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**CNMC Goldmines Holdings Limited
Sokor Gold Project – Kelantan - Malaysia
Reserves Dec 2011– Manson’s & New Discovery Mines**



J-1391-Sokor Project

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June 2012

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29 June 2012

Our Ref: J-1391

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

Dear Sirs,

RE: CNMC Goldmine Limited

I refer to the attached Optiro report titled CNMC Goldmine Limited, Sokor Gold Project – Kelantan – Malaysia, Reserves Dec 2011– Manson’s & New Discovery Mines, as submitted to Chris Lim on the 27th June 2012.

The ore reserve presented in the aforementioned report have been produced in accordance with the Australasian Code for the reporting of Mineral Resources and Ore Reserves, December 2004 (JORC Code) under my direction. I am a Fellow of the Australasian Institute of Mining and Metallurgy and hold the position of Director – Mining at Optiro Consulting I have sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code.

I consent to the inclusion in the document of the matters based on my information and interpretation in the form and context in which they appear in the attached Ore Reserve Statement 2011 report.

Yours faithfully

OPTIROA handwritten signature in black ink, appearing to read 'A. Law'.**Andrew Law**Director – Mining, *FAusIMM*

COMPETENT PERSON'S CONSENT FORM

Pursuant to the requirements of ASX Listing Rule 5.6 and clause 8 of the 2004 JORC Code (Written Consent Statement)

Report Description

'Reserves Dec 2011– Manson's & New Discovery Mines'

CNMC Goldmine Holdings Limited

29 June 2012

Statement

I, Andrew Law confirm that:

- I have read and understood the requirements of the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("2004 JORC Code")
- I am a Competent Person as defined by the 2004 JORC Code, having five years' experience which is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a Fellow of The Australasian Institute of Mining and Metallurgy.
- I have reviewed the Report to which this consent statement applies.
- I am a full time employee of Optiro Pty Ltd

I verify that the Report is based on, and fairly and accurately reflects in the form and context in which it appears, the information in the supporting documentation relating to Ore Reserves.

CONSENT

I consent to the release of the Report and this consent statement by the directors of:

CNMC Goldmine Holdings Limited



29th June 2012

Signature of Competent Person

Date

EXECUTIVE SUMMARY

Optiro Pty Ltd (Optiro) was commissioned by CNMC Goldmine Holdings Limited (CNMC) to provide an independent Ore Reserve estimation for the Manson's and New Discovery Mines as at December 31st 2011. The reserve estimate was requested following the creation of updated open pit resource estimates in January and February 2012.

The deposits are located in the Ulu Sokor area in Kelantan, Malaysia and is 81% owned and operated by CNMC. The work has been carried out under the supervision of Andrew Law, a competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code).

OPEN PIT RESERVE ESTIMATION

The open pit reserve estimates are based on the mineral resource estimates as completed by Optiro in April 2012. The material was not subject to any further direct economic evaluation as the terms of reference for this review were to update the reserves contained within the current pit designs. Cut-off grades were calculated from current actual operating costs and applied to the new block models.

The Manson's and New Discovery open pits are to be mined using conventional open pit mining methods (drill, blast, load and haul).

Dilution and recovery of the ore zones was estimated at 5% and 95% respectively.

A gold price of US\$1350 was used for Cut-off grade calculations, with all other costs presented in US dollars.

To the best of Optiro's knowledge, the Sokor Gold Project is currently compliant with all legal and regulatory requirements. All government permits and licenses and statutory approvals are either granted or in the process of being granted.

Indicated Resources were converted to Probable Ore Reserves subject to mine design parameters and an economic evaluation. Measured material existed, and where appropriate was converted to Proved Reserves, with the remaining material in the mining envelope converted to Probable Reserves. The following tables outline the Ore Reserve estimate for the Manson's and New Discovery Gold Mines as of the 31st December 2011.

Table 1 : Ore Reserve Review Results – Manson's and New Discovery

JORC Code Category	Mineral Type	Gross Attributable to licence			Gross Attributable to CNMC			
		Tonnes (kt)	Grade (Au g/t)	Contained Au (kcozs)	Tonnes (kt)	Grade (Au g/t)	Contained Au (kcozs)	Ounce Change from Previous (%)
Manson's								
Proved Reserve	Gold	61	3.8	7.5	49	3.8	6.1	-39%
Probable Reserve	Gold	100	3.4	11	81	3.4	8.9	∞ *
Total	Gold	160	3.7	19	130	3.6	15	50%
New Discovery								
Proved Reserve	Gold	81	3.8	10	66	3.8	8.1	0%
Probable Reserve	Gold	64	3.1	6.4	52	3.1	5.2	∞ *
Total	Gold	150	3.5	17	120	3.4	13	60%
								* No value in previously quoted Reserve.

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1. INTRODUCTION AND TERMS OF REFERENCE

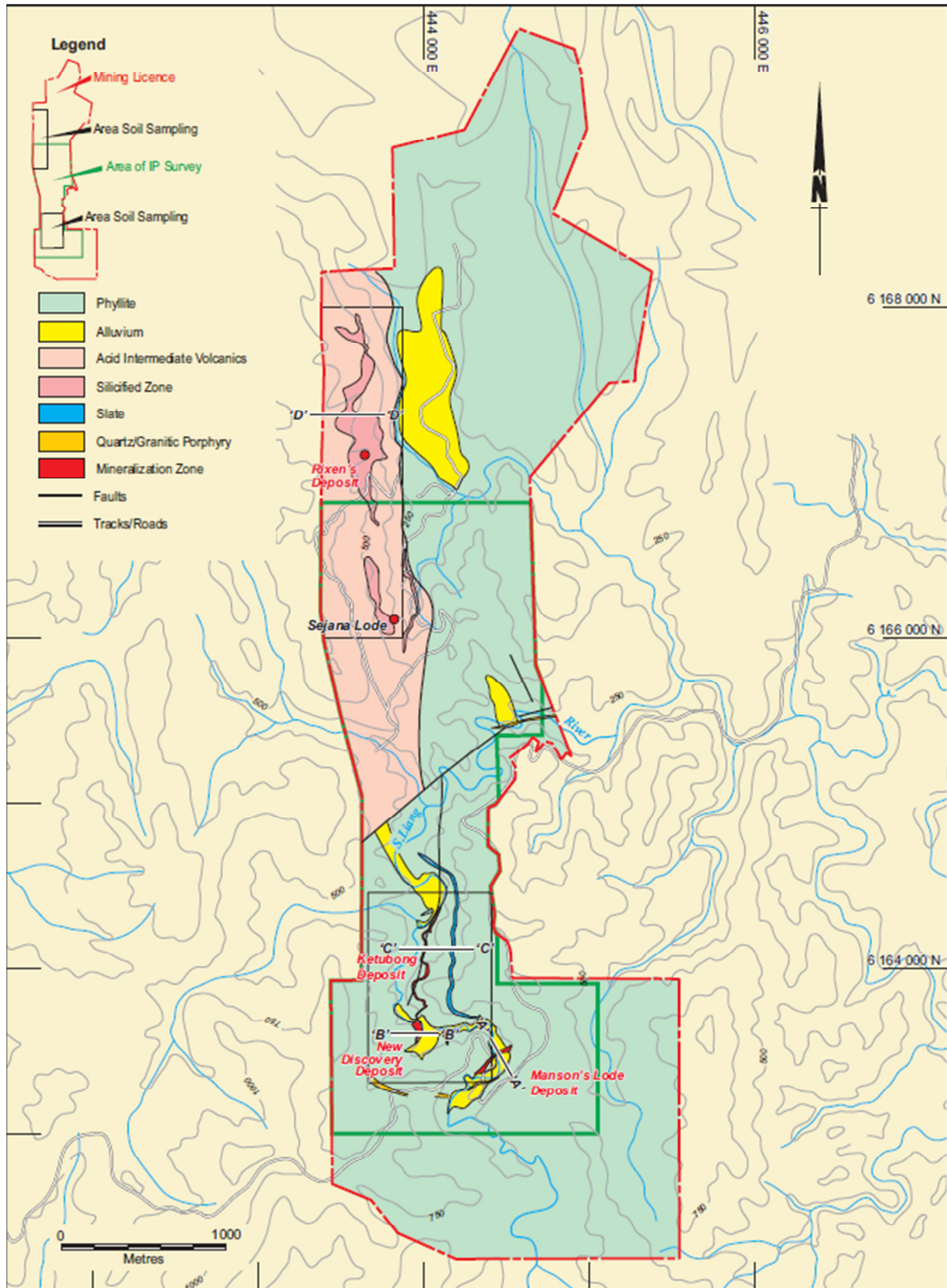
1.1. INTRODUCTION

CNMC Goldmine Holdings Limited through its subsidiary CMNM Mining Group Sdn. Bhd. holds an 81% interest in the Sokor gold project (Figure 1). CMNM holds the rights to mine and produce gold from an area of approximately 10 km² in the Ulu Sokor area in Kelantan, Malaysia. CNMC listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (SGX-ST) by way of an Initial Public Offering on 28 October 2011.

This report updates the Ore Reserves for the Manson's and New Discovery deposits in the southern part of the Project area (see locations in *Figure 1 : Sokor Gold Project – local geology and deposit location (BDA, 2011a)*). This update is required due to the combined effect of Resource updates and progression of mining activity on the deposits.

The Rixen and Ketubong deposits are to be the subject of further Resource and Mine Design work and have not undergone any production activities up to the December 31, 2011 cut-off date for this report. The Rixen Reserve previously quoted by CNMC will remain unchanged until completion of this further work.

Figure 1 : Sokor Gold Project – local geology and deposit location (BDA, 2011a)



2. MINERAL RESOURCE ESTIMATES

2.1. INTERPRETATION

Please refer to *Appendix A : Optiro Resource Report* for the relevant information.

2.2. DATA ANALYSIS

Please refer to *Appendix A : Optiro Resource Report* for the relevant information.

2.3. GRADE ESTIMATION AND CLASSIFICATION

Please refer to *Appendix A : Optiro Resource Report* for the relevant information.

2.4. MINERAL RESOURCE

The Mineral Resource estimate as estimated in the report included in *Appendix A : Optiro Resource Report* is shown in *Table 2 : Sokor Gold Project – Mineral Resource statement as at 31 December 2011 (inclusive of Ore Reserves)*. For all other details please refer to the original document.

Table 2 : Sokor Gold Project – Mineral Resource statement as at 31 December 2011 (inclusive of Ore Reserves)

Deposit	Measured			Indicated			Inferred			Total		
	Tonnes kt	Grade Au g/t	Gold koz	Tonnes kt	Grade Au g/t	Gold koz	Tonnes kt	Grade Au g/t	Gold koz	Tonnes kt	Grade Au g/t	Gold koz
Manson's Lode	410	2.9	42	150	2.3	12	30	1.4	2	590	2.7	56
New Discovery	220	4.0	31	210	3.2	24	220	1.8	13	640	3.0	68
Total	620	3.3	73	350	2.8	36	250	1.7	15	1200	2.9	124

It should be noted that the new Resource models were created using topographical data including mined surfaces as of December 31st 2011 and thus effectively reflect a “depleted” Resource position. As such for the purposes of the calculation of Reserves no further allowance for mining depletion is required as the Resource model covers all mining activity to December the 31st 2011.

3. STUDY STATUS AND STUDIES CARRIED OUT

The Manson's and New Discovery ore bodies are at this point in time active mining areas. No direct review or search for previous mining studies have been undertaken for the purposes of this Reserve Review.

An Independent Technical Review of the Sokor Gold Project by Behre Dolbear Australia in August of 2011 and a Mineral Resource Update, also by Behre Dolbear Australia, in November 2011 have been referenced for the purposes of this review. Copies of these reports can be found in *Appendix B : BDA Independent Technical Review – Aug 2011* and *Appendix C : BDA Resource Update Nov 2011*

4. MARKETING AND OTHER FACTORS

Dore bars from the Sokor operation are direct purchased by the Kelantan State Government at current market price. Where this arrangement is not utilised Sokor have other private arrangements in place. These arrangements result in a small refining charge shown as “Sale Cost 2” in *Table 7 : Parameters for Cut-Off grade calculation for Manson’s Lode and New Discovery*.

4.1. APPROVALS

4.1.1. OBTAINED APPROVALS

All relevant approvals for the Mansons Lode and New Discovery Mines have been obtained and both mines are in production.

Further details of approvals may be found in the documents in *Appendix B : BDA Independent Technical Review – Aug 2011* and *Appendix C : BDA Resource Update Nov 2011*.

4.1.2. OUTSTANDING APPROVALS

Optiro know of no outstanding approvals for the two mines.

5. SCHEDULE AND FINANCIAL ANALYSIS

5.1. SCHEDULE

The following production schedule, see *Table 3 : Production Schedule*, is based on steady state production from the Manson's and New Discovery lodes and does not include effects from further operations or significant changes related to the future work to be undertaken with potential mining areas at the Rixen and Ketubong deposits. The table is not quoted to the *JORC Code, 2004 edition*.

Should Resource and Reserve conversion work at the Rixen and Ketubong deposits prove successful there will be substantial changes to the overall production schedule for the Sokor Gold Project and it will have impacts on the quoted production schedule.

Production has been assumed to continue at the rates previously used by Behre Dohlbear to match the treatment plant throughput configuration for these two deposits, namely 40kt ore per annum each.

It should be noted that production rates achieved during the latter part of 2011 and early 2012 appear to be a rate of 100kt from each deposit for a combined annual rate of 200kt. These rates are as per data supplied by CNMC, see *Appendix A : Optiro Resource Report*, but have not been used for forward forecast as the vertical rate of drop on the pit advance would be too great to maintain.

The production schedule uses only that material contained within the Manson's and New Discovery deposits that has a Reserve category. Material within the Resource model classed as inferred has not been used within the schedule. It should be noted that this material is not currently of sufficient tonnage to cause a significant change to the schedule.

Table 3 : Production Schedule

Year	2012	2013	2014	2016
Manson's	Forecast	Forecast	Forecast	Forecast
TOTAL				
Tonnes	40,000	40,000	40,000	41,961
Grade	3.39	3.58	3.58	3.85
Cont Ounces	4,361	4,602	4,599	5,194
New Discovery				
TOTAL				
Tonnes	40,000	40,000	40,000	25,287
Grade	3.36	3.47	3.69	3.69
Ounces	4,318	4,469	4,752	3,002
Combined Operations				
Tonnes	80,000	80,000	80,000	67,248
Grade	3.37	3.53	3.64	3.79
Cont Ounces	8,679	9,071	9,350	8,196
Au Production				
Recovery Rate				
New Discovery	86.8%	86.8%	86.8%	86.8%
Mansons	85.0%	85.0%	85.0%	85.0%
Recovered Ounces	7,456	7,793	8,031	7,060

5.2. FINANCIAL ANALYSIS

The Manson's and New Discovery pits are currently in operation. The mines are being worked to existing designs and these designs have been used to determine the current reserves for the operation. No re-optimisation or re-design of the pits has been undertaken for this review.

The Resource models used to calculate these Reserves are newly created Resource models which were produced by Optiro and are the subject of the report included in *Appendix A : Optiro Resource Report* . These Resource models were created using topographical data including mined surfaces as of December 31st 2011 and thus effectively reflect a “depleted” Resource position.

Current operational cost data and metallurgical criteria as supplied by CNMC has been used to calculate Cut-off grade for the two mines, see section 9.4 : *Costs* for further detail.

Review of the Manson's lode cost data indicates that original reserves used costs for treatment of ore that were strictly for oxide material only, and thus a correspondingly lower cut-off grade. The increased cut-off grade obtained for these reserves indicates an increase in the cost per ounce of production however these are more than offset by the increased revenue from the higher recovered ounces resulting from the revised Resource model. The overall economic viability of the Manson's pit has improved with the updated Reserve position.

Review of the New Discovery pit costs and gold price inputs results in a marginally lower cut-off grade. Combined with an increase in recovered ounces due to improvement in the Resource base the economic viability of the New Discovery pit has also improved.

No operational cash flow model has been reworked for the purposes of this Reserve report.

6. METALLURGY

6.1. PROCESS PLANT

Please refer to *Appendix A : Optiro Resource Report* for the relevant information.

6.2. METALLURGICAL TESTWORK

Please refer to *Appendix A : Optiro Resource Report* for the relevant information.

6.3. METALLURGICAL RECOVERY

CNMC has advised that mill recovery for Manson's Lode and New Discovery are 85% and 86.8 respectively. This value has been used for evaluation on site and is used in the Ore Reserve estimation for economic evaluation purposes.

Table 4 : Process Plant Recoveries

Element	Process Plant Recovery
Manson's Lode	85%
New Discovery	86.8%

6.4. PLANT DESIGN

Please refer to *Appendix A : Optiro Resource Report* for the relevant information.

7. INFRASTRUCTURE

7.1.1. POWER AND WATER SUPPLY

Please refer to *Appendix A : Optiro Resource Report* for the relevant information.

7.2. MINE SITE FACILITIES

Please refer to *Appendix A : Optiro Resource Report* for the relevant information.

8. ENVIRONMENTAL AND COMMUNITY ISSUES

8.1. ENVIRONMENTAL ISSUES

8.1.1. ENVIRONMENTAL IMPACT ASSESSMENT

Please refer to *Appendix A : Optiro Resource Report* for the relevant information.

8.2. ENVIRONMENTAL PROTECTION AND MITIGATION MEASURES

Please refer to *Appendix A : Optiro Resource Report* for the relevant information.

8.3. AIR QUALITY AND NOISE

Please refer to *Appendix A : Optiro Resource Report* for the relevant information.

8.4. SURFACE HYDROLOGY

Please refer to *Appendix A : Optiro Resource Report* for the relevant information.

8.5. WATER MANAGEMENT

Please refer to *Appendix A : Optiro Resource Report* for the relevant information.

8.6. TAILINGS MANAGEMENT

Please refer to *Appendix A : Optiro Resource Report* for the relevant information.

8.7. ENVIRONMENTAL MONITORING

Please refer to *Appendix A : Optiro Resource Report* for the relevant information.

8.8. REHABILITATION

Please refer to *Appendix A : Optiro Resource Report* for the relevant information.

8.9. SOCIAL ISSUES

Please refer to *Appendix A : Optiro Resource Report* for the relevant information.

9. CNMC SOKOR - OPEN PIT RESERVES

9.1. INTRODUCTION

CNMC Goldmine Holdings Limited (CNMC) commissioned Optiro Pty Ltd (Optiro) to provide an independent Ore Reserve Estimation for the Manson's and New Discovery Open Pits. The work included estimating Ore Reserves in compliance with the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (The JORC Code).

This work represents an update of the June 2011 Reserve Estimates since the last disclosure on these deposits. This Ore Reserve estimate represents the unmined Mineral Resource, as well as modified cost and mining factors based on cost estimates sourced from current CNMC site costs. The Ore Reserve estimate for the combined Manson's and New Discovery Open Pits as at 31st December 2011 is **310,000 tonnes grading 3.5 grams per tonne for 35,000 oz of gold.**

9.2. PROJECT DESCRIPTION

The project is in Kelantan, Malaysia, approximately 75km south of the city of Kota Bharu and 35km southwest of the Thai border. Access to the site from Kota Bharu is via the main highway to the town of Tanah Merah, 40km to the south and then via local sealed roads for 32km to Kampong Bukit Pauh village. An 18km four-wheel-drive logging track through hilly terrain provides access to site. There is one significant river crossing on this route

Kota Bharu is serviced by regular commercial flights from Kuala Lumpur.

Kelantan has a tropical monsoonal climate, the wettest months being November to January. The average rainfall is 2,000-2,500mm per annum.

9.3. RESOURCE

Please refer to *Appendix A : Optiro Resource Report* for the relevant information.

9.4. COSTS

Operating costs have been updated for the purposes of this report and are detailed in *section 9.4.3 Operating Costs*. Other costs remain as per previous reports and are detailed in *Appendix A : Optiro Resource Report*.

9.4.1. INITIAL DEVELOPMENT CAPITAL

Please refer to *Appendix A : Optiro Resource Report* for the relevant information.

9.4.2. FUTURE MINE EXPANSION CAPITAL

Please refer to *Appendix A : Optiro Resource Report* for the relevant information.

9.4.3. OPERATING COSTS

Site operating costs were prepared by CSU and reported in June 2010. Total site costs are projected to be US\$16.6M over the initial period from 2010 to 2012; process plant and mine operating costs

comprise 37% and 26% of the total respectively. Other costs include administration and realisation costs and royalties. The cash cost of gold produced is projected to average US\$438/oz for the first three years of the mine life and average US\$489/oz in the two further years of extended mine life.

Mine operating costs for both Manson’s and New Discovery pits are depicted in *Table 5 : Mining Unit Costs*. Ore mining includes the mining of the ore and the associated geological control of mining; waste mining includes both the initial extraction of waste and the reclamation cost of the waste. These costs are as supplied to Optiro by CNMC, see *Appendix F : Operating Cost Data and Communications* for further information.

It is planned to use a contractor to carry out the mining operation but at this stage there are no contract tenders to indicate the likely contract mining rates.

Processing costs are estimated to be US\$30.8M over the period from mid-2010 to 2014, equivalent to US\$11/t processed. CNMC has proposed operating costs of US\$8/t for heap leaching, US\$10/t for vat leaching and US\$20/t for CIL processing of ore. Optiro notes that CNMC has not supplied actual operating costs for the period from July to December 2011.

Administration charges are estimated at US\$540k per annum for 2012, increasing to US\$660k for the period when the CIL plant will be operating in 2013-2014. A royalty is payable to the state government equal to 5% of gross revenue and an additional tribute equal to 3% of gross revenue is payable to the state economic development commission.

As reported by BDA in 2011, the operating costs are provisional and are likely to be accurate to $\pm 50\%$. Optiro understands that CNMC plans to review the operating costs as part of the study to update the Ore Reserve and production schedule.

Some confirmation of cost has been given by CNMC and these communications are included in *Appendix F : Operating Cost Data and Communications* .

Table 5 : Mining Unit Costs

Element	Unit	Rate \$
Manson’s Lode		
Stripping cost	\$/t of waste	0.88
Ore mining cost	\$/t of ore	3.38
New Discovery		
Stripping cost	\$/t of waste	0.88
Ore mining cost	\$/t of ore	2.65

Table 6 : Process Recovery costs (includes General and Administration costs)

Element	Unit	Rate \$
Manson's Lode		
Process recovery costs	\$/t of ore	36.79
New Discovery		
Process recovery costs	\$/t of ore	13.98

9.5. CUT-OFF GRADE

The cut-off grades for the Manson's Lode and New Discovery deposits were derived using the price parameters supplied by CNMC, *Table 7 : Parameters for Cut-Off grade calculation for Manson's Lode and New Discovery* shows the parameters as supplied.

Table 7 : Parameters for Cut-Off grade calculation for Manson's Lode and New Discovery

Item	Unit	Manson's Lode	New Discovery
Ore Mining Cost	\$/t ore	3.38	2.65
Processing Cost	\$/t ore	36.79	14
Dilution	%	5%	
Mining Recovery	%	95%	
Processing Recovery	%	85%	86.80%
Rehabilitation Cost	\$/t ore	0	
Sale Cost 1	%	8%	
Sale Cost 1	\$/g	3.472	
Sale Cost 2	\$/g	0.59	
Total Sale Cost	\$/g	4.062	
Sale Price	\$/oz	1350	
Sale Price	\$/g	43.4035	
Final Sale Price	\$/g	39.341	

Rehabilitation costs and waste mining costs have not been included in the Cut-Off grade calculation as they do not pertain to the mining of ore material. Sale Cost 1 refers to the Government Royalties of 5% and 3% (8% in total) of the sale price. Sale Cost 2 refers to a selling cost as supplied by CNMC.

The equations depicted in *Table 8 : Cut-off determination information* were used to calculate the Marginal and Breakeven Cut-Off grades for Manson's Lode and New Discovery.

Table 8 : Cut-off determination information

Marginal Cut-Off Grade		
COG when Revenue = Cost		
MARGINAL		
Revenue =	Price*Tonnes*Grade*Processing Recovery*Mining Recovery	
Cost =	Processing cost*(1+Dilution)	
	Manson's Lode	New Discovery
Cost =	38.63	14.70
Marginal Grade =	1.2	0.45
BREAKEVEN Cut-Off Grade		
Revenue =	Price*Tonnes*Grade*Processing Recovery*Mining Recovery	
Cost =	(Processing cost*(1+Dilution)) + Mining Cost	
	Manson's Lode	New Discovery
Cost =	42.01	17.35
Breakeven Grade =	1.3	0.53

Low Grade ore is ore between Marginal and Breakeven Grades.

To determine the Reserve tonnes and grade the new resource model was evaluated against the existing pit designs, using the above Cut-off boundaries. Only blocks completely contained within the pits were considered and cumulated in order to give a conservative Reserve total.

9.6. GEOTECHNICAL

For the purposes of this review the standing pit designs have been used to interrogate the block model and supply the in-pit mining Reserves which are quoted within this report. The geotechnical input used to create these designs has not been verified or interrogated. Visual inspection of the site during a site visit has confirmed that slopes are stable on a short term basis.

It should be noted that at the Manson's deposit there was no adequate Top Of Fresh Rock (TOFR) or Bottom Of Complete Oxidation (BOCO) profile data made available to Optiro and as such no work was able to be done which varied mining, treatment or other costs or factors based on the TOFR and BOCO profiles. As this information is considered of high importance, though not critical, for the determination of the Reserves, where this could impact on the Reserve status there has been a downgrade of the Reserve undertaken.

9.7. OPTIMISATION, DESIGN AND SCHEDULE

9.7.1. MINING METHOD

The mine plan has extraction of ore from the Manson's Lode and New Discovery pits using conventional open pit mining methods with hydraulic excavators and dump trucks. Mining operations are planned to be conducted using 1.8 m³ hydraulic excavators and 20t rear-dump trucks. The mining contract will initially be carried out by a small contractor supervised by CNMC mining engineers but for the higher rates of production CNMC intends to engage a Chinese mining company to undertake the mining operation.

9.7.2. MINING COST ESTIMATE

Mining costs have been used for confirmation of cut-off grades used for quoting of the updated Reserves and are as per section 9.4.3 : *Operating Costs*.

9.7.3. DILUTION AND RECOVERY

Dilution and recovery of the ore zones was estimated at 5% and 95% respectively, as supplied by CNMC. Dilution and recovery allowances for this Reserve have been made directly against final Resource Model outputs in spread sheet format. Allowances are made simultaneously within the spread sheet with ore tonnes being diluted by a factor of 1.05 and then recovered by a factor of 0.95, contained metal is then recovered by a factor of 0.95 . As dilution is allowed at 0g/t no allowance is required to be made for any contained metal within the dilution material.

9.7.4. OPTIMISATION PARAMETERS

A mining study has been carried out by Central South University (CSU) from Changsha, China. All optimisation parameters were supplied by CSU or derived in consultation with CSU and are consistent with a nominal 300-600ktpa on-site mineral processing operation. The pit slope angles were assumed at 48-50° for the hangingwall of the orebodies and 26-42° for the footwall. Dilution allowances of a nominal 5% have been included in the estimates and mining recovery has been assumed to be 95%. The mining recovery has been revised down from 100% from the original BDA Technical review (Appendix B).

This reserve utilises designs completed by or for BDA (see Appendix B – BDA Independent Technical Review).

9.7.5. MINE DESIGN

Mine design for both the Manson's and New Discovery mines has been previously undertaken. Optiro has not been requested to revisit these designs. Optiro were supplied with dxf style data that has been used to generate all model files required to undertake the mining Reserve re-estimation.

Some adjustment of the 3-dimensional data was required to match the pit design surfaces to the topography surface data and to correct for some missing rl data.

Ramps for New Discovery and Manson's Lode appear to have been designed at a gradient of one in eight (1:8) and a single lane at 9m wide. Berms appear to be of 3 to 4m width, are at 10m intervals in the oxide and 19 to 20m intervals in the fresh rock material.

Plots of the mine designs and topography data have been generated from the data as edited by Optiro and plots have been generated and are included in *Appendix G : Pit Design and Topography Plots*.

9.7.6. HAULAGE

There are no additional haulage costs as the pit is located near the mill and all ore will be transported direct to the mill ROM.

9.7.7. SURFACE DUMPS

Waste dump design has been assumed as adequate from the previous work completed by BDA (Appendix B). This study is for the re-evaluation of reserves based on an updated resource model and does not cover waste dump design.

9.7.8. MINING FLEET

The mining fleet used for mining operations at Mansons and New Discovery mines is on-site and in operation. AS the equipment is successfully performing the required tasks Optiro have not undertaken any review of the equipment in relation to appropriateness for the operation or other factors.

9.7.9. PRODUCTION SCHEDULES

As provided in section 5.1 a revised production schedule has been generated based on the revised ore reserve numbers and is represented in *Table 3 : Production Schedule*.

9.8. PROJECT CASHFLOW

AS the aim of this report is a simple update of the reserves in the currently designed pit outlines no detailed financial analysis has been undertaken and thus no project cash flow has been generated.

Some cashflow projections are available in the documents in *Appendix B* and *Appendix C*.

9.9. STATEMENT OF RESERVES

The Reserves as stated within this report are stated to the requirements of the *JORC Code, 2004 edition*, as such due to the quotations being to two significant figures some inconsistencies may exist in and between tables.

Where Reserves quoted by others previously are referred to, or used within tables, these figures have also been quoted to be compliant to the JORC Code and there may be apparent inconsistencies between previously quoted figures and those in this report due to the required rounding.

The data in all quoted tables has been referred back to detailed data to ensure rounding errors are not carried forward and create compound errors.

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

9.9.1. MANSON'S PIT RESERVE

As mentioned in *section 9.6 Geotechnical* the information relating to TOFR and BOCO surfaces at the Manson's mine was inadequate for the purposes of this report. As such where these surfaces were likely to impact on the mined material the Reserve was downgraded by a class

As a further consequence of the lack of the TOFR and BOCO surface information the higher of two treatment costs, oxide and fresh rock versions with fresh rock the higher, had to be applied to all material in the Manson's pit. This has led to the marginal cut-off grade of 1.2g/t being applied to all pit ore material, where a Marginal Cut-off of approximately sub 0.6g/t could apply to oxide material, and has led to a conservative result for the Reserve for Manson's pit.

When sufficient data is collected and modelled to form the TOFR and BOCO surfaces it is recommended that pit designs be reviewed and Reserves recalculated for the deposit.

The Manson's Pit Reserve has not considered the other commodities (Ag, Zn, Pb and Cu) contained within the pit limits for the purposes of this report.

The Manson's Pit Reserve is reported to a 1.22 g/t cut-off, 95% mining recovery and 5% dilution at zero grade.

The Reserve has been determined using the Resource model detailed in *Appendix A : Optiro Resource Report* which resulted in an increased Resource base, this increase thus having flowed through to the Reserve position.

The resulting Reserve for the Manson's Pit is shown below in *Table 10 : Manson's Pit Reserve as at Dec 31 2011*.

Table 9 : Manson's Pit Reserve as at June 2011

JORC Code Category	Mineral Type	Gross Attributable to licence			Gross Attributable to CNMC		
		Tonnes (kt)	Grade (Au g/t)	Contained Au (kcozs)	Tonnes (kt)	Grade (Au g/t)	Contained Au (kcozs)
Proved Reserve	Gold	140	2.7	12	110	2.7	10
Probable Reserve	Gold	0	0.0	0	0	0.0	0
Total	Gold	140	2.7	12	110	2.7	10

Table 10 : Manson's Pit Reserve as at Dec 31 2011

JORC Code Category	Mineral Type	Gross Attributable to licence			Gross Attributable to CNMC			
		Tonnes (kt)	Grade (Au g/t)	Contained Au (kcozs)	Tonnes (kt)	Grade (Au g/t)	Contained Au (kcozs)	Ounce Change from Previous (%)
Proved Reserve	Gold	61	3.8	7.5	49	3.8	6.1	-39%
Probable Reserve	Gold	100	3.4	11	81	3.4	8.9	∞ *
Total	Gold	160	3.7	19	130	3.6	15	50%

9.9.2. NEW DISCOVERY PIT RESERVE

No qualifying factors beyond the detail in this report exist for the New Discovery pit.

The New Discovery Pit Reserve is reported to a 0.45 g/t cut-off, 95% mining recovery and 5% dilution at zero grade.

The Reserve has been determined using the Resource model detailed in *Appendix A : Optiro Resource Report* which resulted in an increased Resource base, this increase thus having flowed through to the Reserve position.

The resulting Reserve for the New Discovery pit is shown in *Table 12 : New Discovery Pit Reserve as at Dec 31 2011* following.

Table 11 : New Discovery Pit Reserve as at June 2011

JORC Code Category	Mineral Type	Gross Attributable to licence			Gross Attributable to CNMC		
		Tonnes (kt)	Grade (Au g/t)	Contained Au (kcozs)	Tonnes (kt)	Grade (Au g/t)	Contained Au (kcozs)
Proved Reserve	Gold	52	6.0	10	40	6.0	8.1
Probable Reserve	Gold	0	0.0	0	0	0.0	0
Total	Gold	52	6.0	10	40	6.3	8.1

Table 12 : New Discovery Pit Reserve as at Dec 31 2011

JORC Code Category	Mineral Type	Gross Attributable to licence			Gross Attributable to CNMC			Ounce Change from Previous (%)
		Tonnes (kt)	Grade (Au g/t)	Contained Au (kcozs)	Tonnes (kt)	Grade (Au g/t)	Contained Au (kcozs)	
Proved Reserve	Gold	81	3.8	10	66	3.8	8.1	0%
Probable Reserve	Gold	64	3.1	6.4	52	3.1	5.2	∞ *
Total	Gold	150	3.5	17	120	3.4	13	60%

9.9.3. PRE-EXISTING RESERVES – RIXEN DEPOSIT

The Rixen deposit has not undergone any mining activity nor any further optimisation or mine design work prior to the 31st of December 2011 and remains as compiled for June 2011. Further work is planned during the 2012 calendar year and revised Reserves will be compiled and issued on completion of that work.

For the purposes of reporting to the standards of the *SGX Catalist Rules, Appendix 7D* the Rixen Reserve as included in the BDA report, included as *Appendix C : BDA Resource Update Nov 2011*, are included in *Table 14 : Rixen Pit Reserve as at Dec 31 2011*. Optiro have not undertaken any confirmation of the veracity of these numbers and do not warrant their accuracy.

Table 13 : Rixen Pit Reserve as at June 2011

JORC Code Category	Mineral Type	Gross Attributable to licence			Gross Attributable to CNMC		
		Tonnes (kt)	Grade (Au g/t)	Contained Au (kcozs)	Tonnes (kt)	Grade (Au g/t)	Contained Au (kcozs)
Proved Reserve	Gold	0	0.0	0	0	0.0	0
Probable Reserve	Gold	790	1.8	46	640	1.8	37
Total	Gold	790	1.8	46	640	1.8	37

Table 14 : Rixen Pit Reserve as at Dec 31 2011

JORC Code Category	Mineral Type	Gross Attributable to licence			Gross Attributable to CNMC			Ounce Change from Previous (%)
		Tonnes (kt)	Grade (Au g/t)	Contained Au (kcozs)	Tonnes (kt)	Grade (Au g/t)	Contained Au (kcozs)	
Proved Reserve	Gold	0	0.0	0	0	0.0	0	0%
Probable Reserve	Gold	790	1.8	46	640	1.8	37	0%
Total	Gold	790	1.8	46	640	1.8	37	0%

9.9.4. COMBINED RESERVE POSITION

Through combining the Manson's and New Discovery Pit Reserves as reviewed by Optiro with the BDA sourced pit Reserve for the Rixen Pit the results shown in *Table 16 : Combined Sokor Gold Project Pit Reserve as at Dec 31 2011* are arrived at.

Table 15 : Combined Sokor Gold Project Pit Reserve as at June 2011

JORC Code Category	Mineral Type	Gross Attributable to licence			Gross Attributable to CNMC		
		Tonnes (kt)	Grade (Au g/t)	Contained Au (kcozs)	Tonnes (kt)	Grade (Au g/t)	Contained Au (kcozs)
Proved Reserve	Gold	190	3.6	22	150	3.6	18
Probable Reserve	Gold	790	1.8	46	640	1.8	37
Total	Gold	980	2.2	69	790	2.2	55

Table 16 : Combined Sokor Gold Project Pit Reserve as at Dec 31 2011

JORC Code Category	Mineral Type	Gross Attributable to licence			Gross Attributable to CNMC			Ounce Change from Previous (%)
		Tonnes (kt)	Grade (Au g/t)	Contained Au (kcozs)	Tonnes (kt)	Grade (Au g/t)	Contained Au (kcozs)	
Proved Reserve	Gold	140	4.0	18	110	4.0	15	-18%
Probable Reserve	Gold	950	2.1	64	770	2.1	52	39%
Total	Gold	1,100	2.3	82	880	2.3	66	20%

10. DECLARATIONS BY OPTIRO

10.1. QUALIFICATIONS

The principal personnel responsible for the preparation and review of this report are Mr Andrew Law (Director - Mining), Mr Russell M^cBeath (Principal) and Mr Luke Cecchi (Consultant) of Optiro.

Mr Andrew Law (HND MMIN, MBA, FAusIMM, FIQA) is mining engineer with over 28 years' experience in the mining industry in Australia, Africa and South America. His extensive technical and management experience ranges from deep level underground mining environments (bulk and narrow vein); to large open pit environments (across multi commodities); and to large mineral sands dredging environments. His specialist skills are in corporate strategic business planning and due diligence; management of feasibility studies; operational optimization, mentoring and performance reviews.

Mr Russell M^cBeath (BEng, MAusIMM) is a Mining Engineer with over 22 years experience in the mining industry in Australia. His extensive technical and management experience ranges from Narrow Vein mining systems through to Block Cave Development in underground mines. Experience has also been gained in the planning, development and operations of small open pits. His specialist skills are in project management; feasibility studies; operational performance optimisation; mentoring of senior operational management and personnel; mining study compilation; project peer reviews; as well as mine design and scheduling of underground and open pit operations.

Mr Luke Cecchi (BEng, MAusIMM) is a mining engineer with six years experience in the mining industry. Luke has extensive knowledge of mine optimization and scheduling and experience in the implementation of scheduling and design systems. Luke has underground room and pillar/post pillar experience at a number of Kagara Ltd sites and large open pit experience with Roche Mining (now Downer EDI Mining). Luke's commodity experience includes copper-lead-zinc and varied gold operations (open pit and underground).

10.2. STATEMENT OF INDEPENDENCE

Optiro Pty Ltd is an independent consulting organisation which provides a range of services related to the minerals industry including independent geological services, resource evaluation, corporate advisory, mining engineering, mine design, scheduling, audit, due diligence and risk assessment assistance. The principal office of Optiro is at 50 Colin Street, West Perth, Western Australia, but Optiro's staff work on a variety of projects in a range of commodities worldwide.

This report has been prepared independently and in accordance with the VALMIN and JORC Codes of the AusIMM. The authors do not hold any interest in Sundance Resources Limited or Hanlong Mining Investment Pty Limited, their 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.