). • Umpire laboratory check by ALS Perth laboratory was using ME-XRF26 for major elements and ME-MS61r for REE.
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).*	• Drilling was entirely diamond core drilling (without RC pre-collar). Core diameter ranges from PQ, HQ to NQ 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 is accessed by geologists are recorded in logging sheet. RQD is recorded. • Sample recovery was typically >95% and is considered acceptable for resource estimation. • There is no relationship between sample recovery and grade and no bias due to preferential loss/gain of fine/coarse material

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 in entirely by geologists. Logging data recorded lithology, interval from and to, colour, major mineral composition, texture and structure and mineralisation. • Wet cores were photographed.
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 marked up by CNMC geologists. • Core samples were cut into half and collected by experienced CNMC personnel. • Average sample length was 4.14m, and sample intervals are between 0.98 m to 7.99 m. • Quarter core samples were used for QAQC analysis. • Blanks, standards and duplicate samples were inserted at a rate of approximately 1 in 25 for each. • The Sokor on-site laboratory completed crushing and splitting with subsamples sent to SGS Malaysia laboratory for pulverisation and analyses. • Given the bulk nature of the mineralisation, sample size and representivity is considered appropriate.
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 Pulai samples were assayed at the accredited SGS Malaysia laboratory. • CNMC included submission of blanks, blind duplicate samples and standards to SGS (Malaysia) Sdn. Bhd. laboratory and umpire laboratory (ALS Minerals laboratory in Perth, Australia). • Two standards (GTA-02 and GTA-03 from Geostats Pty Ltd) and two blanks (OREAS 22e and 22f from Ore Research & Exploration P/L) were submitted to SGS Malaysia and ALS Perth laboratories.
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.*	• No twin holes have been completed at this stage of assessment. • Data validation included checking for out of range assay data and overlapping or missing intervals.

Criteria	JORC Code explanation	Commentary
	• *Discuss any adjustment to assay data.*	
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 CHCNAV X91 GNSS receivers of +/- 10 cm accuracy or GARMIN GPSMap 64s accurate to within +/-7 m. • Grid system used is Malaysian National Grid (MNG).
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.*	• Drillhole spacing and drill section spacing averages 120 m apart and drill section spacing is 200 m depending on location, access and ground conditions. In the southern part spacing of 60 m by 100 m was achieved in a staggered pattern depending on location, access and ground conditions. • Given the bulk nature of the mineralisation, drillhole spacing along with surface mapping and rock chip sampling is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource estimation procedure and classification applied.
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.*	• The mineralisation is bulk in nature. • 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.*	• Samples were crushed at Sokor on-site laboratory and sent to SGS Malaysia laboratory by CNMC personnel for pulverisation and analysis. • Security procedures are in place including inspection of vehicles and personnel entering and leaving mine site.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Optiro visited the Pulai project during October 2019 prior to drilling taking place. No other audits or review of sampling techniques or data has taken place.

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.*	• CNMC Pulai Sdn. Bhd. owns exploration and mining licenses with a combined license area of 3,841.3 hectares (38.41 km2) and 70% stake of Sumberjaya Land & Mining Sdn. Bhd. which holds the rights to mine iron ore for the iron ore mining licenses assigned to CNMC Pulai. • Mining Lease ML7/2005 for the feldspar mine is held by CNMC Pulai Sdn. Bhd.; a subsidiary of

Criteria	JORC Code explanation	Commentary
	• *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.*	CNMC Goldmine Holdings Ltd.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Galas River within the tenement has a history of alluvial gold mining. • Previously Pulai Mining Sdn. Bhd. carried out geological exploration in the tenement, included geological mapping, soil geochemical sampling and trench sampling. • China Railway Resources Exploration Ltd compiled geological studies in 2015 and concluded CNMC Pulai Project has similar mineralisation characteristic to the Sokor gold project. • Feldspar was mined from the feldspar mining license prior to CNMC's involvement and has continued since. Mining is subcontracted to a local feldspar producer who supply to ceramics manufacturers in Malaysia.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The lithology within the project area is mainly lower Permian metamorphic rock, pyroclastic rocks and volcanic rocks striking in a north-northeast direction. The lithology of western area consists of limestone, tuff (interbedded with carbonaceous slate and slate), volcanic breccia and andesite. The central area is mainly composed of andesitic tuff, with some rhyolitic tuff and andesite. Andesite with minor andesitic tuffs are distributed through the southern area. Pyroclastic and volcanic rocks occur widely across the area while sedimentary rocks have only been found in the western area. • Feldspar mineralisation in the CNMC Pulai region has been developed by hydrothermal alteration of volcanic rocks of various types and from shallow intrusive bodies. • Several styles of gold mineralisation potentially occur within the Pulai area, with the major types being alluvial occurrences, high-arsenic mesothermal auriferous quartz veins, low-arsenic auriferous stockwork and sheeted quartz veins with variable sulphidation and porphyry-style gold mineralisation.
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 drillholes:* o *easting and northing of the drillhole 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*	• In 2019, five drillholes within the CNMC Pulai feldspar mine were completed for 1,046.9 m. • Drillhole spacing and drill section spacing averages 120 m apart and drill section spacing is 200 m depending on location, access and ground conditions. In the southern part spacing of 60 m by 100 m was achieved in a staggered pattern depending on location, access and ground conditions.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>depth
o hole length.</td><td>
<table>
<tr><th>Hole</th><th>Easting</th><th>Northing</th><th>RL</th><th>Depth</th><th>Dip</th><th>Azi</th></tr>
<tr><td>ZK8-1</td><td>441,890.5</td><td>530,781.6</td><td>162.3</td><td>247.4</td><td>80</td><td>240</td></tr>
<tr><td>ZK12-1</td><td>442,089.7</td><td>530,668.3</td><td>120.6</td><td>117.4</td><td>90</td><td>0</td></tr>
<tr><td>ZK12-2</td><td>441,996.8</td><td>530,619.1</td><td>157.8</td><td>251.5</td><td>90</td><td>0</td></tr>
<tr><td>ZK0-1</td><td>441,748.0</td><td>531,157.2</td><td>177.5</td><td>241.7</td><td>90</td><td>0</td></tr>
<tr><td>ZK10-1</td><td>442,022.5</td><td>530,714.2</td><td>123.7</td><td>188.9</td><td>90</td><td>0</td></tr>
</table>
</td></tr>
<tr><td>Data aggregation methods</td><td>• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. 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.</td><td>• Not applicable – drilling was designed for resource definition.</td></tr>
<tr><td>Relationship between mineralisation widths and intercept lengths</td><td>• 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').</td><td>• Not applicable – drilling was designed for resource definition.</td></tr>
<tr><td>Diagrams</td><td>• 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.</td><td>• Not applicable – drilling was designed for resource definition.</td></tr>
<tr><td>Balanced reporting</td><td>• 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.</td><td>• Not applicable – drilling was designed for resource definition.</td></tr>
<tr><td>Other substantive exploration data</td><td>• 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</td><td>• 64 surface rock chip samples were collected at the feldspar mine to have a preliminary idea of material quality.</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
	of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	• *The nature and scale of planned further work (e.g. 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 exploration and resource definition drilling to improve geological confidence is planned at feldspar mine.

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 January 2018 and October 2019 by Optiro • During site visit the geology was reviewed and geological logging, sampling techniques and procedures were discussed for the up-coming drilling programme.
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. • Geological interpretation has been defined by diamond drilling and surface mapping. • 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.*	• The feldspar mineralisation at Pulai has been interpreted from geological mapping and rock-chip sampling to extend over a strike length of 730 m, an across strike width of 250 m and to a depth of 220 m. • The Inferred Resource has an along stake extent of 320 m, an across strike width of 200 m and extends to a depth of 220 m.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of*	• Drillhole sample data was flagged using domain codes generated from three-dimensional geological domains and oxidation surfaces.

Criteria	JORC Code explanation	Commentary
	extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *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.*	• Data within the interpreted geological domains was composited to 4 m downhole intervals. • Top-cut grades were not applied. Na_2O and K_2O have low coefficients of variation (0.58 and 0.41) and outliers were not observed. • Directional variograms were modelled using a normal score transformation. Mineralisation continuity was interpreted from variogram analyses. • Mineralisation continuity was interpreted from variogram analyses to have a down-dip range of 80 m, an along strike range of 150 m and a perpendicular range of 78 for K_2O. For Na_2O a down-dip range of 90 m, an along strike range of 70 m and a perpendicular range of 55 were interpreted. • Grade estimation was into parent blocks of 20 m by 20 m on 4 m benches. • No assumptions were built into the estimation process and all variables were estimated independently. There is a high negative correlation between Na_2O and K_2O. • In addition to Na_2O and K_2O, block grades were also estimated for Al_2O_3, CaO, Fe_2O_3, MgO, SiO_2 and LOI. • Block grade estimation was carried out using ordinary kriging at the parent block scale. Three estimation passes were used; the first search was based upon the variogram ranges in the three principal directions; the second search was two times the first search in all directions, and the third search was four times the second search, with reduced sample numbers required for estimation. Over 65% of blocks were estimated in the first and second passes for Na_2O and 17% for K_2O. • 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.*	• As advised by CNMC, and commensurate with current mining practises at CNMC Pulai by the subcontractor who supplies feldspar to ceramics manufacturers in Malaysia, the Mineral Resource has been reported above a cut-off grade of 8% Na_2O+K_2O. • Optiro notes that the contents of the deleterious minerals (MgO, Fe_2O_3 and Al_2O_3) are higher than industry standards, but CNMC has advised that these are acceptable given the anticipated blending of this material with ore from third party

Criteria	JORC Code explanation	Commentary
		mines.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Planned extraction is by open pit mining. Mining factors such as dilution and ore loss have not been applied.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• No metallurgical assumptions have been built into the Mineral Resource models.
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*	• Representative sections of core of around 0.2 m were selected and weighted in water and air. • Average bulk density values were calculated using measurements from 25 sections of diamond core.

Criteria	JORC Code explanation	Commentary
	differences between rock and alteration zones within the deposit. • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Mineral Resources have been classified on the basis of confidence in geological and grade continuity using the drilling density, geological model and modelled grade continuity. • Inferred Mineral Resources have been defined in the southern area of the feldspar deposit where the four drillholes are at a spacing of around 60 m by 100 m.
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 Inferred reflects the Competent Person's assessment of the accuracy and confidence levels in the Mineral Resource estimate. • The confidence level is believed to be appropriate for annual production volumes.

Additional Information

Issued and paid-up capital	:	S$23,335,633
Number of shares	:	407,693,000
Number of voting shares	:	407,693,000
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

The Company does not hold any treasury shares and there are no subsidiary holdings.

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS
As at 20 March 2020

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF SHAREHOLDINGS
1 - 99	2	0.08	14	0.00
100 - 1,000	71	2.75	41,628	0.01
1,001 - 10,000	786	30.43	5,823,874	1.43
10,001 - 1,000,000	1,687	65.31	114,069,133	27.98
1,000,001 and above	37	1.43	287,758,351	70.58
Total	2,583	100.00	407,693,000	100.00

SUBSTANTIAL SHAREHOLDERS
As recorded in the Register of Substantial Shareholders as at 20 March 2020

	DIRECT INTEREST		DEEMED INTEREST	
NAME OF SHAREHOLDERS	NO. OF SHARES	%	NO. OF SHARES	%
Innovation (China) Limited[1]	106,987,500	26.24	–	–
Messiah Limited[2]	46,662,500	11.45	–	–
Professor Lin Xiang Xiong[1]	1,629,900	0.40	106,987,500	26.24
Choo Chee Kong[2]	205,000	0.05	46,662,500	11.45
Lim Kuoh Yang[1]	20,000	0.01	108,617,400	26.64
Tan Swee Ngin[1]	–	–	106,987,500	26.24
Lim Sok Cheng Julie[2]	–	–	46,662,500	11.45

Note:

(1) Innovation (China) Limited is a private investment holding company incorporated in Hong Kong whose shareholders are Professor Lin Xiang Xiong (65%) and his wife, Tan Swee Ngin (35%). Lim Kuoh Yang is the son of Professor Lin Xiang Xiong and Tan Swee Ngin. As such, Professor Lin Xiang Xiong 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 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 Citibank Nominees Singapore Pte Ltd.

STATISTICS OF SHAREHOLDINGS

As at 20 March 2020

TWENTY LARGEST SHAREHOLDERS

As at 20 March 2020

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHAREHOLDINGS
1	INNOVATION (CHINA) LIMITED	106,987,500	26.24
2	CITIBANK NOMINEES SINGAPORE PTE LTD	48,141,000	11.81
3	NG ENG TIONG	14,220,900	3.49
4	DBS NOMINEES (PRIVATE) LIMITED	12,714,055	3.12
5	LIU WENYING	12,100,000	2.97
6	CHUA TEO LENG	10,708,100	2.63
7	LIM PENG LIANG DAVID LLEWELLYN	9,036,100	2.22
8	PHILLIP SECURITIES PTE LTD	8,383,800	2.06
9	RAFFLES NOMINEES (PTE.) LIMITED	6,029,000	1.48
10	XU DEHAN	4,706,925	1.15
11	OCBC SECURITIES PRIVATE LIMITED	4,332,200	1.06
12	HSBC (SINGAPORE) NOMINEES PTE LTD	3,151,300	0.77
13	MAYBANK KIM ENG SECURITIES PTE. LTD.	2,970,700	0.73
14	LEE JING YI	2,943,200	0.72
15	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	2,843,171	0.70
16	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	2,535,400	0.62
17	TAN LIAN SENG	2,360,900	0.58
18	LIM YEAN LENG	2,319,000	0.57
19	YEO HUNG HEE BENJAMIN	2,300,000	0.56
20	UOB KAY HIAN PRIVATE LIMITED	2,110,600	0.52
	TOTAL	**260,893,851**	**64.00**

PERCENTAGE OF SHAREHOLDING HELD BY THE PUBLIC

Based on the information provided to the Company as at 20 March 2020, approximately 61.478% of the issued ordinary shares of the Company are held by the public. Accordingly, Rule 723 of the Listing Manual Section B: Rules of Catalist of the SGX-ST has been complied with.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The following additional information on Mr Kuan Cheng Tuck and Mr Tan Poh Chye Allan, each of whom is seeking re-election as Director at the Annual General Meeting of the Company on or before 29 June 2020, is to be read in conjunction with their respective profiles in "Board of Directors" section and "Key information regarding Directors" on pages 16 and 67.

Appendix 7F Requirements		
Details required under Appendix 7F of the Catalist Rules	**Kuan Cheng Tuck**	**Tan Poh Chye Allan**
Date of Initial Appointment	20 September 2011	20 September 2011
Date of last re-appointment (if applicable)	28 April 2017	28 April 2017
Age	48	55
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Kuan as an independent director of the Company was recommended by the Nominating Committee and accepted by the Board, having regard to his performance, knowledge, skills and experiences, and overall contributions since his last re-appointment.	The re-election of Mr Tan as an independent director of the Company was recommended by the Nominating Committee and accepted by the Board, having regard to his performance, knowledge, skills and experiences, and overall contributions since his last re-appointment.
Whether appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	- Lead Independent Director - Chairman of Audit Committee - Member of the Nominating Committee - Member of the Remuneration Committee	- Independent Director - Chairman of Remuneration Committee - Member of the Audit Committee - Member of the Nominating Committee
Professional qualifications	- Bachelor of Accountancy Degree in Accounting, Nanyang Technological University of Singapore. - Bachelor of Laws (Honours), University of London, UK. - Masters of Laws (Corporate and Financial Services Law), National University of Singapore. - Fellow Member of Association of Chartered Certified Accountant, UK. - Member of Institute of Singapore Chartered Accountants. - Advocate and Solicitor, Singapore.	- Bachelor of Laws (Honours), University of Buckingham, UK. - Master's of Arts in International and Comparative Business Law, London Guildhall University (now known as the London Metropolitan University), UK. - Barrister-at-law, Society of Gray's Inn, UK. - Advocate and Solicitor, Singapore.
Working experience and occupation(s) during the past 10 years	Director of KCT Consulting Pte Ltd (From February 2004 to Present)	- Colin Ng and Partners LLP, Partner (From April 2006 to October 2013) - Stephenson Harwood (Singapore) Alliance, Partner (From October 2013 to August 2018)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Appendix 7F Requirements		
Details required under Appendix 7F of the Catalist Rules	**Kuan Cheng Tuck**	**Tan Poh Chye Allan**
Shareholding interest in the listed issuer and its subsidiaries	No	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships# * "Principal Commitments" has the same meaning as defined in the Code - *"principal commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations.* # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)		
Past (for the last 5 years)	- CW Group Holdings Limited (listed on HKEx), Independent Non-executive Director - Green Build Technology Limited, Independent Director - China Star Food Group Limited, Independent Director	- Affinity Energy and Health Limited (listed on ASX)(formerly known as Algae.Tec Limited), Independent Non -executive Director - Novita Healthcare Limited (listed on ASX), Independent Non-executive Director - XYEC Holdings Co., Ltd., Independent Non-executive Director
Present	- Kori Holdings Limited, Independent Director - KCT Consulting Pte. Ltd., Director - Kreston Consulting Pte. Ltd., Director	- Nico Steel Holdings Limited, Independent Director - Allan Tan Law Practice (Sole Proprietor)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Appendix 7F Requirements		
Details required under Appendix 7F of the Catalist Rules	**Kuan Cheng Tuck**	**Tan Poh Chye Allan**
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Mr Kuan was a former independent non-executive director of CW Group Holdings Limited ("CWG") (listed on the HKEx) which was placed in provisional liquidation in or around August 2018. Mr Kuan resigned as an independent non-executive director of CWG on 9 November 2018.	Yes. Mr Tan was appointed nominee director of Prima Ops Pte, Ltd. ("Prima"), a private company, in March 2018 when it was first incorporated. Prima was a start-up company whose business was in the teaching of the English and Chinese languages via an app on mobile and hand-held devices (the "business"). Mr Tan was appointed nominee director of Prima as part of the legal services he provided to the controlling shareholder of Prima when said controlling shareholder acquired the business from the vendor in order to satisfy the resident director requirement under the Companies Act. Mr Tan was not involved the management of the business. Mr Tan resigned in February of 2019 after Prima reconstituted its board. Prima was put into liquidation by its directors in February of 2020 on grounds of inability to carry on business due to insolvency.
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

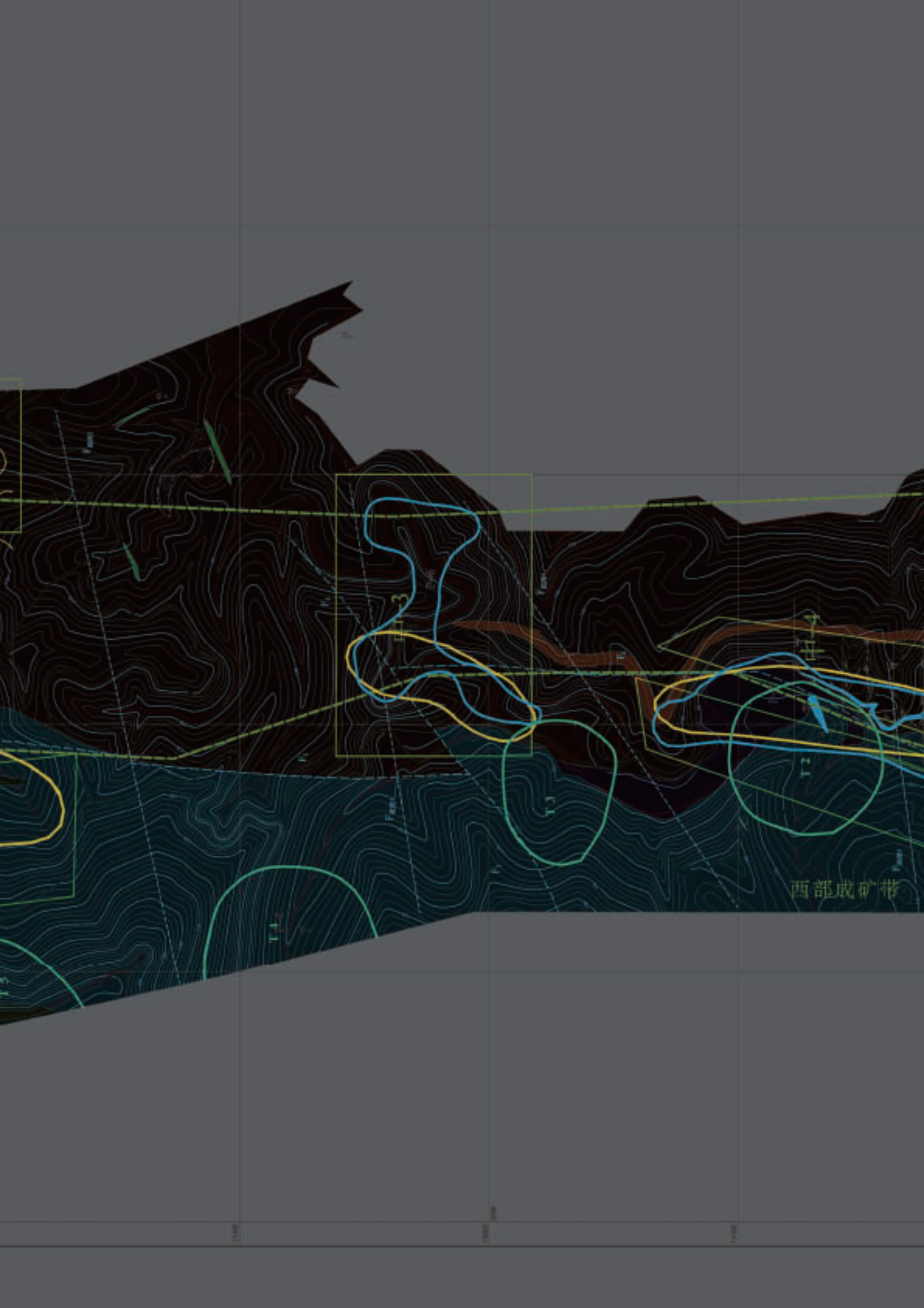
Appendix 7F Requirements		
Details required under Appendix 7F of the Catalist Rules	**Kuan Cheng Tuck**	**Tan Poh Chye Allan**
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

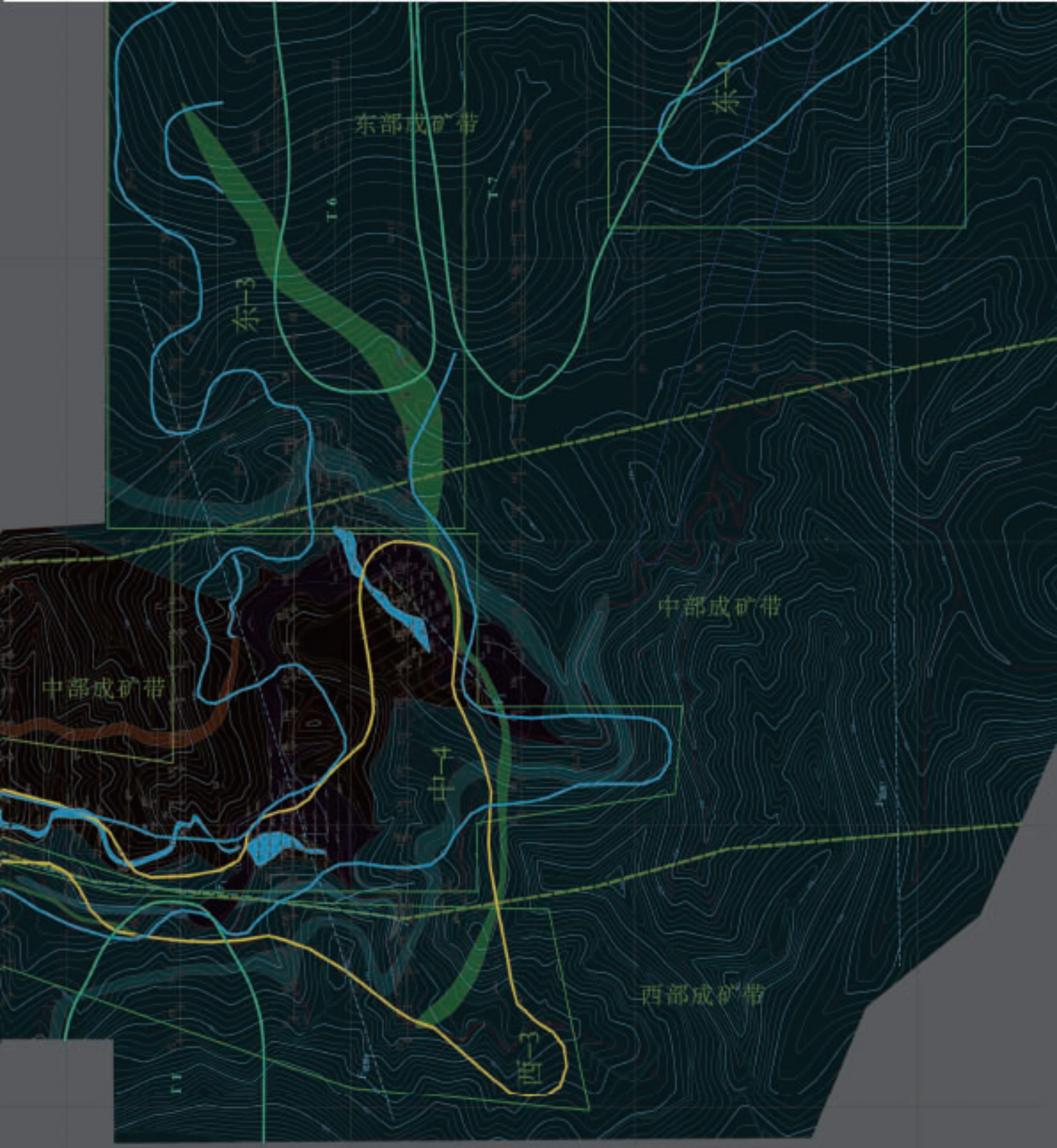
ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

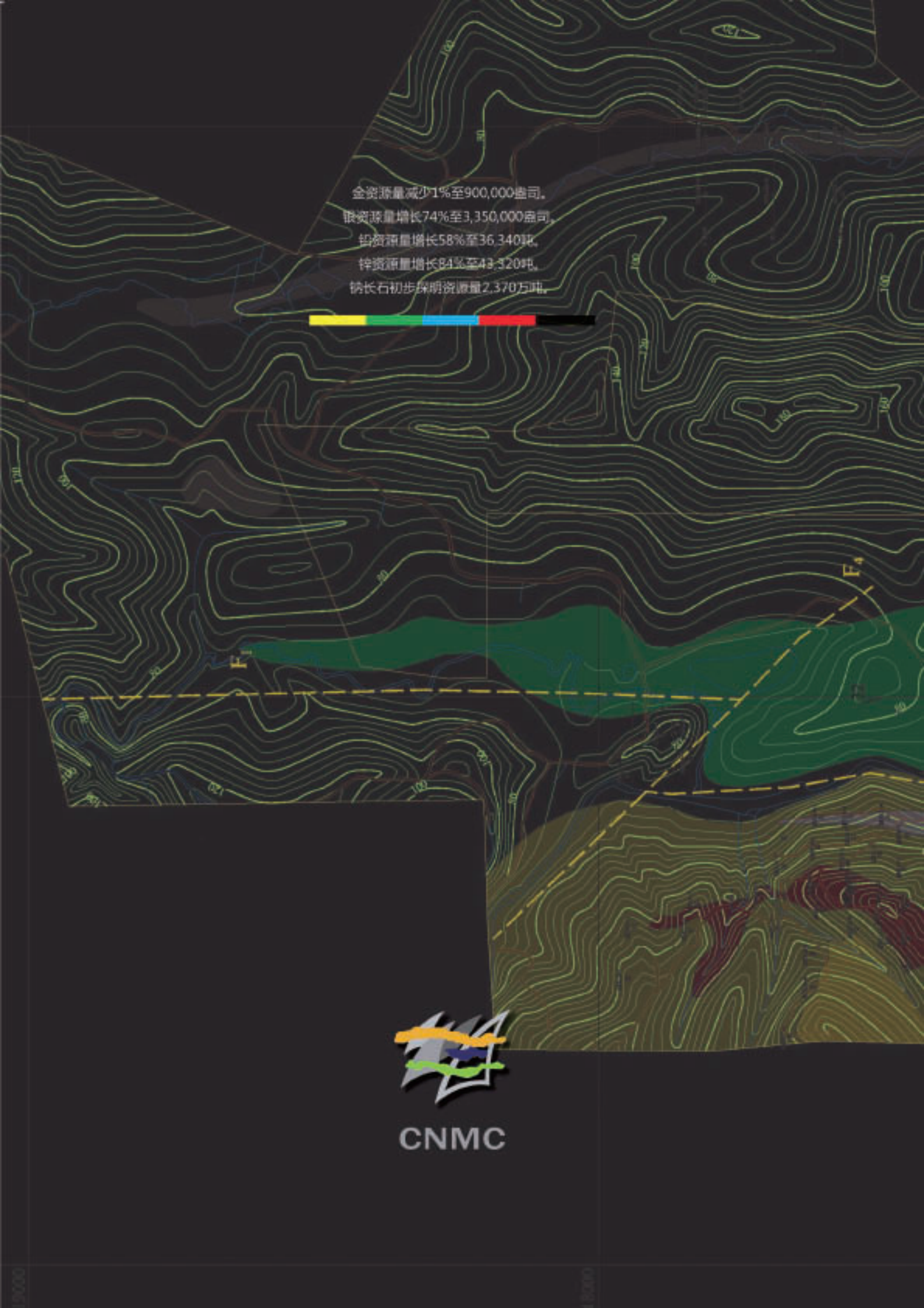
Appendix 7F Requirements		
Details required under Appendix 7F of the Catalist Rules	**Kuan Cheng Tuck**	**Tan Poh Chye Allan**
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him fromengaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-	No	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Appendix 7F Requirements		
Details required under Appendix 7F of the Catalist Rules	**Kuan Cheng Tuck**	**Tan Poh Chye Allan**
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Any prior experience as a director of an issuer listed on the Exchange? (Yes/No)	Not applicable. This is in relation to re-election of director.	Not applicable. This is in relation to re-election of director.
If yes, please provide details of prior experience.	Not applicable	Not applicable
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Not applicable	Not applicable
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable, this is a re-election of a director.	Not applicable, this is a re-election of a director.


西部成矿带


东部成矿带
中部成矿带
中部成矿带
西部成矿带


金资源量减少1%至900,000盎司。
银资源量增长74%至3,350,000盎司。
铅资源量增长58%至36,340吨。
锌资源量增长84%至43,320吨。
钠长石初步探明资源量2,370万吨。
F4
F7
CNMC

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