CNMC

CNMC GOLDMINE HOLDINGS LIMITED

中色金礦有限公司

年报
ANNUAL REPORT 2020

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

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3,000 hadiri majlis rumah terbuka

疫后改经　胜负于金

（一）

中世纪以后的人类社会，尤其是在文艺复兴后的政经演变，导致地缘政治与经济结构产生了巨变而催生了欧洲政、经、文领导并领航全球的方向标。同时，形成了欧洲中心或欧洲主义中心。

20 世纪上半叶，世界爆发了二次世界大战与经济大萧条，影响深钜。尤其是对欧洲诸国的政经沉重打击，但其邻近的美洲，尤其是美利坚合众国，却反其道而行地拾了欧洲经济衰退与二次世界大战的便宜，从而导致她在经济上与地缘政治版图上的暴富与疆土扩张，紧接着更从其原宗祖国：大英帝国手中接下了号令西方阵营联盟与资本主义民主制度的盟主令牌，从而一统以西方经济为主轴的资本主义民主制度大联盟的国际江湖！

1944 年 7 月间，由欧洲等 44 个盟友国在美国新汉布什尔州的布雷顿森林召开了国际货币金融会议。通过议决协定了保障金本位的国际货币体系框架，协定此体系中的美元货币与黄金挂钩！即说，此协议生效后，任何签约国印刷流通货币必须以黄金为保障，且必须把黄金存托在世界银行中，为担保其发行货币总值与其托存于世界银行里的黄金等值。

在这协定框架下，美元便等同于黄金的全球硬货币了：因其发行货币有了等值的黄金储量担保。这么一来，美元便是资本主义民主制度国际联盟阵营，乃至全球流通硬货币，更是美国对付不听从其号令和指示办事的盟国或其他国家的制裁“杀手锏”。尤有甚者，美元货币形同核武一般地瞬间牵制并控制了全球人类社会。

美国在 50 年代参与了朝鲜战争，60 年代又卷入了越南战争。每当发动侵略战争，造成财政赤字庞大，不得不印发货币支持，造成通货膨胀。加上二次石油危机，生产劳动率下降，失业补贴增加，造成政府支出激增促使消费物价指数自 60 年代、70 年代激增而给美元汇率带来巨大的冲击。1971 年，共和党尼克松总统宣布了停止承担美元兑换黄金的义务。即是单方面取消了《布雷顿森林协定》的美钞发行时必须以黄金为等值本位作为担保的神圣任务。此举，让世人看到美国经济已走向衰败的预兆。

80 年代中东战乱，全球军事基地的巨大开支，加上贸易之逆差，对美元与其经济结构带来了崩溃的预警。而今年更因中美的贸易关税战，新冠肺炎疫情，对经济沉重打击。失业人潮与福利补贴，各行各业环节都停顿，收支巨大的落差失衡。只好一而再，再而三地大量印钞，形成了货币的泡沫化，出现了美国负债美联储约 28 万亿美元的数据。此天文数字，令人担忧美元随时可以崩盘而导致广泛在全球流通的美元货币成了二战时日本的“香蕉钞票”。

特朗普主政美国四年里，他的主政口号是“让美国再次的伟大”。结果四年后的今天，美国因其在全球的国际组织的退群行动，背信弃义、喜怒无常地、轻率地违约而失信于盟友及国际社会，恣意并一意孤行地凭着毫无根据而污蔑、抹黑并栽赃嫁祸于他国的言辞行为，造成了令世人深感反感的政客形象。尤有甚者，在国内恣意挑起黑白种族的沉淀仇恨。刻意隐瞒与淡化疫情的传染性并防疫、抗疫不力，草菅人命，罔顾民生、民疾、民苦，从而直接与间接的造成了今天美国社会的示威不息，冲突对立，失业猛增而乱象横生的局面。

拜登接过这“乱摊子”，提出了冠冕堂皇的“美国回来了”口号。让人感到只是一句“此地无银三百两”的自我心虚的慰藉罢了。

拜登想在国际间重塑美国往日霸主的雄伟形象；在世界上重构昔日盟主的叱咤风云气势；在国际联盟间重筑一统天下的宝殿，政治上的军事战略实力与威慑全球的超级军备与武器，经济上的持续发展势头与充足的“粮草储备”，道德信誉上的权威树立与服众风范，这些，今日的美国具备吗？呜呼！江河日下，日暮西山，时不我予！全球拭目以待并让现实条件与时间证明“美国回来了”这句口号的实现！

（二）

疫情肆虐后的今日世界，地缘政治的版图在变，经济建设与发展轨迹也在变，人心更在变。

当世界超级强国已负债 28 万亿债务，当《布雷顿森林协定》之货币与黄金等值挂钩已在 1971 年明文公告天下已脱钩了，为此，世人要问的是，这 28 万亿货币的等同黄金是否存在？

当我们查阅当今世界经济强国的首三位在 2020 年的 GDP 数据与负债总额，我们看到下列的数据：
美国 GDP 增长率为负 3.5%，国债 27.39 万亿美元，占其 GDP 的 137.73%。
中国 GDP 增长率为 +2.3%，国债 2.43 万亿美元，占其 GDP 的 17%。
日本 GDP 增长率为负 4.8%，国债 10.44 万亿美元，占其 GDP 的 200%。

上述数据，反映并说明了后疫情时代之 21 世纪“新三国演义”的政经影响走向。

资本主义民主体制的西方联盟之疫苗研发，其核心与宗旨是筑构于谋利而收割人民经济的基础上。

东方大国具有特色的社会主义制度，倾全国之力而研发的疫苗，却向国际社会宣布将作为“全球公共产品”而兼济天下！

2020 年百年一遇的疫情将改变了人类社会的一切，包括政、经、文与人民的生息作业，乃至生活起居。疫苗恰似生存在地球上的人类深感干旱龟裂大地的一滴甘露，不但滋润了人心并让人民找到了生存下去的希望！重启各行各业，为重建经济而努力。让农作业继续耕种，以哺养芸芸苍生。

当人们从疫情噩梦苏醒过来时，当经济发展与社会重构正逐渐纳入运作轨道时，当政治体系博弈逐渐趋向缓和时，人们将会非常清醒地思考货币与黄金的身份认同。毕竟，自古以来，人类在意识中早已把黄金当做一种货币的保障与生活生存的依托了。

疫后政经，胜负于金。

（三）

庚子鼠年，自 19 世纪以来，从 1840 年到 2020 年间，三轮庚子大周天共跨越了 180 年。

东方世界里，尤其是泱泱大国的中国，每逢甲子大周天轮回时都发生巨大的事件，令人叹息而扼腕愤慨，热血沸腾或诅咒苍天，怜悯民生。

1840 年，因大英帝国在印度的东印度公司计划向积弱贪腐，颟顸无能的清朝政府倾销鸦片，毒害民众并牟取厚利不果之下，恼羞成怒而发动《鸦片战争》，最终清朝政府大败而签下了丧权辱国的《南京条约》，赔上巨款及黄金白银，同时租割香港与九龙。

1900 年，60 年后的清朝气数已尽。日暮西山地苟延残喘。而当时的西方列强却向东侵略，气焰如日东升。看准了清朝国力无法抗战。而缔结八国联军挥军直捣清朝黄龙，势如破竹地蹂躏神州大地，残杀无辜百姓，涂炭生灵。纵火烧毁圆明园并掠夺大批文物瑰宝，再次屈辱地向侵略列国签下了《辛丑条约》。同时在上海、青岛割让租借予侵略者！

1960 年，大周天的历史巨轮又周而复始地在神州重现。1949 年中华人民共和国终于一统九州大地而建立了社会主义制度的新中国。辽阔疆土，破碎山河，百废待举，沧桑大地，却让新政府一筹莫展。

农田改革与农作业欠收而导致人类历史上最大规模的饥荒，从 1959 ～ 1961 年的三年期间造成了数以千万计的人民丧失了宝贵的生命。

2020 年庚子鼠年再度地眷恋这片古老的土地与神州芸芸众生而降临，突而其来的新冠肺炎在湖北武汉爆发并迅速地人传人地扩散。为了防范疫情的扩散而果断封城并阻断人流、禁足、宅居，切断人传人的根源。为了抗疫，发动全国性隔离防范，并驰援医疗器材与生活物资予受疫情感染的灾区。从疫情爆发后的几个月里，神州大地以大无畏的革命战斗精神，从防疫、抗疫到战疫地全面控制了疫情的蔓延与传播。至终，高度地体现了“自善其身，兼济天下”的古圣贤告诫。

天道酬善。终于在极其短的时间段把疫情控制住。疫苗也迅速研发并成功面世了，从而推进了经济建设与发展。

2020 年，当五大洲的绝大部分国度仍然被疫情的愁云惨雾笼罩的当儿，唯见神州大地的万里晴空。

当全球诸国，因疫情肆虐影响下而经济一片萧条与萎缩，经济发展疲惫而出现负增长时，只有中国提呈了正增长的数据，傲冠全球！

全球人类正经历一场人与自然界病毒的生死搏斗，历经一年的殊死战疫，迄今仍然处于胶着状态。

冠病的变种，传染波的反复，令致人类社会深感恐慌。加上疫苗生产供应与接种缓慢，一年的时间段能否完成全球一半以上的人民接种疫苗而达到“群体免疫”的功效？

2020 年新冠肺炎持续迄今，参照世卫的统计数据，截至 2020 年 12 月为止，全球受感染人数已达 1 亿人。不幸感染身亡者则达 2 百多万。

这是 21 世纪人类浩劫！

全球人类谈疫色变，心灵饱受创伤：经济的损失更是天文数字。百业萧条引发破产潮、失业潮，经济的重建与复苏因疫情的反复仍无法压制与预测。叹息无助地等待，等待无法确定的疫情回归清源正本的昔日。

（ ）

中色金矿在这深受影响和打击的疫情肆虐的时代里，处于这百业萧条的经济洪涝灾害中，无法独善其身，因疫情管制而导致黄金产量的锐减——从 2011 年挂牌上市九年以来，首次出现了亏损。因担忧疫情蔓延传染，故马来西亚政府实施的“行动管制令”而造成长达两个月的停产。复产后又因设备维修，修复与调配，又花了一段较长的时间。再加上外籍员工因疫情造成的出入境管控与隔离而迟至 2020 年 10 月才回矿区岗位，11 月初才逐步纳入生产正轨，12 月份终于全面恢复正常运作与生产！

2020 年度的 480 万美元的亏损中约 20% 是因为金产量降低，其余 80% 却是对普莱矿区之 CNMC Pulai Mining Sdn Bhd 投资项目的勘探和评估资产减值有关。

集团自 2017 年收购普莱项目 51% 控制权以来，由于管理层担心普莱的一些过期的勘探证和采矿许可证是否能延续，以及普莱矿区在运作和监管上不时遇到的困难与客观环境的纠葛，因此决定对此进行了减值。我们目前正在与所有相关部门探讨与协商，寻求对公司最有利的解决方案，以期回收在普莱矿区的投入资金！

天际彩虹总是在狂风骤雨后出现，这是自然现象。否极泰来，谷底反弹却是浮沉兴衰的必然现象与人类社会事物发展的自然规律。

2020 年 12 月份的黄金产量为 3,153.36 盎士，价值 593 万美元。这单月的产量占集团 2020 财政年下半年产量的 46%。

2020 年与 2019 财政年度产出环比下降了 53.6%，但由于集团 2020 财政年的平均黄金销售价格为 $1,830.17 美元 / 盎士，而 2019 财政年的均价为 $1,389.6 美元 / 盎士，因此也收窄了产值的落差数据比例。

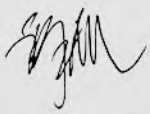
今年度最后一个月的腾飞业绩表现是管理层计划中定下的目标，佳绩达标不但令人鼓舞，更是一股为来年创新高的驱动力！

索谷矿区因井采高品位的矿石产出已纳入运作正轨并可持续性。倘若疫情能平稳缓和，再没出现“管制令”与突发意外事件，则 12 月份的现象将持续呈现在 2021 年全年的业绩上。这不但是期待，而是管理层定下的计划目标！中色金矿的旗舰矿区：索谷矿区，自 2007 年开始勘查，并于 2010 年产出谱写吉兰丹岩石金块历史以来，持续地建设与发展。从池浸、堆浸、制粒到全泥氰化炭浆（CIL）全自动化的生产，迄今可谓是生产金砖的全系列生产工艺方式齐全。关于岩矿石开采方式与程序，则从露天开采到井下开采并重，双轨运作保证矿石可持续供应给厂房。

自 2019 年起，集团开始筹建产量为 500 吨 / 天的铅锌浮选厂。若一切进展顺利，并获得相关部门颁发的批文与许可证，预计将在 2021 财年建成并投入生产。则集团将会从浮选厂的产出中增加收入并为索谷矿区创造更多的产值和利益。

中色金矿自 2007 年投入勘探与开采以来，迄今已度过了 13 个年头了。而对矿区的持续开采与建设，早已定了可持续发展的中、长期大蓝图。而这便是我们长期工作的扎实根基和稳健发展的核心理念与价值。

希望 2021 年辛丑金牛年，公司将会是“牛”转乾坤，并牛气冲天，翘首以待。



林祥雄教授
中色金矿有限公司 执行主席
2021 年 3 月 8 日

Post-Pandemic Political and Economic Win or Loss Lies in Gold

(ONE)

Political and economic evolution in human society since the Middle Ages, especially after the Renaissance, have led to dramatic changes in the world geopolitical and economic structure, and enabled Europe to lead the global politics, economy and culture, and dominate the global trends. A European centre or Eurocentric model was formed.

The Great Depression and the Second World War in the first half of the 20th century profoundly impacted the world. In particular, they dealt a heavy blow to the politics and economy in European countries, while the Americas, especially the United States, took advantage of Europe's economic decline and World War II, which led to its rapid growth of wealth and territorial and geopolitical expansion on the world map, taking the command of the Western alliance and the capitalist democratic system from its suzerain power, the British Empire, thereby unifying the global capitalist and democratic structure centred around the Western economy.

In July 1944, 44 countries from Europe and its allies gathered in the United States to hold the International Monetary and Financial Conference in Bretton Woods, New Hampshire. A resolution was passed and the International Monetary Fund was created to secure the framework of the international monetary system based on gold standard and that U.S. dollar in the system was pegged to gold. In other words, when the agreement came into effect, the printed money of every signatory country must be secured against gold, which must be deposited in the World Bank to guarantee that the total value of its issued currency is equivalent to the amount of gold deposited in the World Bank.

Under the framework of this agreement, the U.S. dollar was equivalent to the global hard currency of gold, because the banknotes it issued had the guarantee of an equivalent gold reserve. In this way, the U.S. dollar became the hard currency in circulation of the international alliance of the capitalist democracies, even around the world. It is also a "killer weapon" for sanctions by the United States against its allies or other countries that do not toe the line. Moreover, the U.S. dollar acts like a nuclear weapon that keeps the global human society under its check and control.

The United States was involved in the Korean War in the 1950s and the Vietnam War in the 1960s. Whenever a war of aggression was launched, the fiscal deficit would be huge, as the war had to be supported by the currency, causing inflation. Coupled with the second oil crisis, the decline in the labour production and the increase in unemployment subsidies resulted in a surge of government spending, which prompted the surge in consumer price index since the 1960s and 1970s and brought a huge impact on the exchange rate of U.S. dollar. In 1971, President R. Nixon of the Republican Party announced that the U.S. would cease to assume the obligation to exchange dollars for gold. That is, it unilaterally cancelled the sacred task of using gold as the equivalent standard as guarantee for the issuance of U.S. dollar bills as agreed at The Bretton Woods Conference. This move showed the world the harbinger of the decline of the U.S. economy.

The war in the Middle East in the 1980s caused huge expenditure on its global military bases, and the trade deficit brought warnings of the collapse of the U.S. dollar and its financial structure. The trade war on tariffs between China and the United States this year and the current Covid-19 pandemic have dealt a heavy blow to the U.S. economy. Unemployment soared, benefits increased, and the stall in all walks of life resulted in huge imbalance between the federal revenue and expenditures. The government had to print a large amount of money and again, causing a currency bubble and the Federal Reserve 28 trillion U.S. dollars in debt. This astronomical figure was worrying as U.S. dollar could collapse at any time, and the U.S. dollar currency, which was widely circulated around the world, might become the Japanese "banana banknotes" during World War II.

The Trump administration was dominated by the policy "Make America Great Again." As a result, four years later, the United States has discredited itself with its allies and the international community due to its unilateral withdrawal from international organisations, treacherous behaviour, and capricious and reckless breach of agreements. Its single-minded rhetoric and acts to criticise others and shift blame on other countries have turned the world against itself. Domestically, it provoked the unsettled hatred between the black and white races. It deliberately concealed and downplayed the contagiousness of Covid-19, which led to the ineffective prevention and fighting against the pandemic; people's lives, livelihood and suffering were ignored, which directly and indirectly caused continuous protests, conflicts and sudden increase of unemployment in the country.

When Biden took over this "disorderly stall", he came up with a catch phrase "America is back". However, it gives one the impression of guilty conscience and self-consolation, which is reflected in the Chinese phrase, "There are no 300 taels of silver buried here".

Biden aims to reshape the majestic image of the former U.S. hegemon in the world; forge a new momentum of a pack leader; rebuild a unifying palace among the international alliance by showing its political and military strategic strength and superior armaments, sustained economic development and sufficient "supply reserves", as well as moral authority and credibility on public service. Does the United States today have these capabilities? Alas! As its power is on the wane and its world on the decline, time is not on its side. The world will see, with the current situations and timeframe, if "America is back".

(TWO)

In the post-pandemic world, the geopolitical landscape is changing, so is the trajectory of economic development, and the hearts and minds of the people.

As the world's superpower has accumulated debt of 28 trillion dollars, and as the link between a country's currency and gold, established in The Bretton Woods Conference in 1944, was clearly decoupled since 1971, people would ask if there is an amount of gold equivalent to USD28 trillion?

When we check the GDP data and total liabilities of the top three economies in the world today, we see the following:

The U.S. GDP growth rate is -3.5%, and the federal debt is USD27.39 trillion, or 137.73% of its GDP.

China's GDP growth rate is +2.3%, and its national debt is USD2.43 trillion, or 17% of its GDP.

Japan's GDP growth rate is -4.8%, and the national debt is USD10.44 trillion, or 200% of its GDP.

The data above reflect and explain the trend of political and economic influence of the "New Romance of the Three Kingdoms" in the post-pandemic era of the 21st century.

The core and purpose of the vaccine research and development of the western alliance of the capitalist democratic system is based on profit-making and reaping financial gains from people.

The great eastern country with a characteristic socialist system, on the other hand, is developing vaccines with all its resources, and has announced to the international community that its vaccines will be "a global public product" to benefit the world!

The pandemic of a century in 2020 will change everything in human society, including politics, economics, culture, and people's activities, as well as daily life. A vaccine is just like a drop of nectar for the humans on the cracking earth suffering from the drought, soothing people's mind and giving them hope to restart life and rebuild the economy. And agricultural work can continue to cultivate and feed the population.

When people recover from the nightmare of the pandemic, economic development and social restructuring are gradually underway, and the game of political systems tends to ease, they will think about the identity of currency and gold. After all, mankind since ancient times has long regarded gold as a guarantee of currency and the support of life and livelihood.

Post-pandemic political and economic win or loss lies in gold.

(THREE)

In the Gengzi Years (Years of the Rat) in the Chinese sexagenary cycle since the 19th century, there have been three great cycles spanning a total of 180 years from 1840 to 2020.

In the Eastern part of the world, especially in China, there have been major incidents when the wheel of history reached the year of the rat in the sexagenary cycle, incidents that caused sigh and indignation, excitement or curse, and suffering of the ordinary people.

In 1840, East India Company of the British Empire in India wanted to dump opium to the corrupt and incompetent Qing government. When it failed in its attempt to make huge profits by intoxicating the people, it flew into a rage out of shame and launched the "Opium War". After losing the war, the Qing government signed the humiliating "Treaty of Nanking", and paid the British a huge indemnity in gold and silver, and ceded Hong Kong and Kowloon at the same time.

60 years later in 1900, the Qing Dynasty was exhausted and weakened to the core, while the western countries were expanding their power eastward, and their arrogance rose like the sun. Seeing that the Qing Dynasty had no resources to wage a war, the Eight-Nation Alliance struck the heart of the Qing Dynasty, ravaging the land and killing innocent people. The Old Summer Palace was burnt to the ground after numerous cultural relics and treasures were plundered, and once again the humiliating "Final Protocol for the Settlement of the Disturbances of 1900" was signed with the invading countries. Shanghai and Qingdao were ceded to the invaders.

The wheel of history turned again in 1960. In 1949, the People's Republic of China finally unified the mainland and established a socialist system. With the vast territory, broken infrastructure, and everything waiting to be done in the vicissitudes of life, the new government was at a loss to make progress. Farmland reform and poor harvest in agriculture led to the largest famine in the history of mankind. During the three-year period from 1959 to 1961, tens of millions of people died of famine.

In 2020, the Gengzi Year of the Rat once again fell on the ancient land and its people. The sudden outbreak of a novel coronavirus in Wuhan, Hubei spread rapidly from person to person. In order to prevent the spread of the pandemic, the government decisively locked down the city to block the flow of people, ordered residents to stay indoors to cutting off the source of human-to-human transmission. To fight the pandemic, nationwide isolation and precautionary measures were introduced, and medical devices and daily supplies were rushed to the pandemic-stricken areas. In the few months after the outbreak, the country was fully under control, and the fight against the virus went through pandemic prevention, resistance and overcome in a fearless revolutionary fighting spirit. The teaching of the ancient sages of "improving oneself" and "benefiting the world" has been exemplified.

Fortune favours the good. The pandemic was finally put under control in a short period of time. Vaccines have also been developed quickly and launched successfully, which assisted the economic development.

In 2020, while most countries on the five continents were still shrouded in the gloom of the pandemic, there was a clear sky over China.

When countries around the world were experiencing economic depression or negative economic growth due to the raging pandemic, only China has shown positive growth, the best performance in the world.

Mankind is going through a life-changing struggle between humans and natural viruses. After a year of desperate war against the pandemic, it is still in a stalemate.

The variants of Covid-19 and the repeated waves of infection have caused panic in human society. Coupled with the slow production, supply and vaccination of vaccines, is it possible to inoculate more than half of the world's population within a year to achieve "herd immunity"?

According to WHO statistics, as of the end of December 2020, there have been 100 million people worldwide infected with Covid-19, and the virus has claimed more than two million lives.

This is a human catastrophe in the 21st century!

Humans around the world feel frightened when talking about the pandemic, and they have been traumatized. The economic cost is even more astronomical. The depression of various industries has caused a wave of bankruptcy and unemployment, and it is difficult to forecast the recovery of economy due to the uncertainty of the pandemic. People are waiting helplessly in the unsettled situation for life to return to pre-pandemic normal.

(FOUR)

CNMC Goldmine Holdings Limited (the "Company" and together with its subsidiaries, the "Group") has not been spared from the ravages of Covid-19, which was the main cause of the decline in the Company's gold production in the financial year ended 31 December 2020 ("FY2020"). For the first time since its listing in 2011, the Group registered a loss. The Movement Control Order ("MCO") implemented by the Malaysian government, in an attempt to control the outbreak of Covid-19, forced the Group to stop all on-site activities for approximately two months. Thereafter, production could not normalise immediately as the Group required time to tune up its machinery and equipment after the MCO. In addition, the Group's migrant workforce was unable to return to the mining area until October 2020 due to travel restrictions imposed in the wake of the Covid-19 outbreak. Production gradually returned to normal at the beginning of November 2020, and operations and production were finally fully restored in December 2020.

Approximately 20% of the loss incurred in FY2020 was due to lower gold output, while the remaining 80% related to an impairment allowance made for exploration and evaluation assets of a 51% subsidiary, CNMC Pulai Mining Sdn. Bhd. ("Pulai").

The Group acquired a 51% stake in Pulai in FY2017. As the Management had concerns over whether some of Pulai's expired exploration and mining licences could be renewed, as well as some operational and regulatory issues and challenges encountered by Pulai from time to time, an accounting impairment was recorded. We are currently working with all the relevant authorities as well as various parties to seek a solution that is favourable to the Company in order to recover the investment made in Pulai.

It is a natural phenomenon that rainbows appear after rain and storm.

The ebbs and flows of life are inevitable, which is the natural law of the development of human society.

Gold output in December 2020 was 3,153.36 ounces and valued at USD5.93 million. This December 2020 output accounted for approximately 46% of the Group's output for the second half of FY2020. Although the gold output in FY2020 was 53.6% lower compared to FY2019, this negative impact was mitigated by the increase in the Group's average gold selling price of USD1,830.17 per ounce in FY2020 compared to USD1,389.60 per ounce in FY2019. The outstanding performance in the last month of FY2020 was encouraging.

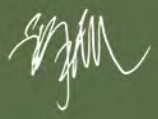
Based on available geological data, the output of high-grade ore from underground mining is sustainable and will form part of the Group's operations moving forward. Assuming that the pandemic can be brought under control, no further MCO is implemented, and barring any unforeseen circumstances, the Management will strive to continue replicating the outstanding production performance of December 2020 in FY2021.

Sokor Gold Field, the flagship mining project of CNMC Goldmine, has been undergoing exploration since 2007, and there have been continuous construction and development since the historic production of our first Kelantan gold dore bars in 2010. Our Group now possesses a full range of production facilities, from heap leaching, vat leaching, to the latest completed carbon-in-leach, all of which are used to extract gold from various types of ore that are mined within Sokor. At this juncture, both open-pit and underground mining are equally important as this dual-track operation is expected to ensure sustainable supply of ore to our processing facilities.

The 500-ton/day lead-zinc flotation plant, which has been planned since FY2019, is expected to be completed and operationalised in FY2021, barring any unforeseen circumstances. Once completed and with all necessary operating permits in place, the Group can expect to start generating revenue from the production of lead and zinc concentrate, which could potentially increase the annual output and value of the Sokor Gold Field moving forward.

It has been 13 years since CNMC Goldmine started its exploration and mining journey in 2007. The continuous mining and construction of facilities at the mining fields have taken into account the Group's medium and long-term blueprint for sustainable development. This will form a solid foundation for our long-term progress and our core concept of steady development.

It is our hope that in 2021, the Year of the Ox, the Company's fortunes will be bullish, and change for the better.



Professor Lin Xiang Xiong
Founder and Executive Chairman
CNMC Goldmine Holdings Limited
8 March 2021

林祥雄 教授

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，帷幄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，博得了广泛认可与赞誉。

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。

PROFESSOR LIN XIANG XIONG 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 recognised 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 organised by Professor Lin and was successfully held in Penang, Malaysia. In August 2017, Professor 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".

朱治光 先生

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。

CHOO CHEE KONG 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.

林国扬 先生

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 20 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。

LIM KUOH YANG 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 20 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.

关正德 先生

是中色金矿的首席独立董事及审计委员会主席。同时，关先生也是新加坡交易所主板上市的 Karin Technology Holdings Limited 与凯利板上市的 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。

KUAN CHENG TUCK is the Lead Independent Director and the Chairman of the Audit Committee of CNMC. He is also an independent director of Karin Technology Holdings Limited (listed on Mainboard of the SGX-ST) and 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 was also admitted to the Singapore Bar.

陈宝财 先生

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。陈先生目前执业于 Altum Law Corporation。陈先生于 1994 年考取新加坡律师资格。现任新加坡交易所主板上市的 Nico Steel Holdings Limited 与 Vibropower Corporation Limited 的独立非执行董事。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。

TAN POH CHYE ALLAN is the Independent Director and Chairman of the Remuneration Committee of CNMC. He is a lawyer and practises in the field of corporate finance, regulatory and compliance laws. He is currently practising under Altum Law Corporation. He was admitted to the Singapore Bar in 1994. He is also an independent and non-executive director of Nico Steel Holdings Limited and Vibropower Corporation Limited. Both companies are 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.

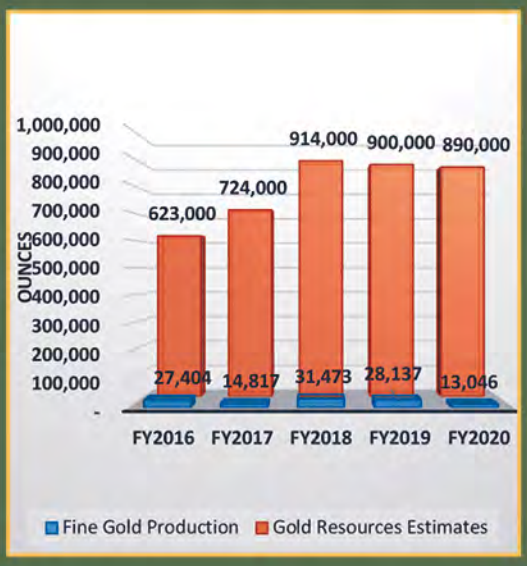
顏秀蓮 女士

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变更管理副主任。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。

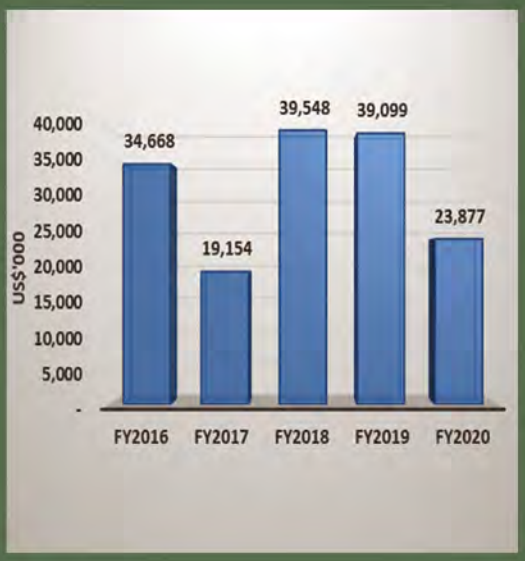
AVRIL GAN is the Independent Director and Chairperson of the Nominating Committee of CNMC. She has over two decades of successful global corporate and consulting experience. She is currently the Deputy Director, Student Administration Transformation Management at Nanyang Technological University, and 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.

Financial Highlights 2020

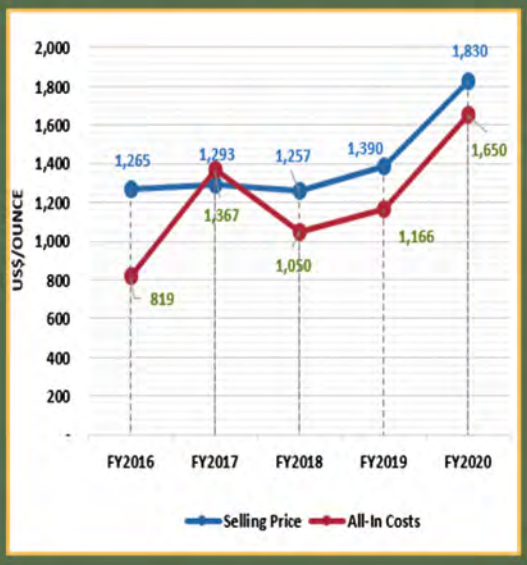
Gold Resources vs Gold Production



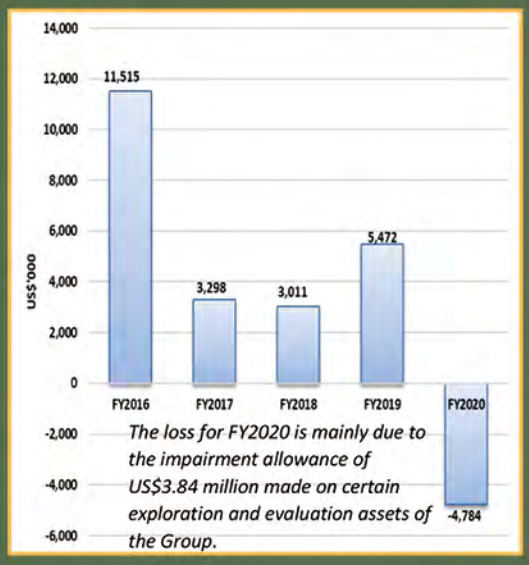
Revenue



Selling Price vs All-in Costs of Fine Gold Sold

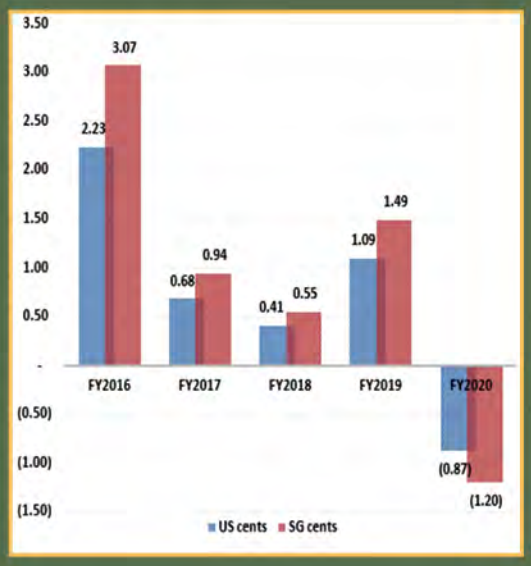


Profit After Taxation

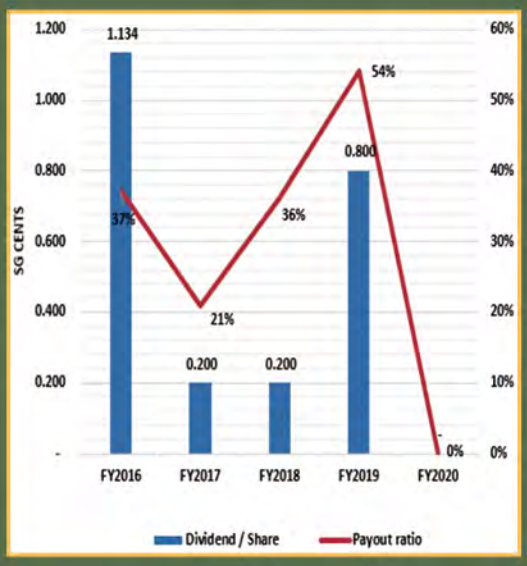


The loss for FY2020 is mainly due to the impairment allowance of US$3.84 million made on certain exploration and evaluation assets of the Group.

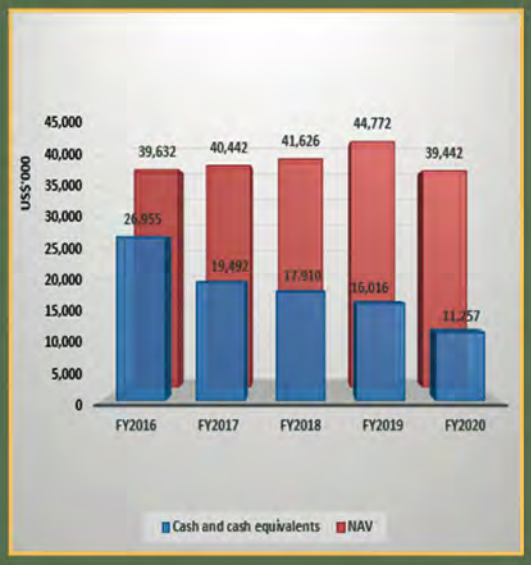
Earnings Per Share [1]



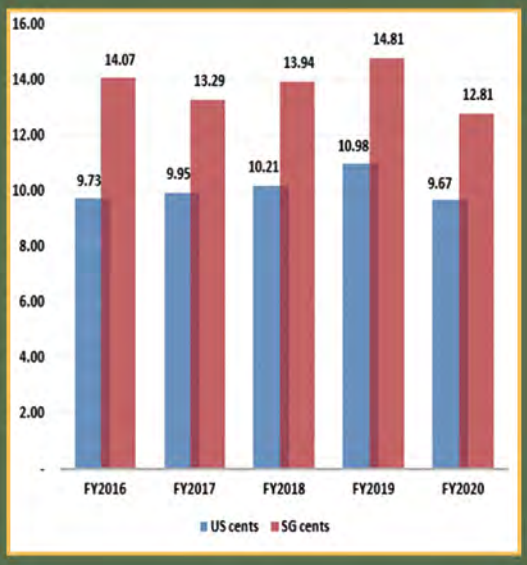
Dividend Per Share and Payout Ratio



Net Assets Value and Cash and Cash Equivalents



Net Asset Value Per Share [2]



[1] Based on an exchange rate of USD/SGD 1.3791, 1.3648, 1.3457, 1.3837 and 1.3785 for the financial year ended 31 December 2020, 31 December 2019, 31 December 2018, 31 December 2017 and 31 December 2016, respectively.

[2] Based on an exchange rate of USD/SGD 1.3243, 1.3490, 1.3656, 1.3364 and 1.4459 as at 31 December 2020, 31 December 2019, 31 December 2018, 31 December 2017 and 31 December 2016, respectively.

Operations and Financial Review

Operations Review

FY2020 was exceptionally challenging for the Group as the Coronavirus pandemic ("Covid-19") severely disrupted mining and exploration activities.

In seeking to stem the viral outbreak, the Malaysian government imposed various restrictions that made travel and on-site operations intermittently impossible. Notably, all activities at the flagship Sokor gold field in Kelantan ceased from 18 March 2020 to 5 May 2020 in response to Malaysia's movement control order. Even after this seven-week lockdown, operations could not resume immediately as the Group required time to tune up its machinery and equipment.

Underground mining and development activities, which are slated to drive the Group's next phase of growth, got off to a slow start. Travel restrictions put in place by the government in the wake of the Covid-19 outbreak prevented dozens of the Group's migrant workers from returning to Malaysia after their trips to China early last year for Chinese New Year celebrations.

As a result, underground mining and development did not resume until mid-October 2020. Effectively, December was the only month during FY2020 wherein the Group managed to produce gold bars using ore from underground mining. The production in December 2020 accounted for approximately 46% of its total output for the second half of last year.

Overall, merely 13,046.30 ounces of fine gold were produced in FY2020, down from 28,136.79 ounces in FY2019. The sharp decline drove up the all-in costs of production for FY2020 to US$1,650 per ounce sold from US$1,166 per ounce sold for FY2019.

Besides lower gold output, uncertainties surrounding the operations of CNMC Pulai Mining Sdn Bhd ("**CNMC Pulai**"), the Group's 51%-owned subsidiary, resulted in the recognition of an impairment allowance of approximately US$3.8 million. This impairment was in relation to some of CNMC Pulai's exploration and evaluation assets. Its exploration and mining licences now cover an area of only 7.2 km^2, compared to 38.4 km^2 previously.

EXPLORATION

Notwithstanding these challenges, the Group pressed on in its search for more minerals. The geology team completed 14 diamond drillholes (for a total of 1,528.85 m) at Sokor project's Manson's Lode and New Found as well as 972 grade-control holes (for a total of 6,666.5 m) and 42 underground face samples at Ketubong in FY2020

Through continuous geo-exploration, the team managed to further enhance the commercial viability of lead and zinc resources. Additional drilling led to increase in material containing silver, lead and zinc mineral resources to a total of 1.94* million tonnes as at 31 December 2020. This translates into approximately 46,300* tonnes of lead in the ground (up 27% from end-December 2019) and approximately 48,550* tonnes of zinc (up 12% from end-December 2019). The findings bode well for the Group's plan to expand its income streams through the production and sale of lead and zinc concentrate. Exploration findings for silver resource also showed an increase, up 1% to approximately 3,370,000* ounces, but a reduction of gold resource of 1% to approximately 890,000* ounces.

**Gross attributable to licence, of which 81% is attributable to the Group*

GROWTH STRATEGY

With underground mining underway, the Group's carbon-in-leach ("**CIL**") plant is running at more optimal levels as higher-grade gold ore from both open-pit and underground operations are now fed into the CIL facility. The Group continues to explore the possibility of expanding its underground mining operations as well as the CIL plant's processing capacity as part of efforts to increase gold production. It will, in the meantime, remain focused on controlling operating expenses.

As mentioned, the Group intends to expand its mining portfolio beyond gold to include silver, lead and zinc. Infrastructure construction of the flotation plant for lead and zinc production had commenced in October 2019 and once the relevant regulatory approvals are granted for the installation of the flotation plant equipment, the Group will be able to realise this objective.

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

Operations and Financial Review

Financial Review

REVENUE AND PROFITABILITY

The Group's revenue decreased by 38.9% to US$23.88 million in FY2020 from US$39.10 million in FY2019. The overall decrease in revenue, despite an increase in average realised gold price, was due to the significant drop in the production and sales volumes of fine gold in FY2020.

The Covid-19 pandemic caused significant disruption to our operations and logistics, especially when skilled underground workers from China were unable to return to Malaysia after the Chinese New Year in February 2020. This delayed the extraction of higher-grade ore from underground mining and resulted in lower production output. The higher-grade ore was only extracted for production in December 2020 and accounted for approximately 24% of the Group's FY2020 output.

In addition, the nationwide Movement Control Order ("MCO") in Malaysia resulted in additional time and effort spent to re-start our production facilities. Repair and maintenance works were also necessary in the months subsequent to the MCO.

The Group recorded a loss after tax of US$4.78 million, compared to a profit after tax of US$5.47 million in FY2019, mainly attributed to an impairment allowance of approximately US$3.84 million made on certain exploration and evaluation assets of the Group, as well as the impact of the MCO.

As a result, the Group recorded a loss per share of 0.87 US cent in FY2020, compared to an earnings per share of 1.09 US cent in FY2019.

ALL-IN-COSTS

In FY2020, all-in costs of US$1,650 per ounce were 41.5% higher than all-in costs of US$1,166 in FY2019. This was mainly due to the significant decrease in production and sales volumes of fine gold as a result of delayed extraction of higher-grade ore and the impact of the MCO as described above.

FINANCIAL POSITION

The Group's net assets declined by US$5.33 million to US$39.44 million as at 31 December 2020 from US$44.77 million as at 31 December 2019, mainly due to the allowance of impairment made on certain exploration and evaluation assets, amortisation and depreciation, lower cash and cash equivalents. These were partly offset by an increase in trade and other receivables, which arose mostly from sales proceeds subsequently received from a gold pour in December 2020. Net asset value per share decreased to 9.67 US cents as at 31 December 2020 from 10.98 US cents as at 31 December 2019.

As at 31 December 2020, the Group had cash and cash equivalents of US$11.26 million, a decrease from US$16.02 million as at the end of the previous year. The decrease was mainly due to the cash used in financing activities arising from the payment of final dividends for the financial year ended 31 December 2019. In addition, there was a net operating cash outflow amounting to US$1.25 million, mainly due to lower operating profit before working capital changes of US$2.94 million, adjusted for the increase in trade and other receivables of US$1.82 million, the decrease in trade and other payables of US$1.23 million, and tax paid of US$1.26 million, which was partially offset by the net finance income received of US$0.23 million.

The Group had no bank borrowings as at 31 December 2020. Loans and borrowings disclosed in the Statement of Financial Position includes a convertible bond issued by a subsidiary and lease liabilities.

Investor Relations

The year 2020 was a spectacular one for gold prices.

Fears over Covid-19's impact on lives and livelihood ignited strong interest in gold for a good part of last year. Investors sought refuge in the precious metal from the storms in financial markets and economies everywhere as the pandemic brought the world to its knees.

The surge in demand put the spot price of gold on a sustained uptrend from March 2020 to August 2020, during which it rose from under US$1,500 an ounce to an all-time high of US$2,035 an ounce.

The spotlight on gold as a safe haven benefitted us. The average selling price of our gold bars in FY2020 was US$1,830 an ounce, up from nearly US$1,390 an ounce in the previous year. Even CNMC Goldmine's share price enjoyed a boost, reaching a 52-week high of S$0.36 in July 2020.

ECONOMIC FALLOUT

Notwithstanding, the economic fallout from Covid-19 was significant for the gold mining industry.

Miners worldwide had to slow operations down as governments imposed safe-distancing measures and even stop-work orders in a bid to contain the outbreak. Even gold refineries had to shut down temporarily, while airlines were told to stop flights, making it impossible to move gold across borders for several months.

While we endeavoured to keep our production facilities running, factors beyond our control kept us from making as much headway as we would have liked.

International travel restrictions delayed the return of dozens of our migrant workers who had returned to China for Chinese New Year celebrations early last year. Many of these workers specialise in underground mining. As a result, we were only able to produce our first batch of gold bars using high-grade ore from underground mining in December 2020, months behind schedule.

Our open-pit mining operations were also affected. Lockdown measures imposed by the Malaysian federal government brought to a halt all on-site activities at our flagship Sokor gold field in Kelantan from 18 March 2020 to 5 May 2020. Thereafter, production could not resume immediately as we needed time to tune up all the machinery and equipment after the seven-week hiatus.

INVESTOR ENGAGEMENT

Notwithstanding these challenges, we kept our lines of communication with the investment community open so as to address their concerns and keep them posted about our operations.

While we have ceased quarterly financial reporting, we still held briefings and dialogue sessions after the release of our half-year and full-year results for FY2020. These events, carried out through video conferencing platforms like Zoom, were attended by analysts, fund managers, brokers, private investors and shareholders.

As the gold mining industry confronted the challenges brought forth by Covid-19, we put out a thought leadership article to flag the relevance of gold and gold miners to investors at a time when supply of the precious metal was constrained. The article, titled "Coronavirus disrupts gold mining but boosts metal's appeal", was published on 28 April 2020 in Singapore's Business Times and Malaysia's The Star newspaper.

We also hosted a conference call on 23 April 2020 with analysts and fund managers from Kredens Capital Management, a local fund house registered with the Monetary Authority of Singapore. In addition, we had online talks with dealers and traders from Phillip Securities and Lim & Tan Securities on 11 June 2020 and 30 October 2020, respectively.

With the increased interest in gold, we were featured in a story published on 13 August 2020 by Singapore's Business Times, titled "Higher gold prices push gold mining stocks up; M&A activity expected", which sought our views on whether the gold mining industry would continue to consolidate amid high gold prices.

We also engaged subscribers of Shareinvestor.com through an hour-long online session on 3 September 2020 where we took questions and shared how we have progressed over the years as a gold producer.

The following month, on 12 October 2020, we met up with fund managers from Lion Global Investors, one of the largest asset managers in Southeast Asia and a subsidiary of Oversea-Chinese Banking Corporation.

Investor Relations

LOOKING AHEAD

Several factors have surfaced in recent months to take the shine off gold as a safe haven. These include the global roll-out of Covid-19 vaccines, higher US Treasury yields as economic indicators increasingly turn positive, and growing investor interest in Bitcoin, which postulates the latter is a better hedge against inflation than gold.

Nonetheless, we continue to hold the view that gold ought to be part of the portfolio of any long-term investor.

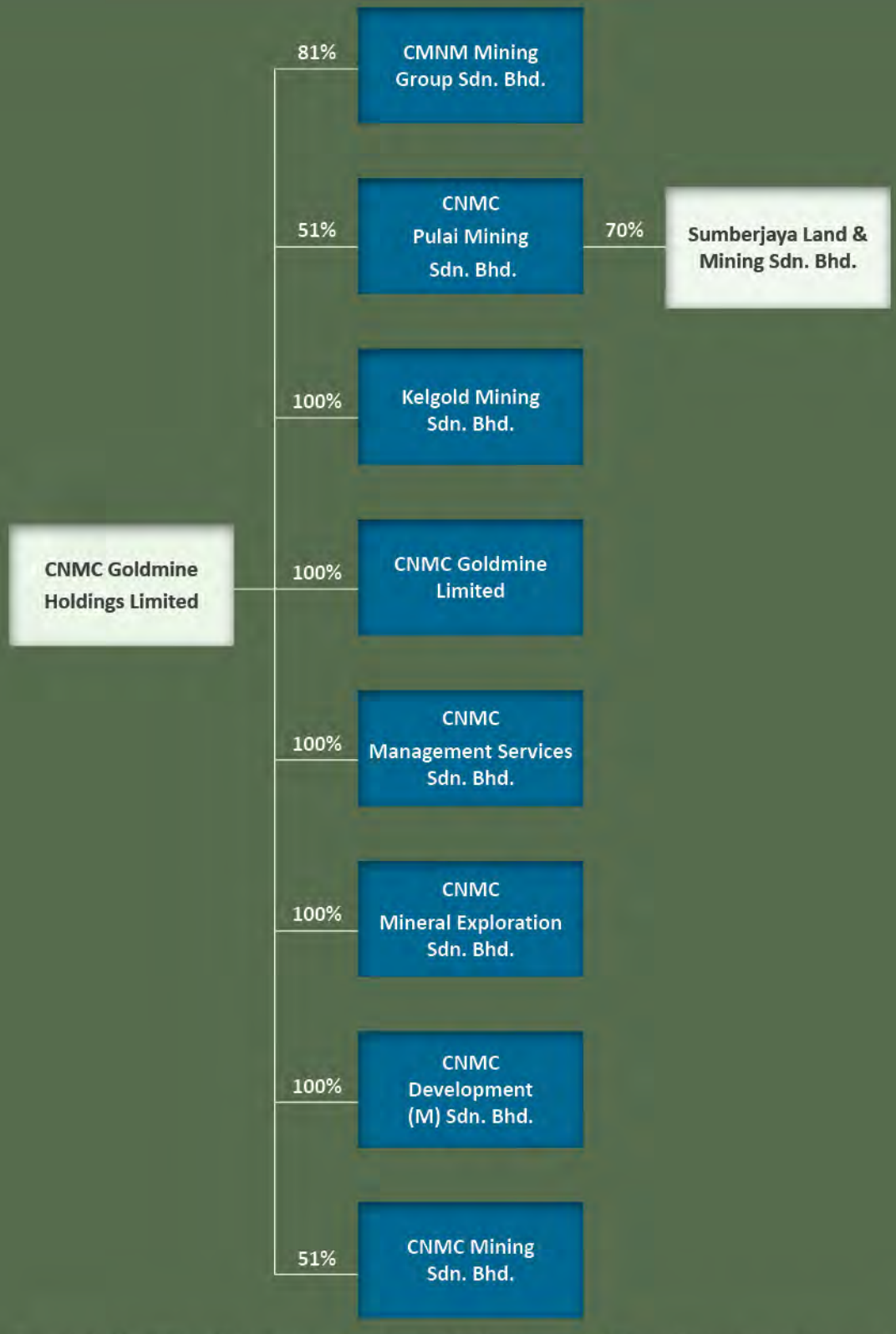
With its long historical track record of being a store of value and a form of insurance in time of heightened uncertainties, gold is likely to still have a place in the diversified portfolios of investors no matter how the global economy fares.

This is why we remain focused on increasing our gold production. Underground mining, which accounted for nearly half of our total gold output in 2H2020, will be a major endeavour for us in the days ahead.

At the same time, we hope to start commercial production of lead and zinc so that we can develop new sources of income. We believe these base metals will provide fresh tailwinds to support our growth once we get the greenlight from the relevant authorities to proceed.

Teo Zheng Long (right), research analyst from Shareinvestor.com, with CNMC Goldmine CEO Chris Lim during an online session on 3 September 2020.

Group Structure



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.

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
#04-01 The Actuary
Singapore 319455
Tel: +65 6220 4621
Fax: +65 6220 1270
Company Registration No. 201119104K
www.cnmc.com.hk

AUDITORS

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16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Tel: +65 6213 3388
Fax:+65 6225 2230
Partner-in-charge: Lim Pang Yew, Victor
(Appointed with effect from the financial year ended 31 December 2019)

COMPANY SECRETARY

Wee Mae Ann

SPONSOR

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16 Collyer Quay, #10-00 Income at Raffles,
Singapore 049318
Tel: +65 6229 8088
Fax: +65 6229 8089

SHARE REGISTRAR

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

可持續報告

CNMC Goldmine Holdings Limited
Sustainability Report 2020

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

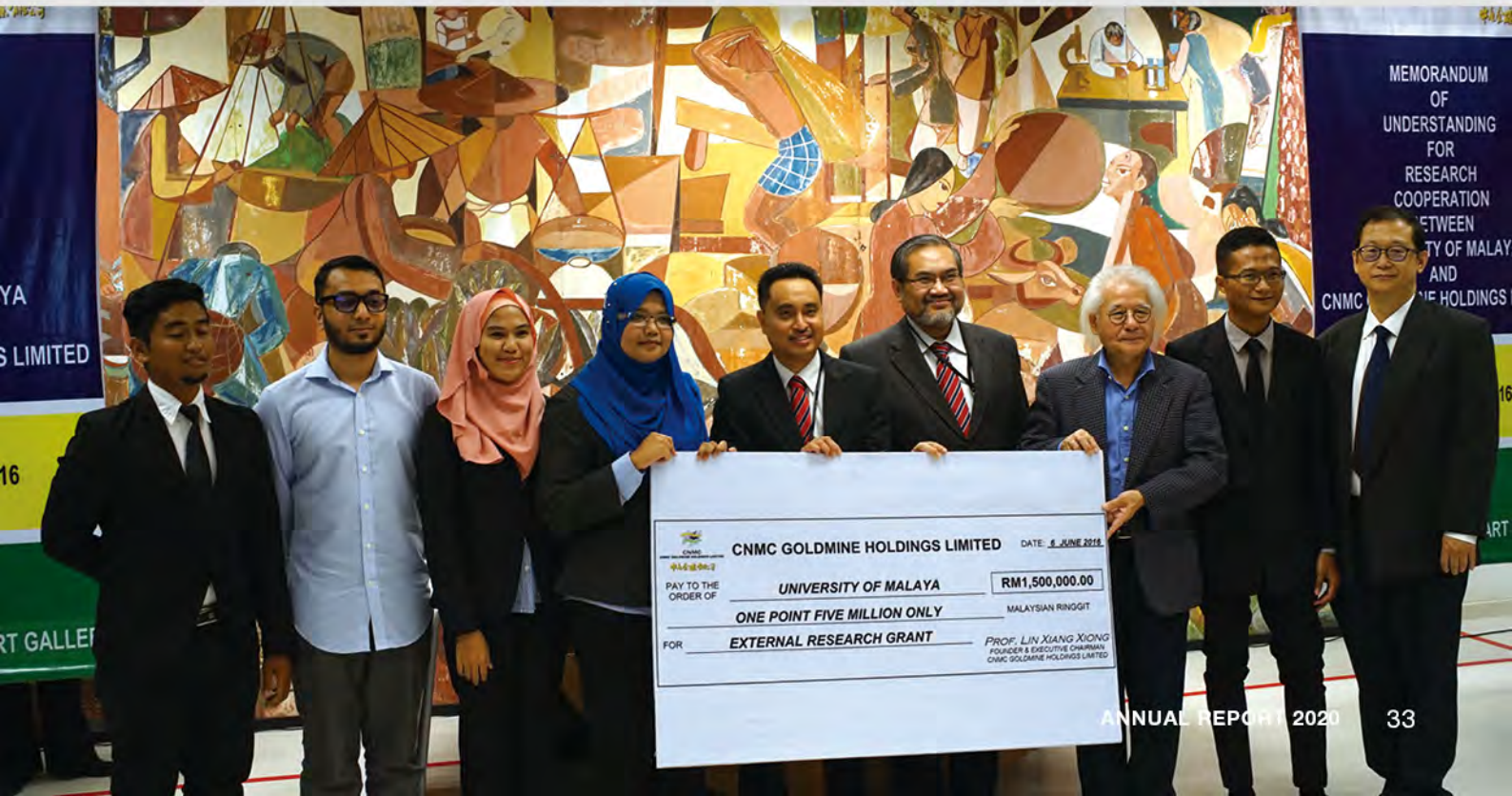
TO SERVE THE WORLD WITH HUMANITARIANISM.

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 2020 to 31 December 2020. 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 FY2020 Annual Report.



Sustainability Statement of Top Management

On behalf of the Board of Directors (the "**Board**"), I am pleased to present CNMC's 2020 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 Department of Environment of Malaysia 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 our workforce as well as the local community. We endeavour to reduce our carbon footprint and have implemented initiatives to achieve clean and sustainable energy consumption, such as planning the installation of national power grids at our mining site to minimise diesel consumption and its associated pollution.

In FY2020, the emergence of the 2019 novel Coronavirus ("COVID-19") resulted in a formidable outbreak which evolved into a global pandemic. During these unsettling times, we stay committed to prioritising the safety of our staff and workers. We have implemented strict safety protocols and educated all employees on the necessary measures to ensure that they are well-prepared in keeping themselves safe. We operate in strict compliance with the local COVID-19 regulations and measures. As the crisis continues to rapidly evolve, we pledge to protect the health and welfare of our employees and the surrounding community of our operations to the best of our abilities.

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

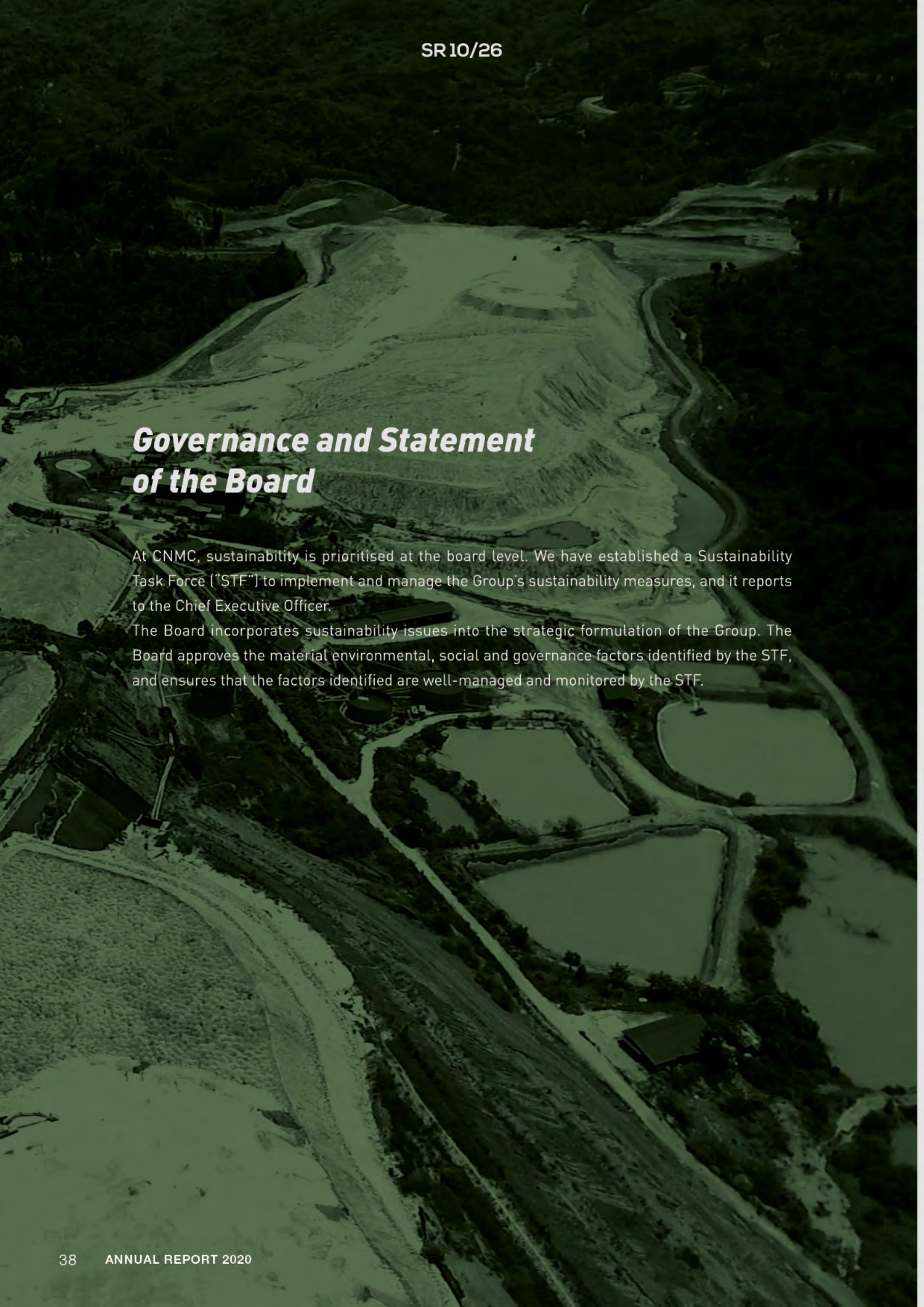
At CNMC, we are committed to mining gold in an environmentally and socially responsible manner. We carefully manage the impact of our operations on the surrounding environment and community to establish a sustainable gold production.

Sustainability Performance and Targets

In order to maintain strict environmental and social compliance and achieve our sustainability targets in FY2021, we have reviewed our environmental performance in FY2020 and developed an action plan for FY2021.

The table below summarises our sustainability performance in FY2020 and targets for FY2021:

Environmental Performance in FY2020	
FY2020 Target	Performance Update
Reduce energy consumption and carbon emissions Maintain energy intensity at **3,038** kWh/oz of gold produced	Energy consumption reduced by **12.6%** Achieved energy intensity of **5,728.6** kWh/oz of gold produced
Zero spills	Achieved **zero** spills
Zero incidents of environmental non-compliance	Achieved **zero** incidents of environmental non-compliance
Environmental Targets for FY2021	
FY2021 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 Plans to install of national grid power line
Zero spills	Conduct regular maintenance and checks
Zero incidents 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 FY2020	
FY2020 Target	Performance Update
Zero workplace safety incidents	**One** lost time injury occurred that resulted in **57** man-days lost
Social Targets for FY2021	
FY2021 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
Zero incidents of non-compliance with local COVID-19 regulations and measures	Operate in strict compliance with local COVID-19 guidelines and implement safety measures and a clear COVID-19 incident response and management plan



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	Key concerns	Engagement platforms	Read more in the following sections
Employees	• Performance appraisal system • Whistleblowing committee	• Workplace health and safety • Staff remuneration and benefits • Employee diversity • Training and development	• Our People, Our Assets • Safety Measures Against COVID-19
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

GRI 205-1, 205-2

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 are escalated to the Whistleblowing Committee members. Access details to Whistleblowing Committee members are provided on Company's website and notice boards.

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.

Anti-Corruption

GRI 205-3

During FY2020, 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 FY2020.

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.

Energy and Emissions Management

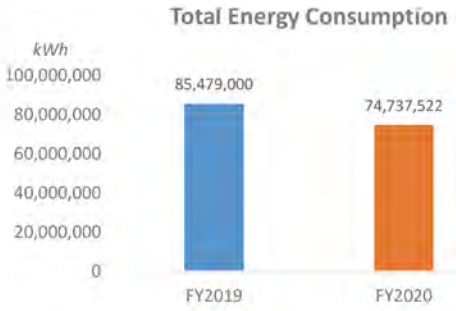
GRI 302-1, 302-3, 305-2

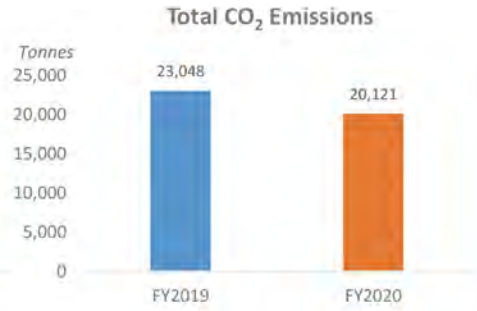
As mining operations are energy intensive, the Group strives to operate sustainably by reducing our carbon footprint in our mining operations.

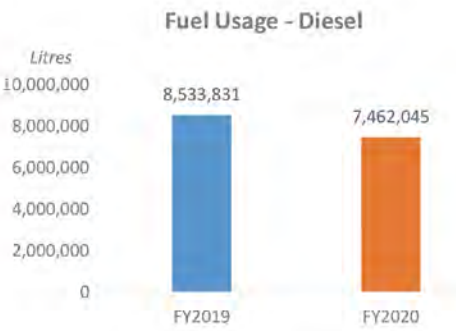
The energy CNMC uses for its operations is principally derived from fuel-fired electricity sources. The fuel used by vehicles on-site is predominantly diesel, although certain vehicles use petrol. In addition, emulsion is used as the explosive for onsite blasting, which is carried out by licensed sub-contractors.

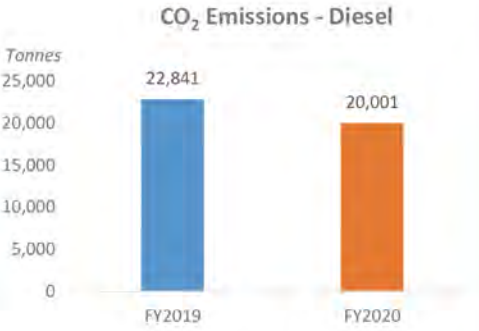
At Sokor, energy is generated using diesel-fuelled power plants. The Group has implemented numerous energy conservation and efficiency initiatives, including upgrading and adjusting equipment to increase energy efficiency, improving our practices and operations to reduce energy consumption and wastage and made plans to install power lines under the National Grid to reduce diesel consumption and energy loss.

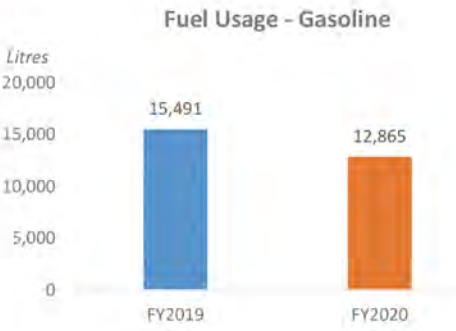
The total energy consumption (vehicle fuel and power generation) at Sokor for FY2020 was estimated at 74,737,522 kWh, down from 85,479,000 kWh in FY2019. All the energy consumed is generated from non-renewable sources.

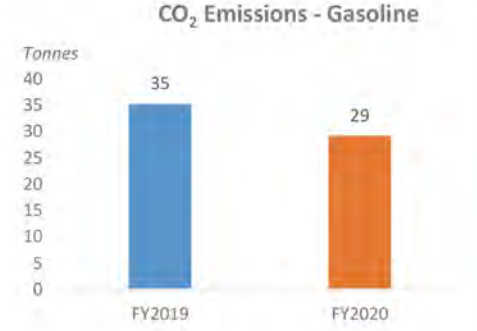

Total Energy Consumption
kWh
100,000,000
80,000,000
60,000,000
40,000,000
20,000,000
0
85,479,000
74,737,522
FY2019
FY2020

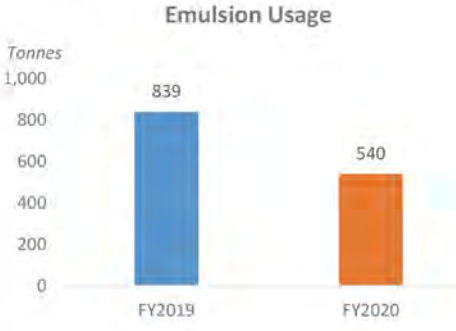

Total CO_2 Emissions
Tonnes
25,000
20,000
15,000
10,000
5,000
0
23,048
20,121
FY2019
FY2020

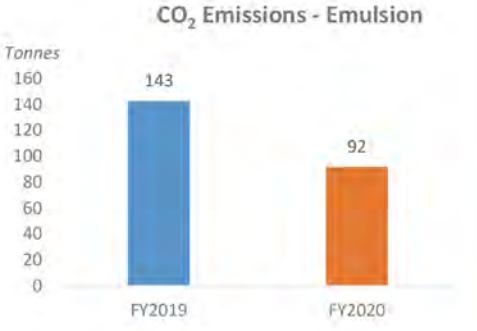

Fuel Usage - Diesel
Litres
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
0
8,533,831
7,462,045
FY2019
FY2020


CO_2 Emissions - Diesel
Tonnes
25,000
20,000
15,000
10,000
5,000
0
22,841
20,001
FY2019
FY2020


Fuel Usage - Gasoline
Litres
20,000
15,000
10,000
5,000
0
15,491
12,865
FY2019
FY2020


CO_2 Emissions - Gasoline
Tonnes
40
35
30
25
20
15
10
5
0
35
29
FY2019
FY2020


Emulsion Usage
Tonnes
1,000
800
600
400
200
0
839
540
FY2019
FY2020


CO_2 Emissions - Emulsion
Tonnes
160
140
120
100
80
60
40
20
0
143
92
FY2019
FY2020

In addition to fuel, CNMC used 540.4 tonnes of emulsion for blasting, which generated 91.9 tonnes of CO_2.

Our energy intensity during FY2020 was estimated at 5,728.6 kWh/oz of gold produced, higher than the target of 3,038 kWh/oz of gold produced set in FY2019. Our gold production in FY2020 was significantly lower than FY2019 due to COVID-19 lockdown and preventive measures, resulting in a relatively higher energy intensity. Nevertheless, our energy intensity is significantly lower than the industrial average of 1,554,048.3[1] kWh/oz of gold produced. We target to maintain our energy intensity at 3,038 kWh/oz of gold produced in FY2021.

Water Management

GRI 303-1, 303-2

Water is critical for every aspect of the mine production cycle 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 particular, Sokor 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 and under controlled conditions.

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 a 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 FY2020, no water bodies or associated ecosystems were significantly affected by the extraction of surface water at CNMC's operational site.

[1] Estimated based on data from 6 major gold mines

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, we conducted environmental baseline studies, assessed potential impacts on the surrounding ecosystem, and we established the Environment Management Plan ("EMP") and monitoring programmes to minimise our 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 EMP.

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 EMP.

The total volume of waste rocks and tailings produced during FY2020 and the previous period are shown in graph below:

The total amount of mineral waste generated in FY2020 was 4,550,138 tonnes, down from 4,940,811 tonnes in FY2019. Our waste production during FY2020 was also significantly lower than the industrial average of 185,696,499[2] 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.

[2] Estimated based on data from 6 major gold mines

Supplier Environment Assessment

GRI 308-1

CNMC subcontracts only two operations (i.e. blasting and exploration drilling) to subcontractors. All exploration, mining and processing activities are conducted in-house. The Group takes a proactive approach to managing the environmental impact along its supply chain. Our appointed environmental consultant audits our entire operations, including the operations of our subcontractors, to ensure that any significant negative environmental impacts are identified and managed. 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 appointed KenEp Consultancy & Services Sdn. Bhd.("KenEp Consultancy") to update its EIA report in accordance with the Second Schedule Environmental Impact Assessment. The updated report was submitted to DOE in November 2020.

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 KenEp Consultancy, a licensed third-party environmental consultant approved by the DOE, as environmental advisors and consultants to regularly monitor 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 reported incident of non-compliance with environmental laws and regulations in FY2020.

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. Despite our best efforts, we had one occupational health and safety incident during FY2020.

Safety Measures Against COVID-19

GRI 403-1

In FY2020, the COVID-19 outbreak resulted in a global pandemic which posed a safety risk to our employees and workers. During these unsettling times, we stay committed to prioritising their safety.

To ensure the safety and welfare of our staff and workers, we keep abreast of the local COVID-19 safety laws and regulations and implement any new measures as soon as possible to ensure that the working conditions of all staff and workers are in strict compliance with local COVID-19 laws and regulations. This helps us to minimise the risk of transmission among the workers and surrounding community.

With the current COVID-19 pandemic, we have implemented safe management measures ("SMM") at the Singapore office to provide a safe working environment for our staff. All staff are briefed on the SMM and are required to ensure strict enforcement. Some of the SMM include putting in place SafeEntry visitor management and temperature taking for employees and visitors. We also increased the frequency of cleaning and disinfection of our premises, especially areas with high contact points.

We have also implemented robust SMM at our mining site in Sokor. All persons who wish to enter the premises are required to submit a health declaration form. In the event of a confirmed case of COVID-19, we have emergency response teams to implement the emergency response plan. All employees are required to monitor their health and temperature daily, and social distancing is mandated among all employees.

As at 31 December 2020, the Group had 346 employees (office staff and site workers) and seven contractors. In FY2020, there was no incident of COVID-19 transmission among employees and contractors. In addition, there was no reported incidence of non-compliance with local COVID-19 laws and regulations regarding the working conditions of our employees.

Workplace Health and Safety

GRI 403-4, 403-5, 403-8, 403-9

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 policies 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 FY2020, CNMC continued to review and strengthen key areas of its Occupational Health and Safety Policy. Mine personnel continued to receive training and further up-skilled and broadened their safety and health knowledge to ensure a safer work environment.

In FY2020, there was one lost-time injury that resulted in an annual lost time injury frequency rate of 1.29, which is higher than the frequency rate of 0.98 in FY2019. There were 57 man-days lost during FY2020, up from 33 man-days lost in FY2019.

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 FY2020 are shown in the table below:

Type of Medical Examination	Sokor
Pre-Employment	84
During Employment	157
Total	241

In FY2020, 100% of the employees who were required to undergo Pre-Employment medical examinations went for medical examinations in FY2020.

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 CNMC, 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.

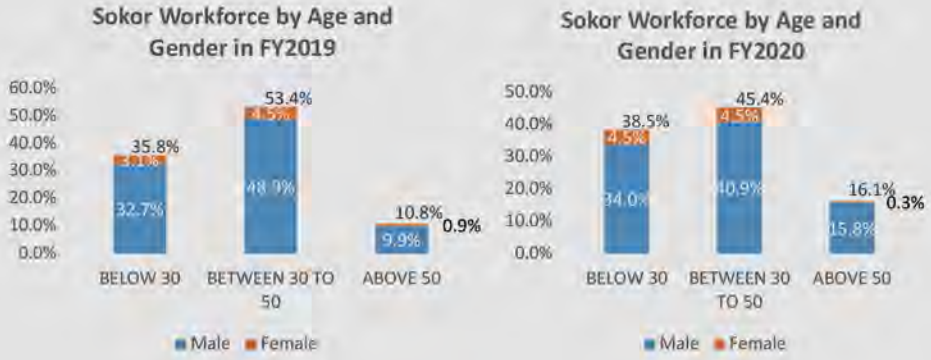
Employee Diversity

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.

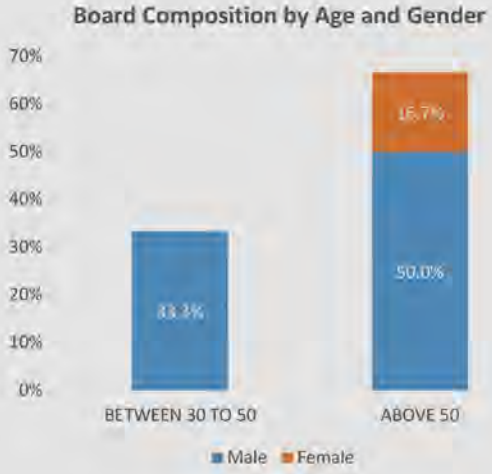
CNMC is conscious of the importance of ensuring a gender balance in its workforce and providing employment opportunities locally and regionally whenever possible.

In FY2020, Sokor's workforce consisted of 335 employees (office staff and site workers) and seven contractors. A breakdown of the workforce at Sokor in FY2019 and FY2020 are presented in the following charts:



There is a low percentage of females employed at the mine site, as achieving gender parity continues 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.



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 FY2020, our employees in Malaysia participated in over 774 hours of training programme, up from 624 hours in FY2019. 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 group personal accident and medical reimbursements. In FY2020, no parental leave was taken due to the flexible working arrangement during the COVID-19 Circuit Breaker (FY2019: 12 days of parental leave taken).

Staff turnover rate was 13% in FY2020, up from 8.8% in FY2019, we will increase our efforts to improve employee engagement and satisfaction. Our new hire rate was 25% during FY2020, up from 21.6% in FY2019.

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 FY2020.

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 FY2020, 98% 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 FY2020, we made a total of RM 51,562.80 worth of donations, which includes monthly donations to 40 students at Peir Chih 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 FY2020, 85% of our Sokor workforce were locals, increasing from 84% in FY2019.

We will continue our efforts in supporting the creation 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 FY2020
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	Business Ethics and Anti- Fraud
205-2	Communication and training on anti-corruption policies and procedures	Business Ethics and Anti- Fraud
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	Interactions with water as a shared resource	Water Management
303-2	Management of water discharge-related impacts	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
403-1	Occupational health and safety management system	Safety Measures Against COVID-19
403-4	Worker participation, consultation, and communication on occupational health and safety	Workplace Health and Safety
403-5	Worker training on occupational health and safety	Workplace Health and Safety
403-8	Workers covered by an occupational health and safety management system	Workplace Health and Safety
403-9	Work-related injuries	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

INTRODUCTION

The Board of Directors (the "**Board**") of CNMC Goldmine Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") 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 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 2020 ("**FY2020**"), 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 on pages 14 to 17 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, 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 set the Company's values and standards, and ensuring that obligations to shareholders and other stakeholders are understood and met.

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 make 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 FY2020

The Board meets at least twice 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	2	2	1	1
		No. of meetings attended		
Directors				
Professor Lin Xiang Xiong @ Lin Ye	2	–	–	–
Choo Chee Kong	2	–	–	–
Lim Kuoh Yang	2	–	–	–
Kuan Cheng Tuck	2	2	1	1
Tan Poh Chye Allan	2	2	1	1
Gan Siew Lian	2	2	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 half yearly 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 and after consultation with the Management, the Company Secretary facilitates information flow within the Board and its 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 FY2020.

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 FY2020, 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 FY2020, the courses and seminars attended by directors include "Audit Committee Seminar" jointly conducted by the Accounting and Corporate Regulatory Authority, the SGX-ST and the Singapore Institute of Directors and "Anti-Money Laundering and Terrorism Financing" conducted by the Law Society of Singapore.

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. 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. In its review, the NC takes into account, amongst other things, whether a Director has business relationships 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 in 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.

With effect from 1 January 2022, a director will not be deemed independent if he has served on a board for an aggregate of more than nine years and his continued appointment as an independent director will have to be sought and approved in separate resolutions by (a) all shareholders; and (b) all shareholders, excluding shareholders who also serve as directors and chief executive officer of the issuer, and associates of such directors and chief executive officer. Such resolutions may remain in force until the earlier of (a) the retirement or resignation of the director; or (b) the conclusion of the third annual general meeting of the Company following the passing of the resolutions.

Mr Kuan Cheng Tuck and Mr Tan Poh Chye Allan, who were appointed as independent directors of the Company on 20 September 2011, have served on the Board for more than nine years. Accordingly, Mr Kuan Cheng Tuck and Mr Tan Poh Chye Allan will be required to adhere to the above two-tier voting mechanism should they wish to seek continued re-appointment as independent directors.

The Board concurs with the NC that the length of service of a Director alone should not determine his independence or his effectiveness in carrying out his duties as an independent director. After due consideration and careful assessment, the NC and the Board are of the view that Mr Kuan Cheng Tuck and Mr Tan Poh Chye Allan are independent, taking into consideration the following:

(a) they have no relationship with the Company or its related corporations, substantial shareholders or its officers that could impair their fair judgment;

(b) they have consistently demonstrated independence in judgment when discharging their duties as Independent Directors, reviewing and scrutinising matters put to the Board; and

(c) they have over the years gained valuable insights to the Group's business and operations and can continue to provide significant and valuable contributions to the Board as a whole.

The Board will, on a continual basis, review the need for progressive refreshing of its Board.

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 has 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 FY2020, 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 provides 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 Chief Executive Officer ("**CEO**") are separate to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for decision-making. 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 CEO 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 proposed 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. 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 other listed companies. The Board is satisfied that each Director is able to and has been adequately carrying out his duties as a Director of the Company despite some of the Directors holding multiple board representations in other listed companies. As such, the Board does not propose to set the maximum number of listed company board representations which Directors may hold until such need arises. The NC will continue to review from time to time the board representations of each Director to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately. 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 and re-election 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 Lim Kuoh Yang and Ms Gan Siew Lian 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.

Ms Gan Siew Lian will, upon re-election as a Director, remain as a member of the Audit Committee. Ms Gan Siew Lian is considered to be independent under Rule 406(3)(d) of the Catalist Rules and the Board considers her to be independent for the purpose of Rule 704(7) of the Catalist Rules. There are no relationships including family relationships between Ms Gan Siew Lian 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 14 to 17 and page 73 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. 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	26 June 2020	- Kori Holdings Limited - Karin Technology 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	26 June 2020	- Nico Steel Holdings Limited - Vibropower Corporation Limited	- Affinity Energy and Health Limited - Novita Healthcare Limited (listed on ASX) - XYEC Holdings Co., Ltd.	- Altum Law Corporation (Director)
Gan Siew Lian	1 July 2012	28 April 2018	None	None	- Nanyang Technological University (Deputy Director, Student Administration Transformation Management)

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. 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.

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 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 policies 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 as well as for the key management personnel.

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 the remuneration of all Directors and/or key management personnel;

(b) to review the reasonableness and fairness of the termination clauses is the Directors' or key management personnel's contracts of service, 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 FY2020, 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 Executive Directors and key management personnel comprises a basic salary component and a variable component which is a discretionary bonus that is 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, level and mix of remuneration, 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 FY2020 is set out as below:

Remuneration of Directors for FY2020

Remuneration Band and Name of Director	Base/Fixed Salary	Director's Fees	Bonus	Total
Between S$750,000 and S$1,000,000 per annum				
Professor Lin Xiang Xiong @ Lin Ye	100%	–	–	100%
Between S$250,000 and S$500,000 per annum				
Lim Kuoh Yang	100%	–	–	100%
Below S$250,000 per annum				
Choo Chee Kong	100%	–	–	100%
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
Below S$250,000 per annum			
Kan Wai Khen	100%	–	100%
Cheam Chee Chian	100%	–	100%
Lim Kwang Hui	100%	–	100%
Ang Kee Har	100%	–	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 FY2020 was S$583,148.

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

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

There were no employees who were substantial shareholders of the Company or 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 FY2020.

The Company did not have in place any share incentive schemes for FY2020.

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 the 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 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 were established and adopted. The Board oversees the Management in the design, implementation and monitoring of the Group's risk management and internal control systems. The internal auditor 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 risks altogether. As such, the internal control framework can only provide reasonable but not absolute assurance against material misstatement or loss, whether due to errors or fraud.

Apart from the above, the AC also commissions and reviews the findings of internal controls or any infringement of any Singapore laws, rules or regulations which has or is likely to have a material impact on the Group's operating results and/or financial position. 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 FY2020, Crowe Horwath First Trust Risk Advisory Pte Ltd was engaged to conduct reviews of the Group's 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 2020 give a true and fair view of the Group's operations and finances; and (b) that the Group's risk management and internal control systems are adequate and effective to address the financial, operational, compliance and information technology risks in the context of the current scope of the Group's business operations.

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 2020.

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 half-yearly. 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;

(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;

(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 CEO and the CFO 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 FY2020, the AC met twice 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 FY2020, the AC, amongst other things, carried out the following:

(a) reviewed the half-year 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 FY2020.

Internal Audit

The AC selects and approves the appointment of the internal auditors. In FY2020, the Company appointed Crowe Horwath First Trust 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 FY2020.

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.

In view of the current COVID-19 situation, the forthcoming AGM to be held in respect of FY2020 can be convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Order**") regardless of what the issuers' constitutive documents stipulate. The Order provides that the alternative arrangements apply to meetings held during the period commencing from 27 March 2020 to 30 September 2020.

The application duration of the Order has been extended till 30 June 2021 (until further notice) and provides listed entities with the option to conduct general meetings by electronic means even where they are permitted under the COVID-19 safe distancing regulations to hold physical meetings, to help minimise physical interactions and COVID-19 transmission risks.

Alternative arrangements relating to attendance at the AGM via electronic means such as live audio-visual webcast or live audio-only stream, submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at the AGM (if any) and appointing the Chairman of the AGM as the proxy at the AGM, will be put in place.

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 to the "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 26 June 2020.

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.

For FY2020, in compliance with the requirements stipulated in the First Schedule of the COVID-19 (Temporary Measures) Act 2020 passed by Parliament on 7 April 2020 and the Order, the Company will publish the minutes of the AGM to be held on 30 April 2021 on SGXNet and the Company's website at www.cnmc.com.hk within one month after the AGM.

Dividend Policy

No dividend has been declared or recommended for FY2020 in order to preserve the Group's working capital to mitigate the impact of COVID-19 and to tap on opportunities that may arise. In June 2020, the Company declared a final one-tier tax exempt dividend of S$0.002 per share and a special one-tier tax exempt dividend of S$0.004 per share for FY2019, which was paid in August 2020.

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.

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 half-yearly 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 half-year and full-year financial results and ending on the date of the announcement of the financial results.

The Company reminds all the Directors and executives to observe insider-trading rules and laws at the appropriate 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 FY2020, 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 FY2020 or if not then subsisting, entered into since the end of the previous financial year.

Non-Sponsor Fees

For FY2020, there were no non-sponsor fees paid or payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd.

Use of IPO proceeds

There are no outstanding proceeds raised from IPO or any offerings pursuant to Chapter 8 of the Catalist Rules.

Financial Report

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 2020.

In our opinion:

(a) the financial statements set out on pages 80 to 135 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 2020 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	46,662,500	205,000	45,162,500
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 2021.

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.

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 two 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;
- half-yearly 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.

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

31 March 2021

INDEPENDENT AUDITORS' REPORT

Members of the Company
CNMC Goldmine Holdings Limited

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 2020, 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 80 to 135.

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 2020 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.

Group
Valuation of exploration and evaluation ("E&E") assets of US$5,528,741 (2019: US$9,200,562) (Note 4), mine properties of US$15,966,977 (2019: US$16,660,862) (Note 5)

Company
Interests in subsidiaries of US$8,334,223 (2019: US$11,450,263) (Note 7)

The key audit matter	*How the matter was addressed in our audit*
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. Where impairment indicators exist, determination of recoverable amounts by management also involves the use of estimates and assumptions. During the financial year, impairment indicators were identified in light of the uncertainties pertaining to the outcome of renewal of the expired exploration and mining licenses of a subsidiary, CNMC Pulai Mining Sdn. Bhd. ("CNMC Pulai"). Management has assessed that the related E&E assets are not recoverable, and hence these assets amounting to US$3,835,503, were fully impaired (Note 4). Following the above assessment, an impairment of US$3,116,040 was also recognised in respect to the cost of investment in CNMC Pulai in the Company's financial statements.	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 2020 was indicative of impairment. In regard to CNMC Pulai, we obtained an understanding of the circumstances of the affected exploration and mining licenses, and evaluated management assessment of the uncertainties pertaining to the renewal of the expired licenses, and determination of the recoverable amounts of E&E assets and cost of investment in CNMC Pulai.

Our findings

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 report on the reserves and resources at Sokor, dated April 2020, did not indicate triggers of impairment.

In regard to CNMC Pulai, we find management assessment of the impairment triggers of the E&E assets and the cost of investment in CNMC Pulai in the Company's financial statements, and determination of the impairment taken on the affected E&E assets and the cost of investment in CNMC Pulai to be balanced.

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 and Qualified person's report ('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
31 March 2021

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2020

	Note	Group		Company	
		2020	2019	2020	2019
		US$	US$	US$	US$
Assets					
Exploration and evaluation assets	4	5,528,741	9,200,562	–	–
Mine properties	5	15,966,977	16,660,862	–	–
Property, plant and equipment	6	14,655,306	17,286,058	21,908	187,968
Interests in subsidiaries	7	–	–	8,334,223	11,450,263
Deferred tax assets	8	703,595	249,968	–	–
Mine rehabilitation fund	9	684,174	672,302	–	–
Non-current assets		37,538,793	44,069,752	8,356,131	11,638,231
Inventories	10	1,971,004	1,870,128	–	–
Current tax assets		115,649	–	–	8,883
Trade and other receivables	11	3,585,659	1,507,980	10,494,012	12,811,262
Cash and cash equivalents	12	11,256,819	16,016,461	47,789	175,166
Current assets		16,929,131	19,394,569	10,541,801	12,995,311
Total assets		54,467,924	63,464,321	18,897,932	24,633,542
Equity					
Share capital	13	18,032,233	18,032,233	18,032,233	18,032,233
Preference shares	13	2,800	2,800	–	–
Reserves	14	3,082,194	3,141,500	(13,860)	(13,860)
Retained earnings/(Accumulated losses)		18,324,436	23,595,320	(5,759,325)	(292,414)
Equity attributable to owners of the Company		39,441,663	44,771,853	12,259,048	17,725,959
Non-controlling interests	15	6,087,717	7,380,123	–	–
Total equity		45,529,380	52,151,976	12,259,048	17,725,959
Liabilities					
Loans and borrowings	16	722,400	776,185	6,670	8,390
Derivative financial instrument	17	28,001	27,516	–	–
Rehabilitation obligations	18	2,177,875	2,047,695	–	–
Non-current liabilities		2,928,276	2,851,396	6,670	8,390
Loans and borrowings	16	67,501	186,215	1,876	105,406
Trade and other payables	19	5,896,343	6,750,528	6,616,769	6,793,787
Deferred income	20	13,569	–	13,569	–
Dividends payable		3,718	534,482	–	–
Current tax liabilities		29,137	989,724	–	–
Current liabilities		6,010,268	8,460,949	6,632,214	6,899,193
Total liabilities		8,938,544	11,312,345	6,638,884	6,907,583
Total equity and liabilities		54,467,924	63,464,321	18,897,932	24,633,542

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2020

	Note	2020 US$	2019 US$
Revenue	21	23,876,916	39,098,825
Other income	22	183,110	256,909
Changes in inventories		(189,796)	(137,839)
Amortisation and depreciation	23	(4,143,692)	(4,693,186)
Employee benefits expenses		(3,544,584)	(4,380,053)
Key management remuneration		(1,593,183)	(3,192,260)
Marketing and publicity expenses		(281,736)	(449,385)
Office and administration expenses		(319,088)	(365,094)
Professional fees		(457,889)	(575,949)
Rental and other lease expenses		(1,924,956)	(1,911,323)
Royalty and tribute fee expenses		(3,150,090)	(4,923,821)
Site and factory expenses		(9,352,825)	(11,946,794)
Travelling and transportation expenses		(315,939)	(365,304)
Other expenses	24	(3,911,439)	(6,922)
Total expenses		(29,185,217)	(32,947,930)
Finance income	25	317,457	556,136
Finance costs	25	(166,648)	(89,605)
Net finance income		150,809	466,531
(Loss)/Profit before tax		(4,974,382)	6,874,335
Tax credit/(expense)	26	189,923	(1,401,885)
(Loss)/Profit for the year	27	(4,784,459)	5,472,450
(Loss)/Profit attributable to:			
Owners of the Company		(3,535,038)	4,440,330
Non-controlling interests	15	(1,249,421)	1,032,120
(Loss)/Profit for the year		(4,784,459)	5,472,450
Earnings per share			
Basic and diluted (cents)	28	(0.87)	1.09

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2020

	2020 US$	2019 US$
(Loss)/Profit for the year	(4,784,459)	5,472,450
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Exchange differences arising on consolidation of foreign subsidiaries	(101,590)	(5,332)
Other comprehensive income for the year, net of tax	(101,590)	(5,332)
Total comprehensive income for the year	(4,886,049)	5,467,118
Total comprehensive income attributable to:		
Owners of the Company	(3,594,344)	4,433,543
Non-controlling interests	(1,291,705)	1,033,575
Total comprehensive income for the year	(4,886,049)	5,467,118

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2020

Group	Note	Share capital 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 CHANGES IN EQUITY (CONT'D)

Year ended 31 December 2020

Group	Note	Share capital 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 2020		18,032,233	2,800	3,111,892	29,608	23,595,320	44,771,853	7,380,123	52,151,976
Total comprehensive income for the year									
Loss for the year		–	–	–	–	(3,535,038)	(3,535,038)	(1,249,421)	(4,784,459)
Other comprehensive income									
Exchange differences arising on consolidation of foreign subsidiaries		–	–	–	(59,306)	–	(59,306)	(42,284)	(101,590)
Total other comprehensive income		–	–	–	(59,306)	–	(59,306)	(42,284)	(101,590)
Total comprehensive income for the year		–	–	–	(59,306)	(3,535,038)	(3,594,344)	(1,291,705)	(4,886,049)
Transactions with owners, recognised directly in equity									
Distributions to owners									
Final and special dividends declared for year ended 31 December 2019	29	–	–	–	–	(1,732,858)	(1,732,858)	–	(1,732,858)
Preference shares dividends declared by subsidiary for year ended 31 December 2020	29	–	–	–	–	(2,988)	(2,988)	(701)	(3,689)
Total distributions to owners		–	–	–	–	(1,735,846)	(1,735,846)	(701)	(1,736,547)
Total transactions with owners		–	–	–	–	(1,735,846)	(1,735,846)	(701)	(1,736,547)
At 31 December 2020		18,032,233	2,800	3,111,892	(29,698)	18,324,436	39,441,663	6,087,717	45,529,380

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Note	2020 US$	2019 US$
Cash flows from operating activities			
(Loss)/Profit for the year		(4,784,459)	5,472,450
Adjustments for:			
Amortisation of mine properties	23	818,598	1,380,106
Depreciation of property, plant and equipment	23	3,325,094	3,313,080
Gain on disposal of property, plant and equipment		(1,204)	(6,647)
Interest expense	25	166,648	89,605
Interest income	25	(317,457)	(556,136)
Plant and equipment written off		6,523	–
Unrealised loss/(gain) on foreign exchange		80,461	(79,123)
Tax (credit)/expenses		(189,923)	1,401,885
Impairment losses on exploration and evaluation assets		3,835,503	–
		2,939,784	11,015,220
Changes in:			
- Inventories		(100,876)	138,119
- Trade and other receivables		(1,820,207)	1,462,290
- Rehabilitation obligations, and trade and other payables		(1,229,114)	(1,697,789)
Cash generated from operations		(210,413)	10,917,840
Interest received		317,457	556,136
Interest paid		(92,094)	(89,605)
Tax refund		–	320,320
Tax paid		(1,262,166)	(2,195,622)
Net cash (used in)/generated from operating activities		(1,247,216)	9,509,069
Cash flows from investing activities			
Payment for exploration and evaluation assets, and mine properties		(201,949)	(1,993,675)
Proceeds from sales of property, plant and equipment		1,204	6,647
Purchase of property, plant and equipment		(654,992)	(6,778,025)
Net cash used in investing activities		(855,737)	(8,765,053)
Cash flows from financing activities			
Dividends paid to equity holders of the Company		(1,732,858)	(1,197,476)
Dividends paid to preference shares holder and non-controlling interests		(585,577)	(1,401,755)
Payment of lease liabilities		(182,010)	(187,054)
Net cash used in financing activities		(2,500,445)	(2,786,285)
Net decrease in cash and cash equivalents		(4,603,398)	(2,042,269)
Cash and cash equivalents at 1 January		16,016,461	17,910,184
Effect of exchange rate fluctuations on cash held		(156,244)	148,546
Cash and cash equivalents at 31 December	12	11,256,819	16,016,461

During the year ended 31 December 2020, the Group acquired property, plant and equipment with an aggregate cost of US$722,951 (2019: US$7,459,450) of which US$Nil (2019: US$113,339) were acquired by means of lease arrangements. As at 31 December 2020, a total consideration of US$67,959 (2019: US$568,086) 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$670,173 (2019: US$3,283,491). As at 31 December 2020, a total consideration of US$468,224 (2019: US$1,289,816) 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 31 March 2021.

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 2020 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

(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.

2 Basis of preparation (cont'd)

2.4 Use of estimates and judgements (cont'd)

(i) Measurement of fair values (cont'd)

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 17 – Derivative financial instrument
- Note 35 – Financial instruments

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 2020:

- *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)*
- *Interest Rate Benchmark Reform (Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7)*
- *Covid-19-Related Rent Concessions (Amendment to SFRS(I) 16)*

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

2 Basis of preparation (cont'd)

COVID-19 Related Rent Concessions

The Group has early adopted COVID-19 – Related Rent Concessions – Amendment to SFRS(I) 16 issued on 28 May 2020. The amendment introduces an optional practical expedient for leases in which the Group is a lessee - i.e. for leases to which the Group applies the practical expedient, the Group is not required to assess whether eligible rent concessions that are a direct consequence of the COVID-19 coronavirus pandemic are lease modifications. The Group has applied the amendment retrospectively. The amendment has no impact on retained earnings at 1 January 2020.

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 the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see note ii). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

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.

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 equity transactions.

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(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.

(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.

3 Significant accounting policies (cont'd)

3.2 Foreign currency (cont'd)

(ii) Foreign operations (cont'd)

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.

Transferred assets are not derecognised when 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.

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.

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.

3 Significant accounting policies (cont'd)

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

(i) Recognition and measurement (cont'd)

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.

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.

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:

- 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.

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.

3 Significant accounting policies (cont'd)

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

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

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".

3.6 Leases

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.

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 right-of use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

3 Significant accounting policies (cont'd)

3.6 Leases (cont'd)

As a lessee (cont'd)

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.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

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.

COVID-19-related rent concessions

The Group has applied COVID-19-Related Rent Concessions – Amendment to SFRS(I) 16. The Group applies the practical expedient allowing it not to access whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

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.

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.

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 Significant accounting policies (cont'd)

3.12 Government grants

An unconditional government grant is recognised in profit or loss as 'other income' when the grant becomes receivable.

Other government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. These grants are then recognised in profit or loss as 'other income' on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

3.13 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.

3.14 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)

3.14 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 tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

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.

3.15 Earnings per share

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

3.16 Segment reporting

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

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

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

3 Significant accounting policies (cont'd)

3.17 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 2020 and earlier application is permitted; however, other than the amendments mentioned in the note 2.5, 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.

- SFRS(I) 17 *Insurance Contracts*
- *Classification of Liabilities as Current or Non-current (Amendments to SFRS(I) 1-1)*
- *Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to SFRS(I) 10 and SFRS(I) 1-28)*
- *Reference to the Conceptual Framework (Amendments to SFRS(I) 3)*
- *Property, Plant and Equipment – Proceeds before Intended Use (Amendments to SFRS(I) 16)*
- *Onerous Contracts – Costs of Fulfilling a Contract* (Amendments to SFRS(I) 1-37)
- *Annual Improvements to SFRS(I)s 2018 – 2020*

4 Exploration and evaluation assets

	Note	Group 2020 US$	Group 2019 US$
At 1 January		9,200,562	9,843,698
Expenditure incurred during the year		207,982	1,270,203
Expenditure transferred to mine properties	5	–	(1,955,977)
Allowance for impairment		(3,835,503)	–
Others		(39,328)	–
Effect of movement in exchange rate		(4,972)	42,638
At 31 December		5,528,741	9,200,562

In 2019, the Group reclassified the exploration and evaluation assets to mine properties when the technical feasibility and commercial viability of extracting the resource are demonstrable and sanctioned by management.

4 Exploration and evaluation assets (cont'd)

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)).

The movement in the allowance for impairment of exploration and evaluation assets during the year was as follows:

	Group	
	2020	**2019**
	US$	**US$**
At 1 January	–	–
Impairment loss recognised	3,835,503	–
At 31 December	3,835,503	–

The impairment losses were recognised for certain exploration and evaluation assets in light of the uncertainties pertaining to the renewal of the expired licenses of a subsidiary, CNMC Pulai Mining Sdn. Bhd. ("CNMC Pulai"). Given the uncertainties, such exploration and evaluation assets, are not expected to be recoverable and are fully impaired.

5 Mine properties

	Note	Mining rights US$	Producing mines US$	Total US$
Group				
Cost				
At 1 January 2019		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
Additions		–	462,191	462,191
Reclassification		(240,900)	(96,578)	(337,478)
At 31 December 2020		6,936,490	20,224,855	27,161,345
Accumulated amortisation				
At 1 January 2019		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
Amortisation charge for the year		377,592	441,006	818,598
At 31 December 2020		2,179,206	9,015,162	11,194,368
Carrying amounts				
At 1 January 2019		5,628,389	8,443,314	14,071,703
At 31 December 2019		5,375,776	11,285,086	16,660,862
At 31 December 2020		4,757,284	11,209,693	15,966,977

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 for the Sokor project 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$	Right-of-use assets US$	Total US$
Cost							
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	–	–	–	–	–	241,412	241,412
Additions	25,488	624,287	–	129,917	6,669,629	10,129	7,459,450
Disposals/Written off	–	–	–	(18,487)	–	(1,684)	(20,171)
Reclassification	777,850	218,059	–	56,621	(1,052,530)	–	–
Effect of movement in exchange rate	69	1,127	625	1,311	–	147	3,279
At 31 December 2019	12,371,181	13,689,362	264,716	2,089,050	6,819,740	250,004	35,484,053
At 1 January 2020	12,371,181	13,689,362	264,716	2,089,050	6,819,740	250,004	35,484,053
Additions	–	8,988	–	–	713,963	–	722,951
Disposals/Written off	–	(3,401)	–	(6,755)	(6,523)	–	(16,679)
Reclassification	4,075,127	188,288	–	–	(4,263,415)	–	–
Effect of movement in exchange rate	112	1,863	1,031	2,166	–	244	5,416
At 31 December 2020	16,446,420	13,885,100	265,747	2,084,461	3,263,765	250,248	36,195,741
Accumulated depreciation							
At 1 January 2019	5,424,402	7,522,928	257,707	1,564,885	–	–	14,769,922
Depreciation charge for the year	1,528,227	1,614,175	3,407	180,181	–	119,243	3,445,233
Disposals/Written off	–	–	–	(18,487)	–	(1,684)	(20,171)
Effect of movement in exchange rate	25	1,000	623	1,310	–	53	3,011
At 31 December 2019	6,952,654	9,138,103	261,737	1,727,889	–	117,612	18,197,995
Depreciation charge for the year	1,512,591	1,508,741	2,979	203,608	–	119,157	3,347,076
Disposals/Written off	–	(3,401)	–	(6,755)	–	–	(10,156)
Effect of movement in exchange rate	95	1,869	1,031	2,165	–	360	5,520
At 31 December 2020	8,465,340	10,645,312	265,747	1,926,907	–	237,129	21,540,435
Carrying amounts							
At 1 January 2019	6,143,372	5,322,961	6,384	354,803	1,202,641	–	13,030,161
At 31 December 2019	5,418,527	4,551,259	2,979	361,161	6,819,740	132,392	17,286,058
At 31 December 2020	7,981,080	3,239,788	–	157,554	3,263,765	13,119	14,655,306

6 Property, plant and equipment (cont'd)

The depreciation for the year is analysed as follows:

	Note	Group 2020 US$	Group 2019 US$
Depreciation for the year		3,347,076	3,445,233
Depreciation included in construction work in progress, and exploration and evaluation assets		(21,982)	(132,153)
Depreciation charged to profit or loss	23	3,325,094	3,313,080

Company	Plant and equipment US$	Fixtures and fittings US$	Motor vehicles US$	Right-of-use assets US$	Total US$
Cost					
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	–	–	–	203,724	203,724
Additions	5,433	–	–	10,129	15,562
Disposals/Written off	–	–	–	(1,684)	(1,684)
At 31 December 2019	37,172	173,667	173,712	212,169	596,720
At 1 January 2020	37,172	173,667	173,712	212,169	596,720
Additions	–	–	–	–	–
Disposals/Written off	–	–	–	–	–
At 31 December 2020	37,172	173,667	173,712	212,169	596,720
Accumulated depreciation					
At 1 January 2019	22,951	172,166	48,253	–	243,370
Depreciation charge for the year	5,591	529	57,904	103,042	167,066
Disposals/Written off	–	–	–	(1,684)	(1,684)
At 31 December 2019	28,542	172,695	106,157	101,358	408,752
Depreciation charge for the year	4,581	530	57,903	103,046	166,060
Disposals/Written off	–	–	–	–	–
At 31 December 2020	33,123	173,225	164,060	204,404	574,812
Carrying amounts					
At 1 January 2019	8,788	1,501	125,459	–	135,748
At 31 December 2019	8,630	972	67,555	110,811	187,968
At 31 December 2020	4,049	442	9,652	7,765	21,908

As at 31 December 2020, property, plant and equipment of the Group and the Company includes right-of-use assets of US$13,119 and US$7,765 (2019: US$132,392 and US$110,811) respectively related to leased offices and office equipment.

7 Interests in subsidiaries

	Company	
	2020	2019
	US$	US$
Equity investments at cost	12,238,979	12,238,979
Allowance for impairment	(3,904,756)	(788,716)
	8,334,223	11,450,263

Impairment loss

Following the impairment of certain evaluation and exploration assets held by CNMC Pulai (Note 4), the Company performed an assessment of the recoverable amount of its cost of investment in CNMC Pulai, based on the higher of the value-in-use and the fair value (less cost to sell) of the investment. Given the uncertainties of the affected licenses, as well as the financial position of CNMC Pulai, no recoverable amount from the investment is expected to be derived. Accordingly, an impairment loss of $3,116,040 (2019: $Nil) was recognised on the investment.

The impairment loss was recognised in other operating expenses in profit or loss.

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

	Company	
	2020	2019
	US$	US$
At 1 January	788,716	788,716
Impairment loss recognised	3,116,040	–
At 31 December	3,904,756	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	
			2020	2019
			%	%
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

7 Interests in subsidiaries (cont'd)

Company name	Principal activities	Principal place of business/ Country of incorporation	Effective equity held by the Group	
			2020	2019
			%	%
Held by the Company				
[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	51
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 Limited.

8 Deferred tax assets

Recognised deferred tax assets

Deferred tax assets are attributable to the following:

	Group	
	2020	2019
	US$	US$
Property, plant and equipment and mine properties	613,247	(80,126)
Rehabilitation obligations	90,348	330,094
	703,595	249,968

8 Deferred tax assets (cont'd)

Movement in temporary differences during the year

	At 1 January 2019 US$	Recognised in profit or loss (note 26) US$	At 31 December 2019 US$	Recognised in profit or loss (note 26) US$	At 31 December 2020 US$
Group					
Property, plant and equipment and mine properties	(490,544)	410,418	(80,126)	693,373	613,247
Rehabilitation obligations	288,455	41,639	330,094	(239,746)	90,348
Deferred tax (liabilities)/assets	(202,089)	452,057	249,968	453,627	703,595

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	
	2020 US$	2019 US$
Unutilised tax losses	4,900,369	4,740,805
Unabsorbed capital allowances	285,848	264,515
	5,186,217	5,005,320

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	
	2020 US$	2019 US$
Work in progress/Stockpile	1,220,164	1,009,455
Consumables	750,840	860,673
	1,971,004	1,870,128

In 2020, work in progress, stockpile and consumables recognised as an expense in profit or loss amounted to US$17,114,373 (2019: US$21,651,335).

11 Trade and other receivables

	Group		Company	
	2020 US$	2019 US$	2020 US$	2019 US$
Trade receivables	2,319,925	236,631	–	–
Amounts due from subsidiaries				
- trade	–	–	6,409,574	6,990,486
- non-trade	–	–	4,031,420	5,777,279
Other receivables	1,083,475	1,138,356	17,982	6,283
Deposits	110,672	114,250	18,890	18,471
	3,514,072	1,489,237	10,477,866	12,792,519
Prepayments	71,587	18,743	16,146	18,743
	3,585,659	1,507,980	10,494,012	12,811,262

The outstanding trade receivables are not past due as at 31 December 2020. 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 3.25% (2019: 3.89%) per annum. Impairment loss of US$109,396 (2019: US$Nil) has been recognised on non-trade amounts due from a subsidiary.

The Group and the Company's exposure to credit and currency risks are disclosed in note 35.

12 Cash and cash equivalents

	Group		Company	
	2020 US$	2019 US$	2020 US$	2019 US$
Cash at banks and in hand	2,499,290	3,669,813	47,789	175,166
Fixed deposits	8,757,529	12,346,648	–	–
Cash and cash equivalents in the statements of financial position/statements of cash flows	11,256,819	16,016,461	47,789	175,166

Fixed deposits have stated interest rates of 2.04% to 2.10% (2019: 3.3% to 3.8%) per annum.

13 Share capital

	Group and Company	
	2020 Number of shares	2019 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.

13 Share capital (cont'd)

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 2019 and 2020.

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 Reserves

	Group		Company	
	2020	2019	2020	2019
	US$	US$	US$	US$
Capital reserve	3,111,892	3,111,892	(13,860)	(13,860)
Translation reserve	(29,698)	29,608	–	–
	3,082,194	3,141,500	(13,860)	(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.

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.

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.

15 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	
			2020	2019
			%	%
CMNM Mining Group Sdn. Bhd.	Malaysia	Gold mining	19	19

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 2020				
Revenue	23,876,916			
Loss and total comprehensive loss for the year	(649,962)			
Attributable to NCI:				
- Loss for the year	(123,493)	(1,125,928)	–	(1,249,421)
- Other comprehensive loss for the year	–	(42,284)	–	(42,284)
- Total comprehensive loss for the year	(123,493)	(1,168,212)	–	(1,291,705)
Non-current assets	34,152,419			
Current assets	15,619,544			
Non-current liabilities	(2,280,927)			
Current liabilities	(10,738,644)			
Net assets	36,752,392			
Net assets attributable to NCI	7,149,083	(1,061,366)	–	6,087,717

15 Non-controlling interests (cont'd)

	CMNM Mining US$	Other individually immaterial subsidiaries US$	Intra-group elimination US$	Total US$
Group				
31 December 2020				
Cash flows generated from operating activities	6,099			
Cash flows used in investing activities	(833,468)			
Cash flows used in financing activities (dividends to NCI: US$526,900)	(3,538,763)			
Net decrease in cash and cash equivalents	(4,366,132)			
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 Loans and borrowings

	Group		Company	
	2020	2019	2020	2019
	US$	US$	US$	US$
Non-current				
Lease liabilities	109,722	174,139	6,670	8,390
Convertible loan	612,678	602,046	–	–
	722,400	776,185	6,670	8,390
Current				
Lease liabilities	67,501	186,215	1,876	105,406
Total loans and borrowings	789,901	962,400	8,546	113,796

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	Carrying amount
		%		US$	US$
Group					
At 31 December 2020					
Lease liabilities	Ringgit Malaysia ("RM")	2.3% to 3.1%	2021 to 2024	180,125	168,677
Lease liabilities	Singapore Dollars ("SGD")	11.0%	2024	10,421	8,546
Convertible loan	RM	5.0%	2022	612,678	612,678
				803,224	789,901
At 31 December 2019					
Lease liabilities	RM	2.3% to 3.1%	2021 to 2024	267,257	246,558
Lease liabilities	SGD	3.0% to 11.0%	2020 to 2024	118,386	113,796
Convertible loan	RM	5.0%	2022	602,046	602,046
				987,689	962,400
Company					
At 31 December 2020					
Lease liabilities	SGD	11.0%	2024	10,421	8,546
At 31 December 2019					
Lease liabilities	SGD	3.0% to 11.0%	2020 to 2024	118,386	113,796

Convertible loan

	Group	
	2020	2019
	US$	US$
Carrying amount of liability at 1 January	602,046	595,618
Effect of movement in exchange rate	10,632	6,428
Carrying amount of liability at 31 December	612,678	602,046

16 Loans and borrowings (cont'd)

Convertible loan (cont'd)

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).

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		
	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

16 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 2020	360,354	602,046	27,516	534,482	23,595,320	7,380,123	32,499,841
Changes from financing cash flows							
Dividends paid to equity holders of the Company	–	–	–	–	(1,732,858)	–	(1,732,858)
Dividends paid to preference shares holder and non-controlling interests	–	–	–	(585,577)	–	–	(585,577)
Payment of lease liabilities	(182,010)	–	–	–	–	–	(182,010)
Total changes from financing cash flows	(182,010)	–	–	(585,577)	(1,732,858)	–	(2,500,445)
The effect of changes in foreign exchange rates	(1,121)	10,632	485	(9,751)	–	(42,284)	(42,039)
Other changes							
Liability-related							
Dividend payable	–	–	–	64,564	–	–	64,564
Total liability-related other changes	–	–	–	64,564	–	–	64,564
Total equity-related other changes	–	–	–	–	(3,538,026)	(1,250,122)	(4,788,148)
Balance at 31 December 2020	177,223	612,678	28,001	3,718	18,324,436	6,087,717	25,233,773

17 Derivative financial instrument

	Group	
	2020	2019
	US$	US$
At 1 January	27,516	27,222
Effect of movement in exchange rate	485	294
At 31 December	28,001	27,516

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

18 Rehabilitation obligations

	Group	
	2020	2019
	US$	US$
Rehabilitation obligations	2,177,875	2,047,695

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.

19 Trade and other payables

	Group		Company	
	2020	2019	2020	2019
	US$	US$	US$	US$
Trade payables	976,015	742,298	17,237	9,153
Other payables	6,188	1,132	–	–
Amount due to a subsidiary (non-trade)	–	–	6,481,251	5,703,900
Amounts due to contractors	1,294,975	1,396,315	–	–
Accrued operating expenses	3,590,471	3,337,561	118,281	204,428
Remuneration and fees payable to key management	28,694	1,273,222	–	876,306
	5,896,343	6,750,528	6,616,769	6,793,787

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 35.

20 Deferred income

	Group		Company	
	2020	2019	2020	2019
	US$	US$	US$	US$
Government grants	13,569	–	13,569	–

The Group has received government grants during the year – Job Support Schemes ("JSS") that is meant to provide wage support to employers to help them retain their local employees and rental reliefs to recover from the impact of COVID-19 pandemic. These grants were recognised in profit or loss and presented in 'other income' when it became receivable (see Note 22). JSS and rental reliefs recognised in profit and loss during the year amounted to US$112,221 and US$17,116 respectively.

21 Revenue

	Group	
	2020	2019
	US$	US$
Revenue from contracts with customers	23,876,916	39,098,825

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	
	2020	2019
	US$	US$
Grant income	138,472	–
Gain on disposal on property, plant and equipment	1,204	6,647
Net foreign exchange gain	–	151,092
Others	43,434	99,170
	183,110	256,909

23 Amortisation and depreciation

	Note	Group	
		2020	2019
		US$	US$
Amortisation of mine properties	5	818,598	1,380,106
Depreciation of property, plant and equipment	6	3,325,094	3,313,080
		4,143,692	4,693,186

24 Other expenses

	Group	
	2020 US$	2019 US$
Net foreign exchange loss	68,391	–
Plant and equipment written off	6,523	–
Others	1,022	6,922
Impairment losses on exploration and evaluation assets (see Note 4)	3,835,503	–
	3,911,439	6,922

25 Finance income and costs

	Group	
	2020 US$	2019 US$
Finance income		
Interest income on cash and cash equivalents	317,457	556,136
Finance costs		
Interest expenses on lease liabilities	(11,903)	(15,061)
Interest expenses on convertible loan	(80,191)	(74,544)
Interest expenses on unwinding of discount on rehabilitation obligations	(74,554)	–
	(166,648)	(89,605)
Net finance income recognised in profit or loss	150,809	466,531

26 Tax (credit)/expense

	Note	Group	
		2020 US$	2019 US$
Current tax expense			
Current year		249,445	2,551,322
Adjustment for prior years		14,259	(697,380)
		263,704	1,853,942
Deferred tax expense			
Origination and reversal of temporary differences		(203,982)	(481,797)
Adjustment for prior years		(249,645)	29,740
	8	(453,627)	(452,057)
Total tax (credit)/expense		(189,923)	1,401,885

26 Tax (credit)/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	
	2020	2019
	US$	US$
Reconciliation of effective tax rate		
(Loss)/Profit for the year	(4,784,459)	5,472,450
Total tax (credit)/expense	(189,923)	1,401,885
(Loss)/Profit excluding tax	(4,974,382)	6,874,335
Tax using Malaysian tax rate of 24% (2019: 24%)	(1,193,852)	1,649,840
Effect of tax rates in foreign jurisdictions	254,787	58,398
Tax exempt income	(16,133)	(16,966)
Non-deductible expenses	887,769	143,251
Under/(Over) provision in respect of prior years:		
- current tax expense	14,259	(697,380)
- deferred tax expense	(249,645)	29,740
Withholding tax	94,244	151,624
Current year losses for which no deferred tax asset is recognised	43,415	151,701
Others	(24,767)	(68,323)
	(189,923)	1,401,885

As at 31 December 2020, the net current tax asset and deferred tax assets are US$86,512 (2019: US$989,724) and US$703,595 (2019: US$249,968) respectively.

27 (Loss)/Profit for the year

The following items have been included in arriving at (loss)/profit for the year:

	Group	
	2020	2019
	US$	US$
Audit fees paid/payable to:		
- auditors of the Company	73,960	82,643
- other auditors	49,092	47,626
Non-audit fees paid/payable to:		
- auditors of the Company	567	4,743
- other auditors	17,617	27,605
Employee benefits expense		
Contributions to defined contribution plans	298,935	385,491

28 Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 31 December 2020 was based on the (loss)/profit attributable to ordinary shareholders of US$3,535,038 (2019: US$4,440,330) and a weighted-average number of ordinary shares outstanding of 407,693,000 (2019: 407,693,000).

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

	Group	
	2020	2019
	No. of shares	No. of shares
Issued number of ordinary shares	407,693,000	407,693,000
Effect of own shares held	–	–
Weighted-average number of ordinary shares during the year	407,693,000	407,693,000

Diluted earnings per share

There were no dilutive potential ordinary shares in existence for the financial years ended 31 December 2020 and 2019.

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	
	2020	2019
	US$	US$
Paid by the Company to owners of the Company		
Dividends on ordinary shares:		
- Final dividends for the year ended 2019: S$0.00200 (equivalent to US$0.00142) (2018: S$0.00200 (equivalent to US$0.00147)) per ordinary share	577,619	598,901
- Special dividends for the year ended 2019: S$0.00400 (equivalent to US$0.00284) (2018: S$Nil (equivalent to US$Nil)) per ordinary share	1,155,239	–
- First interim dividends for the year ended 2020: S$Nil (equivalent to US$Nil) (2019: S$0.00200 (equivalent to US$0.00147)) per ordinary share	–	598,575
	1,732,858	1,197,476

For the year ended 31 December	Group	
	2020	2019
	US$	US$
Payable by subsidiaries to non-controlling interests		
Dividends on ordinary shares:		
- Interim dividends for the year ended 2020: RM Nil (equivalent to US$Nil) (2019: RM5,030.00 (equivalent to US$1,201.4419)) per ordinary share	–	739,257
Dividends on preference shares:		
- Preference dividends for the year ended 2020: RM1.00 (equivalent to US$0.2459) (2019: RM31.00 (equivalent to US$7.4014)) per preference share	701	21,094
	701	760,351

29 Dividends (cont'd)

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	
	2020	2019
	US$	US$
Payable by the Company to owners of the Company		
- Final dividends for the year ended 2020: S$Nil (equivalent to US$Nil) (2019: S$0.00200 (equivalent to US$0.001483)) per ordinary share	–	604,437
- Special dividends for the year ended 2020: S$Nil (equivalent to US$Nil) (2019: S$0.00400 (equivalent to US$0.002965)) per ordinary share	–	1,208,875
	–	1,813,312

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.

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 2020				
Revenue from external customers	23,876,916	–	–	23,876,916
Interest income	283,974	104,280	(70,797)	317,457
Management fee	900,530	2,047,945	(2,948,475)	–
Interest expense	(234,764)	(2,681)	70,797	(166,648)
Amortisation and depreciation	(3,977,632)	(166,060)	–	(4,143,692)
Reportable segment loss before tax	(3,308,025)	(4,471,403)	2,805,046	(4,974,382)

30 Operating segments (cont'd)

Information about reportable segments (cont'd)

	Gold mining US$	Other operations US$	Inter-segment eliminations US$	Total US$
Group				
31 December 2020				
Reportable segment assets	52,696,355	32,204,395	(31,136,421)	53,764,329
Capital expenditure*	1,454,810	1,176	(62,862)	1,393,124
Reportable segment liabilities	(19,470,040)	(14,477,144)	25,008,640	(8,938,544)
31 December 2019				
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)

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

Reconciliation of reportable segment assets and liabilities

	Group	
	2020 US$	2019 US$
Assets		
Total assets for reportable segments	53,764,329	63,214,353
Unallocated assets	703,595	249,968
Consolidated total assets	54,467,924	63,464,321
Liabilities		
Total liabilities for reportable segments	(8,938,544)	(11,312,345)
Unallocated liabilities	–	–
Consolidated total liabilities	(8,938,544)	(11,312,345)

Geographical segments

The operations of the Group are principally located in Malaysia.

Major customer

There is one (2019: one) major customer which accounts for 100% (2019: 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 Group is entitled to rental reliefs under the Rental Relief Framework. The Group applied practical expedient for COVID-19-related rent concessions consistently to eligible rent concessions relating to its office lease. The amount recognised in profit or loss for the reporting period to reflect changes in lease payments arising from rent concessions to which the Company has applied practical expedient for COVID-19-related concessions is US$17,116.

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.

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 2020 US$	Office equipment 2020 US$	Total 2020 US$
Group			
Balance at 1 January	122,601	9,791	132,392
Depreciation charge for the year	(117,131)	(2,026)	(119,157)
Effect of movement in exchange rate	(116)	–	(116)
Balance at 31 December	5,354	7,765	13,119
Company			
Balance at 1 January	101,020	9,791	110,811
Depreciation charge for the year	(101,020)	(2,026)	(103,046)
Balance at 31 December	–	7,765	7,765

	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

31 Leases (cont'd)

Amounts recognised in profit or loss

	Group	
	2020	2019
	US$	US$
Leases under SFRS(I) 16		
Interest on lease liabilities	11,903	15,061
Expenses relating to short-term leases	1,924,956	1,911,323

Amounts recognised in statement of cash flows

	Group	
	2020	2019
	US$	US$
Total cash outflow for leases	182,010	187,054

32 Commitments

Capital commitments

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

	Group	
	2020	2019
	US$	US$
Property, plant and equipment	593,936	602,504
Exploration and evaluation assets, and mine properties	451,800	540,000

33 Contingent liability

In November 2020, the Kelantan State Government had, during the second renewal of Mining Lease of feldspar, requested CNMC Pulai Mining Sdn. Bhd. ("CNMC Pulai") for an alleged outstanding royalty payment amounting to US$698,116 (equivalent to RM2,817,255) in relation to the period from December 2015 to September 2020 (the "claim"). CNMC Pulai is still liaising with the Kelantan State Government pertaining to the claim, the outcome of which are not presently determinable. CNMC Pulai has also reviewed its relevant documents and consulted its legal counsel and concluded that due to the nature of the claim, the potential outcome and obligation is uncertain. No provisions have been recorded in this regard.

34 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.

34 Related parties (cont'd)

Key management personnel compensation (cont'd)

Key management personnel compensation comprised:

	Group	
	2020	2019
	US$	US$
Short-term employee benefits	1,403,531	2,960,207
Post-employment benefits	52,170	91,480
Directors' fees	137,482	140,573
	1,593,183	3,192,260

Included in key management personnel compensation is remuneration of certain directors of the Company amounting to US$1,167,515 (2019: US$2,473,213). Director's remuneration includes salaries, bonuses, fees and other emoluments.

35 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.

35 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 (2019: 1 debtor) that represents 100% (2019: 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			
	2020		2019	
	Not credit-impaired US$	Credit-impaired US$	Not credit-impaired US$	Credit-impaired US$
Customer with four or more years' trading history with the Group	2,319,925	–	236,631	–
Total gross carrying amount	2,319,925	–	236,631	–
Loss allowance	–	–	–	–
	2,319,925	–	236,631	–

	Company			
	2020		2019	
	Not credit-impaired US$	Credit-impaired US$	Not credit-impaired US$	Credit-impaired US$
Subsidiaries	6,409,574	–	6,990,486	–
Total gross carrying amount	6,409,574	–	6,990,486	–
Loss allowance	–	–	–	–
	6,409,574	–	6,990,486	–

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.

35 Financial instruments (cont'd)

Credit risk (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	Impairment loss allowance	Credit impaired
		US$	US$	
2020				
Current (not past due)	0%	2,319,925	–	No
2019				
Current (not past due)	0%	236,631	–	No

	Company			
	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Credit impaired
		US$	US$	
2020				
Current (not past due)	0%	202,781	–	No
1 – 30 days past due	0%	192,416	–	No
31 – 60 days past due	0%	128,947	–	No
61 – 90 days past due	0%	90,139	–	No
More than 90 days past due	0%	5,795,291	–	No
		6,409,574	–	
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	–	

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.

35 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 US$	Contractual cash flows US$	Within 1 year US$	Within 1 to 5 years US$	More than 5 years US$
Group					
At 31 December 2020					
Non-derivative financial liabilities					
Convertible loan	612,678	(825,794)	(38,409)	(787,385)	–
Lease liabilities	177,223	(190,545)	(74,401)	(116,144)	–
Trade and other payables	5,896,343	(5,896,343)	(5,896,343)	–	–
Dividends payable	3,718	(3,718)	(3,718)	–	–
	6,689,962	(6,916,400)	(6,012,871)	(903,529)	–
At 31 December 2019					
Non-derivative financial liabilities					
Convertible loan	602,046	(849,207)	(37,743)	(811,464)	–
Lease liabilities	360,354	(385,643)	(198,414)	(187,229)	–
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)	–
Company					
At 31 December 2020					
Non-derivative financial liabilities					
Lease liabilities	8,546	(10,421)	(2,718)	(7,703)	–
Trade and other payables	6,616,769	(6,616,769)	(6,616,769)	–	–
	6,625,315	(6,627,190)	(6,619,487)	(7,703)	–
At 31 December 2019					
Non-derivative financial liabilities					
Lease liabilities	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)	–

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.

35 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 2020			
Loans and receivables	36,872	–	3,414,431
Cash and cash equivalents	91,539	–	11,148,813
Loans and borrowings	(8,546)	–	(781,355)
Trade and other payables	(127,817)	(3,910)	(4,127,033)
Net financial (liabilities)/assets	(7,952)	(3,910)	9,654,856
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	–	–	(630,466)
Net currency exposure	(7,952)	(3,910)	9,024,390
Sensitivity analysis	795	391	(902,439)
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)

35 Financial instruments (cont'd)

Exposure to currency risk (cont'd)

	SGD US$	HKD US$	MYR US$
Company			
At 31 December 2020			
Loans and receivables	757,015	–	2,629,504
Cash and cash equivalents	44,668	–	–
Loans and borrowings	(8,546)	–	–
Trade and other payables	(5,489,380)	–	(705,779)
Net financial assets	(4,696,243)	–	1,923,725
Less: Net financial assets denominated in the respective entities' functional currencies	–	–	–
Net currency exposure	(4,696,243)	–	1,923,725
Sensitivity analysis	469,624	–	192,373
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)

A 10% strengthening of USD against the SGD, HKD and MYR at the respective reporting dates would increase/(decrease) profit or loss 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.

35 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 2020								
Financial assets not measured at fair value								
Trade and other receivables*	11	3,514,072	–	3,514,072				
Cash and cash equivalents	12	11,256,819	–	11,256,819				
		14,770,891	–	14,770,891				
Financial liabilities measured at fair value								
Derivative financial instrument	17	–	(28,001)	(28,001)	–	–	(28,001)	(28,001)
Financial liabilities not measured at fair value								
Convertible loan	16	–	(612,678)	(612,678)	–	(768,957)	–	(768,957)
Trade and other payables	19	–	(5,896,343)	(5,896,343)				
Dividends payable		–	(3,718)	(3,718)				
		–	(6,512,739)	(6,512,739)				
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	17	–	(27,516)	(27,516)	–	–	(27,516)	(27,516)
Financial liabilities not measured at fair value								
Convertible loan	16	–	(602,046)	(602,046)	–	(466,363)	–	(466,363)
Trade and other payables	19	–	(6,750,528)	(6,750,528)				
Dividends payable		–	(534,482)	(534,482)				
		–	(7,887,056)	(7,887,056)				

35 Financial instruments (cont'd)

Accounting classifications and fair values (cont'd)

		Carrying amount			Fair value			
	Note	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		US$	US$	US$	US$	US$	US$	US$
Company								
At 31 December 2020								
Financial assets not measured at fair value								
Trade and other receivables*	11	10,477,866	–	10,477,866				
Cash and cash equivalents	12	47,789	–	47,789				
		10,525,655	–	10,525,655				
Financial liability not measured at fair value								
Trade and other payables	19	–	(6,616,769)	(6,616,769)				
		–	(6,616,769)	(6,616,769)				
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	19	–	(6,793,787)	(6,793,787)				
		–	(6,793,787)	(6,793,787)				

* Excluded prepaid expenses of US$71,587 (2019: US$18,743) and US$16,146 (2019: US$18,743) 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.

35 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			
At 31 December 2020			
Derivative financial instrument	*Net asset value:* The valuation model considers the equity value of the subsidiary.	• Equity value of CNMC Pulai	The estimated fair value would increase (decrease) if the equity value was higher (lower).
At 31 December 2019			
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% in 2019.	The estimated fair value would increase (decrease) if the risk-adjusted discount rate was lower (higher).

Change in valuation technique

The change in valuation technique during the year was due to the inability by the valuation specialist to assess the reasonableness of the future cash flows or the implied value of the subsidiary adequately.

Financial instruments not measured at fair value

Type	Valuation technique
Group	
Convertible loan	*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

Derivative financial instrument

At 31 December 2019, a 1% increase of risk-adjusted discount rate at the reporting date would increase/(decrease) profit or loss before tax by US$483, on the basis that all other variables remain constant.

CNMC Goldmine Holdings Limited Independent Qualified Persons' Report as at 31 December 2020

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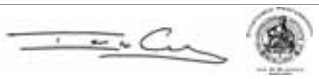
Principal Reviewer:	Ian Glacken *BSc (Hons) (Geology), MSc (Geology), MSc (Geostatistics), DIC, FAusIMM(CP), FAIG, MIMMM, CEng*	Signature:	
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5 April 2021

Our Ref: J_2651

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

Dear Sirs,

INDEPENDENT QUALIFIED PERSONS' REPORT AS AT 31 DECEMBER 2020

At the request of CNMC Goldmine Holdings Limited (CNMC or the Group), 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' and Practice Note 4c. The Mineral Resources at the Sokor Project (Rixen, Manson's Lode, New Discovery, New Found, Ketubong and Sg Amang deposits) and at the Pulai Feldspar Project, and the Ore Reserves at the Sokor Project (Rixen, Manson's Lode, New Found and Ketubong deposits) 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 14 diamond drillholes (for a total of 1,528.85 m) at Manson's Lode and New Found, 972 grade control holes (for a total of 6,666.5 m) and 42 underground face samples at Ketubong collected by CNMC during 2020, since CNMC's previous (31 December 2019) 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. The Mineral Resources at Rixen, Ketubong, Manson's Lode, New Discovery and New Found have been depleted for mining to 31 December 2020. Neither drilling nor mining was undertaken at the Sg Amang deposit during 2020 and the Mineral Resources at Sg Amang have not been updated since 31 December 2019.

Ore Reserve estimates have been updated for Rixen, New Found, Manson's Lode and Ketubong. CNMC has mined ore from Rixen, Ketubong, Manson's Lode, New Discovery and New Found during 2020. The Mineral Resources and Ore Reserves at Rixen, Ketubong, Manson's Lode and New Found have been

depleted for mining to 31 December 2020. Open pit mining at New Discovery was completed in June 2020 and CNMC is investigating alternative mining methods to extract the remnant ore.

KELGOLD PROJECT

The Kelgold Project comprises a 100% owned right to explore for gold, iron ore and other minerals over an area of approximately 11 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. No material exploration work was completed during the year at the Kelgold Project due to constraints associated with the Covid-19 outbreak. CNMC considers that its Kelgold acquisition has significant potential based on the geological information available and offers a strategic synergy with the Group's existing Sokor Project due to its proximity. 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 mining licenses with a combined license area of 7.2 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, particularly along the Galas River. Feldspar mining, conducted by the subcontractor, has also been occurring up till September 2020 and commenced prior to CNMC's involvement. Total alluvial gold production has been in the order of 260 kg and approximately 500,000 tonnes of feldspar product 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.

No material exploration work was completed during the year at the CNMC Pulai Project due to constraints associated with the Covid-19 outbreak. CNMC, however, completed mineral processing testing on the feldspar product with a view to reduce the iron content.

INDEPENDENT QUALIFIED PERSONS' REPORT

Optiro has prepared this document in support of CNMC's Annual Report for the year 2020. 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 2020 for incorporation into CNMC's Annual Report for the Year 2020; 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 2020. 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 are 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 for a review, including of the underground operations at Ketubong. CNMC provided Optiro with the drillhole logging, assay and survey data for the drilling undertaken at Rixen, Manson's Lode, New Discovery and New Found during 2020 and updated topographical data and production data for mining undertaken during 2020.

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 Manson's Lode and New Discovery since 2011, at Rixen from 2012, at New Found from 2016 and at Ketubong since 2017. During 2020 open pit mining was undertaken at Rixen, Manson's Lode, New Discovery and New Found, and underground mining was undertaken at Ketubong. Optiro has updated the Mineral Resource models at Manson's Lode and New Found using the additional data from drilling undertaken during 2020 and has updated the Mineral Resource model at Rixen using grade control data obtained during 2020. The underground Mineral Resource at Ketubong has been updated using additional face sampling data obtained during 2020. Neither drilling nor mining was undertaken at the Sg Amang deposit during 2020 and the Mineral Resources at Sg Amang have not been updated since 31 December 2019.

Optiro has updated the open pit Ore Reserve estimates at Rixen, New Found and Manson's Lode, and the underground Ore Reserve at Ketubong. The Mineral Resource and Ore Reserve estimates have been depleted for all mining to 31 December 2020. Open pit mining at New Discovery was completed in June 2020 and CNMC is investigating alternative mining methods to extract the remnant ore. Ore Reserves have not been reported for New Discovery.

Optiro notes that all exploration, mining and processing activities at Sokor were suspended from 18 March 2020 to 5 May 2020 due to movement control orders placed by the Malaysian Government in response to the Covid-19 outbreak. Furthermore, underground mining and development was halted from January 2020 as the Chinese underground workforce who returned home to China for Chinese New Year celebrations could not return back to Malaysia due to travel restrictions imposed by the Malaysian Federal Government

in the wake of the Covid-19 outbreak. Underground mining and development did not recommence until mid-October 2020.

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

Mining at Rixen during 2020 extracted 2,028 kt of ore for the production of 4,332 ounces of gold via heap leach extraction, which was ongoing as at 31 December 2020. Mining at New Found, New Discovery, Ketubong and Manson's Lode during 2020 extracted 120 kt of ore for the production of 359 ounces of gold via vat leach extraction, which was ongoing as at 31 December 2020. Mining at New Found, New Discovery, Ketubong and Manson's Lode extracted 157 kt of ore for the production of 8,223 ounces of gold via a Carbon in Leach (CIL) extraction. Mining at New Discovery was completed during the year and the Company is investigating ways to extract remnant mineralisation.

MINERAL RESOURCE AND ORE RESERVE TABULATION

The Mineral Resource estimate, as at 31 December 2020, 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 2020. The Mineral Resources have been reported above a 0.5 g/t gold cut-off grade at

Manson's Lode and for the transitional and fresh rock at New Discovery and New Found, above a 1.0 g/t gold cut-off grade at Ketubong, 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 2020, 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, above a 1.0 g/t gold cut-off grade at Ketubong, and above a 0.5 g/t gold cut-off grade at Manson's Lode, and at New Discovery, New Found for transitional and fresh rock) is 18,160 kt at 1.5 g/t gold for 890,000 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. 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 2019, were 16,320 kt at 1.7 g/t gold, with contained gold of 900,000 ounces. After depletion for mining at Rixen, New Discovery, New Found, Manson's Lode and Ketubong and resource extension through additional drilling and face sampling the December 2020 Mineral Resource represents an overall decrease of approximately 1% in contained gold.

The Manson's Lode Mineral Resource also contains silver, lead and zinc, and additional lead and silver resources have been defined at Sg Amang. As at 31 December 2019 this was 1,720 kt with an average grade of 61 g/t silver, 2.1% lead and 2.5% zinc. With the additional drilling at Manson's Lode the total resource for the silver, lead and zinc mineralisation, as at 31 December 2020, is 1,940 kt with an average grade of 54 g/t silver, 2.4% lead and 2.5% zinc. This represents an increase of 1% in contained silver, 27% in contained lead and 12% 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 2020 (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	0.69	1.7	40	0.56	1.7	30	15%
Indicated	Gold	9.98	1.4	460	8.08	1.4	380	-4%
Inferred	Gold	7.50	1.6	390	6.07	1.6	310	1%
Total	**Gold**	**18.16**	**1.5**	**890**	**14.71**	**1.5**	**720**	**-1%**
Measured	Silver	0.32	69	700	0.26	69	570	-18%
Indicated	Silver	0.17	73	390	0.13	73	310	13%
Inferred	Silver	1.45	49	2,280	1.18	49	1,850	6%
Total	**Silver**	**1.94**	**54**	**3,370**	**1.57**	**54**	**2,730**	**1%**
Measured	Lead	0.32	2.0	6,230	0.26	2.0	5,040	-18%
Indicated	Lead	0.17	1.8	2,980	0.13	1.8	2,410	14%
Inferred	Lead	1.45	2.6	37,100	1.18	2.6	30,050	42%
Total	**Lead**	**1.94**	**2.4**	**46,300**	**1.57**	**2.4**	**37,510**	**27%**
Measured	Zinc	0.32	1.9	6,170	0.26	1.9	5,000	-23%
Indicated	Zinc	0.17	2.0	3,330	0.13	2.0	2,700	12%
Inferred	Zinc	1.45	2.7	39,040	1.18	2.7	31,630	21%
Total	**Zinc**	**1.94**	**2.5**	**48,550**	**1.57**	**2.5**	**39,320**	**12%**

Note: Inconsistencies in totals are due to rounding

Since the Mineral Resource was reported as at 31 December 2019, data from 14 diamond holes drilled at Manson's Lode and New Found and 972 grade control holes drilled at Rixen have been used to update the Mineral Resources. In addition, results from 42 face samples from the underground workings at Ketubong were used to update the Mineral Resource.

At Rixen, the grade control drilling infilled an area within the northern pit design and extended and improved the confidence in the Mineral Resource within this area. Mining at Rixen during 2020 has depleted both the Indicated and Inferred Resources, and the inclusion of the grade control data has permitted the definition of Measured Mineral Resources. Mining at New Discovery and New Found has depleted the Measured, Indicated and Inferred Resources. The additional drilling at New Found has increased both the Indicated and Inferred Resources. Open pit mining at New Discovery was completed in June 2020. CNMC is investigating alternative mining methods and remnant Mineral Resources have been reported. Mining at Manson's Lode during 2020 has depleted Measured and Indicated Resources and the 2020 drilling extended the resource to the south-east.

Underground mining at Ketubong has depleted the Indicated Resource and the additional face sampling data was used to update the Mineral Resource. Comparison of the model with production data indicated that the December 2019 model had underestimated the extracted tonnage of ore and that all material from the drives was reported as ore by CNMC. The mineralisation interpretation was adjusted to encompass all of the underground drives, which has increased the tonnage and reduced the average grade.

The 2020 Ore Reserves have been reported in Table 1.2. In this tabulation it should be noted that the Mineral Resources have been reported '*exclusive*' of and additional to Ore Reserves as at 31 December 2020. 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 modifying 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 2020 are lower than 2019, largely due to depletion by mining during the year. Furthermore, CNMC is considering underground mining for Rixen but these remain plans at a preliminary stage as at 31 December 2020. 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 2020

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	407	1.9	25	330	1.9	20	2
Probable	Gold	3,354	1.3	138	2,717	1.3	112	-30
Total	**Gold**	**3,761**	**1.3**	**163**	**3,046**	**1.3**	**132**	**-25**
Additional Mineral Resources								
Measured	Gold	293	1.1	10	238	1.1	8	38
Indicated	Gold	6,726	1.5	323	5,448	1.5	262	5
Inferred	Gold	7,701	1.6	388	6,238	1.6	314	-1
Total	**Gold**	**14,720**	**1.5**	**721**	**11,923**	**1.5**	**584**	**2**

Note: Inconsistencies in totals are due to rounding

1.3. KELGOLD PROJECT

The Kelgold Project comprises an 100%-owned right to explore for gold, iron ore and other minerals over an area of approximately 11 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. No material exploration work was completed during the year at the Kelgold Project due to constraints associated with the Covid-19 outbreak. CNMC considers that its Kelgold acquisition has significant potential based on the geological information available and offers a strategic synergy with the Group's existing Sokor Project due to its proximity. Optiro notes the presence of historic workings and gold in soil anomalism and considers 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 mining licenses with a combined license area of 7.2 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, particularly along the Galas River. Feldspar mining has also been occurring up till September 2020 and commenced prior to CNMC's involvement. Total alluvial gold production has been in the order of 260 kg and approximately 500,000 tonnes of feldspar product has been produced.

No material exploration work was completed during the year at the CNMC Pulai Project due to constraints associated with the Covid-19 outbreak. However, CNMC completed mineral processing testing on the feldspar product to determine an optimum process flow and process indices and to provide a basis for process design and future production. This preliminary work successfully investigated various options, with a primary goal of reducing iron content.

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 was 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). This estimate has not changed since the previous reporting date. Optiro notes that the contents of the deleterious minerals (MgO and, Fe_2O_3) are higher than industry norms, but that CNMC Pulai has advised that they are acceptable and can be further reduced through beneficiation processes.

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 that 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 2020

Category	Mineral	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	-	-	-	-	-	-	
Indicated	Feldspar	-	-	-	-	-	-	No change
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**	**No change**

2. INTRODUCTION

2.1. TERMS OF REFERENCE

At the request of CNMC Goldmine Holdings Limited (CNMC or the Group), 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 2020 Annual Report, and to provide a market update on Mineral Resources and Ore Reserves as at 31 December 2020, 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 a 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 2020, CNMC drilled an additional 14 holes for a total of 1,528.85 m which were incorporated into the database used for resource estimation. This included three holes at Manson's Lode and 11 holes at New Found. In addition, gold data from 42 face samples from the underground workings at Ketubong and 972 grade control holes (for a total of 6,666.5 m) drilled at Rixen was provided by CNMC. The Mineral Resource estimates have been updated for the combined New Found and New Discovery deposits, the Rixen, Manson's Lode and Ketubong deposits. Neither drilling nor mining was undertaken at the Sg Amang deposit during 2020 and the Mineral Resources at Sg Amang have not been updated since 31 December 2019.

Ore was mined at Rixen, Manson's Lode, New Discovery, New Found and Ketubong during 2020. The Mineral Resource and Ore Reserve estimates have been depleted for mining to 31 December 2020. All the Mineral Resources and Ore Reserves have been classified and reported in accordance with the guidelines of the JORC Code. Mining at New Discovery was completed during the period and the Company is evaluating options to extract remnant mineralisation.

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

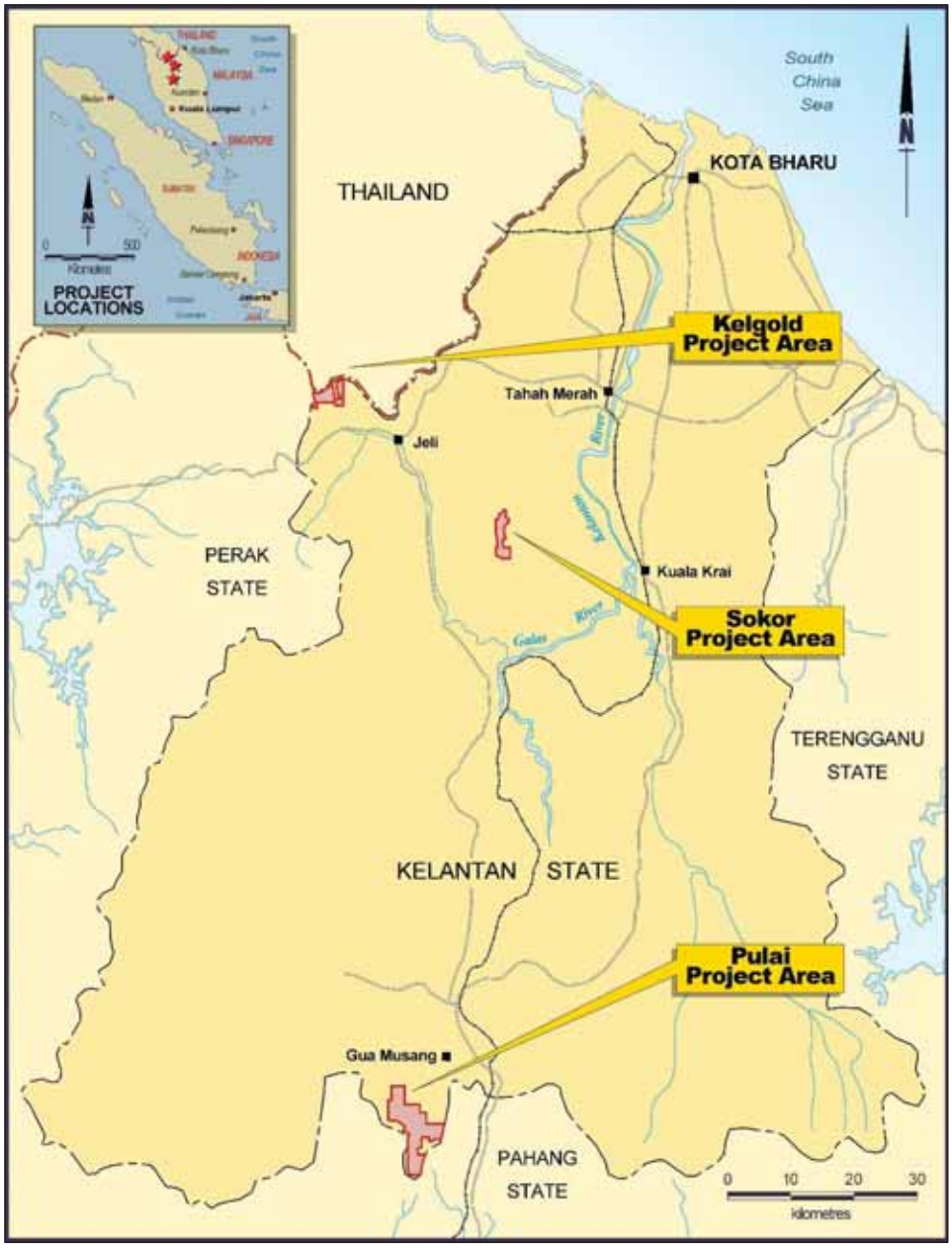
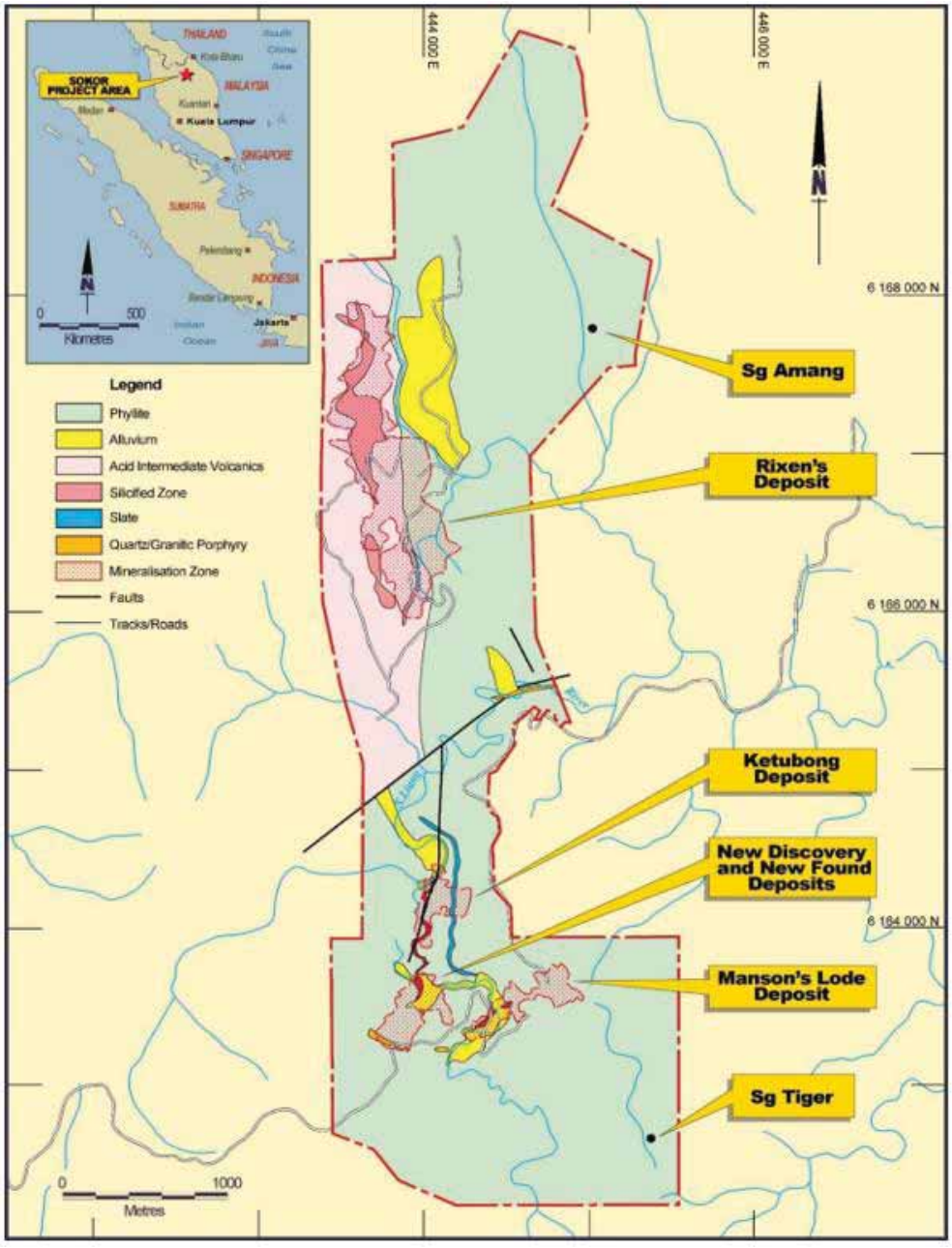


Figure 2.2 Sokor Project – local geology and deposit location



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 2020 and updated topographical data and production data for mining undertaken during 2020.

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 of 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, lithium and PGEs.

Mr Ian Glacken [BSc (Hons) Geology, MSc (Mining Geology), MSc (Geostatistics), Grad. Dip (Comp), FAusIMM (CP), FAIG, CEng, MIMMM, DIC] has over 35 years of 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 300 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.

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.

Mr Jason Froud, Principal of Optiro and Member of the Australian Institute of Geoscientists compiled the Independent Qualified Persons' Report and reviewed the exploration data relating to the Kelgold and CNMC Pulai projects.

Mr Jason Froud [BSc (Hons) Geology, 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.

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 JORC Code. 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 halfway 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 were approved in February and May 2018. In November 2020, CNMC submitted an updated EIA in accordance with the Second Schedule Environmental Impact Assessment, which covers all previous aspects, including proposed flotation process, proposed CIL expansion and proposed underground mining in Rixen and Amang. 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, and New Found 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 2020, and this is summarised for 2015 to 2020 in Table 3.2. Open pit mining at New Discovery was completed in June 2020.

Optiro notes that open pit mining at Sokor was suspended from 18 March 2020 to 5 May 2020 due to movement control orders placed by the Malaysian Government in response to the Covid-19 outbreak. Furthermore, underground mining and development was halted from January 2020 as the Chinese underground workforce who returned home to China for Chinese New Year celebrations could not return back to Malaysia due to travel restrictions imposed by the Malaysia Federal Government in the wake of the Covid-19 outbreak. As a consequence, underground mining and development did not recommence until mid-October 2020.

Table 3.2 Sokor production statistics for 2015 to 2020

Commodity	Production statistics	2015	2016	2017	2018	2019	2020
Rixen							
Mined	Ore tonnes mined (claimed)	2,236,674	2,243,667	1,871,856	2,582,057	2,886,867	2,027,928
	Ore tonnes processed	2,236,674	2,243,667	1,871,856	2,869,429	2,886,867	2,027,928
	Ore stockpiled (not processed as at 31 December)	-	-	-	-	-	-
Gold	Calculated grade (g/t)	0.61	0.41	0.33	0.31	0.33	0.25
	Recovered gold (oz)	29,645	20,324	11,472	9,742	10,485	4,332
Ketubong, New Discovery and New Found							
Mined	Ore tonnes mined (claimed)	-	154,241	105,101	287,372	351,083	277,530
	Ore tonnes processed	-	154,241	105,101	287,372	351,083	277,530
Gold	Calculated grade (g/t)	-	1.92	1.40	3.20	1.91	1.33
	Recovered gold (oz)	-	7,080	3,345	21,731	17,652	8,716
Total							
Mined	**Ore tonnes mined (claimed)**	**2,236,674**	**2,397,908**	**1,976,957**	**2,869,429**	**3,237,950**	**2,305,458**
	Ore tonnes processed	**2,236,674**	**2,397,908**	**1,976,957**	**3,156,801**	**3,237,950**	**2,305,458**
Gold	**Calculated grade (g/t)**	**0.61**	**0.51**	**0.45**	**0.58**	**0.50**	**0.38**
	Recovered gold (oz)	**29,645**	**27,190**	**14,817**	**31,474**	**28,137**	**13,048**

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. Diamond drilling was not undertaken at Rixen during 2020, however data from 972 grade control holes (for a total of 6,666.5 m) drilled during 2020 was provided and was used to update the resource model.

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 160 m. The Manson's Lode deposit has been tested by 186 diamond drillholes totalling 12,104.47 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 144 diamond drillholes totalling 14,067.62 m. Open pit mining at New Discovery was completed in June 2020 and CNMC is evaluating alternative mining methods to extract the remnant ore.

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, 242 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 and is open down-dip.

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. Drilling was not undertaken at Sg Amang during 2020. 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 northwest 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 689 diamond drillholes for 77,499 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 2020 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 2020 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 2020 drillholes the dip deviations are generally less than 2° and the azimuth deviations are up to 2°.

Mining at Rixen, Manson's Lode, New Discovery and New Found was undertaken during 2020, along with underground development mining at Ketubong. Open pit mining at Ketubong was completed in early 2018 and open pit mining at New Discovery was completed in June 2020. Detailed aerial pit surveys of Rixen, Manson's Lode, New Discovery and New Found were conducted at the end of 2018 using an unmanned aerial vehicle (UAV) and processed by Land Surveys, an Australian-based company. These surfaces were updated by CNMC at the end of 2019 and 2020. A drone was also used to obtain an aerial image which was then calibrated using survey data. Optiro has depleted the 2020 resource models at Rixen, New Discovery, New Found and Manson's Lode below the detailed 2020 mining surfaces and has depleted the Ketubong resource model using the surveyed volumes prepared by CNMC for the underground workings.

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 2019 the average sample length was 0.97 m. Sample intervals selected for analysis from the 2020 drillholes are between 0.04 m and 1.69 m with an average of 1.29 m.

Systematic logging of oxidation boundaries (base of oxide and base of transitional) was introduced by CNMC for the 2011 exploration programme and oxidation was recorded as a separate field in the 2012 core logging. This practice was not continued during 2013 but was reinstated during 2014: the geological logs for all holes drilled during 2014 to 2020 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.

Grade control samples are collected from blastholes drilled on 10 m benches. At Rixen the samples from the 2020 grade control drilling range from 3.3 m to 10 m samples with an average sample interval of 3.9 m. Rock chipping is used to obtain face samples from the underground workings at Ketubong. These samples range in length from 0.1 m to 1.8 m with an average sample length of 0.7 m.

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 2020 drilling programmes were analysed by SGS (Malaysia) Sdn. Bhd. Laboratory by four-acid digest, followed by AAS.

The samples from the 2020 (gold) drilling programmes were analysed at the CNMC on-site laboratory with 11% of the pulp samples sent to ALS Group Laboratory in Perth for inter-laboratory check analysis. The open pit grade control samples and the underground face samples are analysed at the CNMC on-site laboratory.

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 2020 drilling programme included the insertion of standard samples and duplicate pulp samples sent to ALS in Perth, Australia.

Duplicate pulp samples (11% of the drillhole samples) were analysed by the umpire laboratory, ALS, Perth, Western Australia. For gold, silver, lead and zinc assay data the original and duplicate results show a high correlation (r^2 of 0.91 to 0.99) and no bias in the data sets.

For the 2020 drilling, standard samples have been inserted at a rate of 4%. Of the 57 standard samples submitted to the CMNC on-site laboratory with the drill samples, all but five of the results lie within three standard deviations of the expected certified value and indicate acceptable precision of the assay data.

Blank samples were not inserted with the 2020 drilling samples. Blank samples must be inserted with the drilling samples to assess if sample contamination is an issue. Previous results (Optiro, 2020) have indicated good sample preparation with little sample contamination, but it is important that this is continuously monitored. Optiro recommends that blank samples must be inserted with future drill campaigns.

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 408 sections of diamond drill core (including 39 measurements obtained during 2020) 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, during 2018 with ore being supplied from the Rixen, New Found, New Discovery and Ketubong pits, and during 2019 with ore being supplied from the Rixen, New Found, New Discovery and Manson's Lode pits.

In 2020, material from Rixen, New Found and New Discovery pits, oxide material from Manson's Lode and low grade material from the Ketubong underground was delivered to both heap and vat leaching processes. Reported heap leach recoveries during the year ranged from 16% to 39% (average 26%) at Rixen, 23% to 40% (average 32%) for vat leach and 73% to 90% (average 82%) for the CIL plant. Sampling of the spent heap leach during 2016 indicated that over 60% of the results have less than 0.2 g/t gold.

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 (in tonnage terms) in 2020.

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 the 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 commissioned during second half of 2018, is designed to hold ore for continuous leaching to enhance gold recovery. The second new permanent heap leach pad was completed by early 2019 and commenced leaching during the year. CNMC has now constructed a third permanent heap leach pad. Together, these three permanent leach pads are expected to boost CNMC's heap leaching capacity to 6 Mt of ore.

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 flowsheet 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 has been relocated to approximately 500 m southwest of the CIL plant. The crushed ore will feed both the CIL plant and vat leaching process.

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
- three filter presses, 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 2020, some 157 kt of ore was processed through the CIL plant. The plant achieved an average recovery of 82% 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

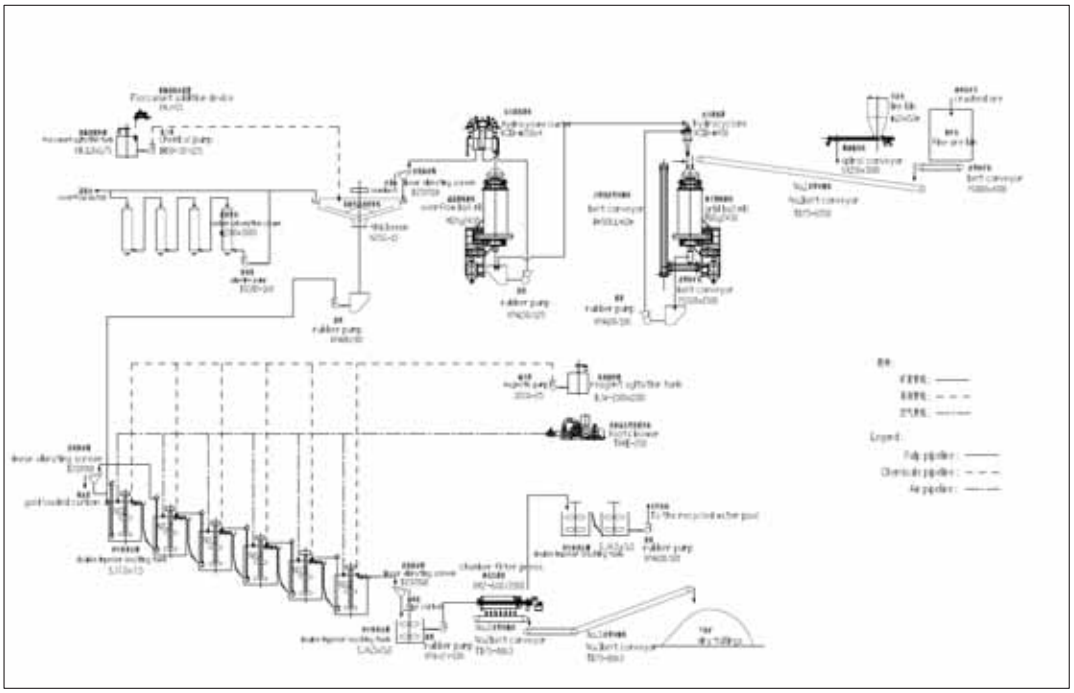


Figure 3.2 Sokor CIL plant and tailings facility – November 2020

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, 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). The 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 infrastructure construction of a flotation plant for the production of lead and zinc concentrate based on the Scheme 1 process flow and design prepared by Xinhai. The installation of the flotation plant equipment is currently suspended pending the approval of the latest submission of an updated EIA in accordance with the Second Schedule Environmental Impact Assessment.

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 mining via 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. Five metre 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.

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.

As there has been little change in the Resource model inventory there has been no requirement to update optimisations that were conducted for the 2020 Ore Reserve.

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 (in USD) were provided by CNMC for the 2020 calendar year and do not provide breakdown as to the type of material mined. The average 2020 mining costs as supplied were:

- Rixen – $0.22/t mined (range from $0.15 to $0.49/t)
- New Discovery/New Found and Manson's Lode – $0.50/t mined (range from $0.25 to $0.64/t).

Costs applied reflect 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 2020 calendar year, were supplied by CNMC. The average 2020 processing costs were:

- heap leach at Rixen – $3.52/t
- CIL at New Found and Manson's Lode – $31.00/t.

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 Found 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

For the 2021 Ore Reserve, optimisations were deemed not required to be updated as the resource models had not changed significantly and the optimisation inputs and outputs from 2020 were considered still valid. As a matter of record the previous inputs are shown 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	Optiro estimate based on CNMC costs
Oxide material – All other deposits	US $/t	1.00	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 2020 runs for each deposit are shown in Figure 3.5 to Figure 3.7. In each instance a pit shell smaller than the highest theoretically conceivable value pit has been chosen as the basis for the design. Optiro considers that 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

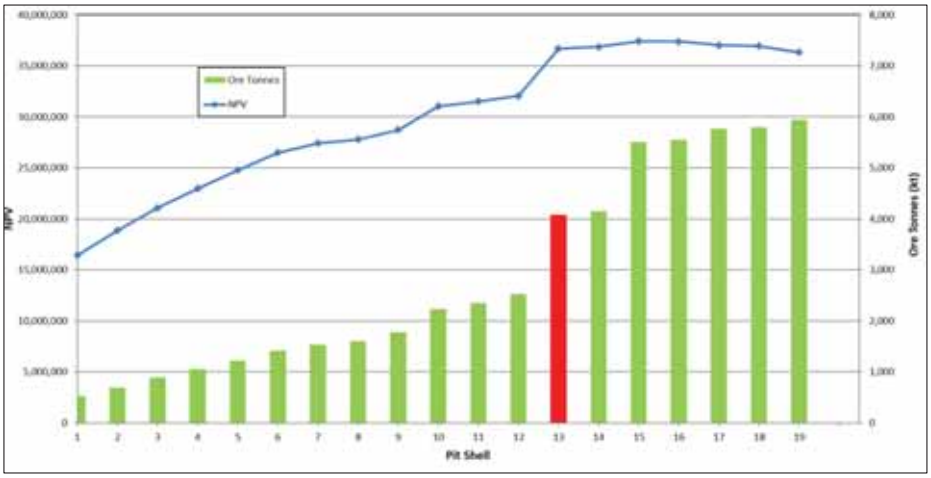


Figure 3.6 Optimisation results - New Found

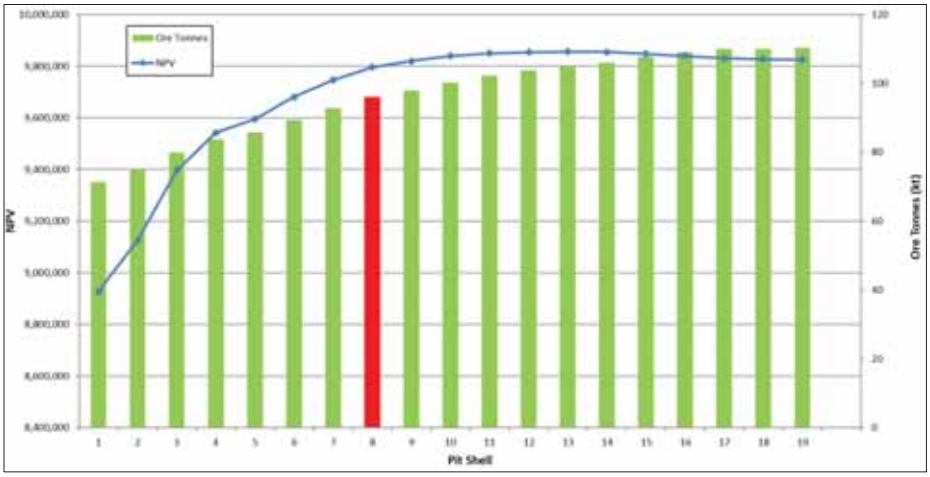
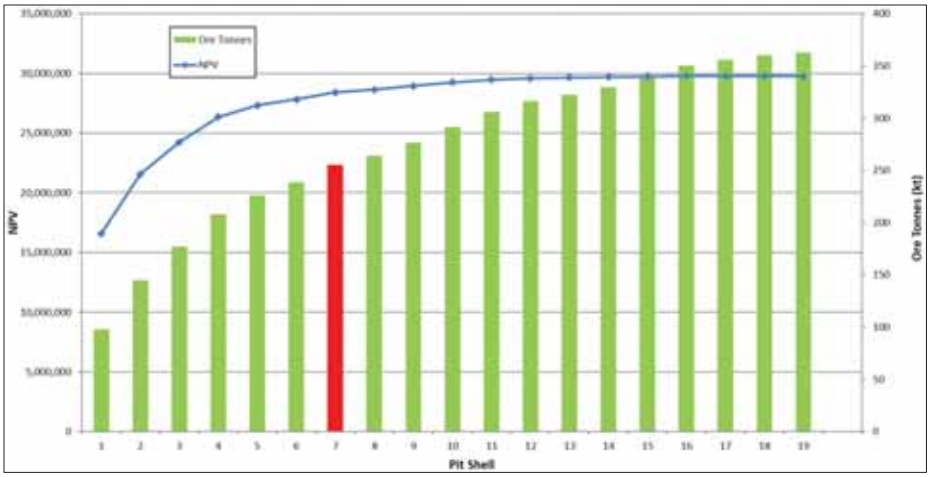


Figure 3.7 Optimisation results - Manson's Lode



SENSITIVITY

A sensitivity analysis (Figure 3.8 to Figure 3.10) 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 3.8 Sensitivity results - Rixen

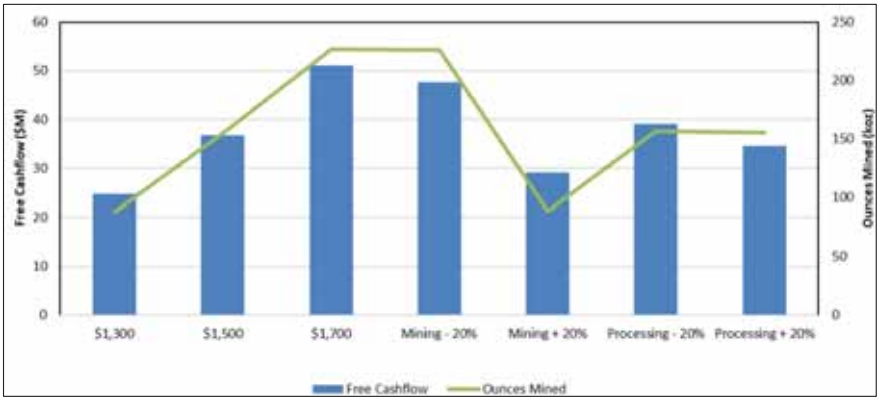


Figure 3.9 Sensitivity results - New Found

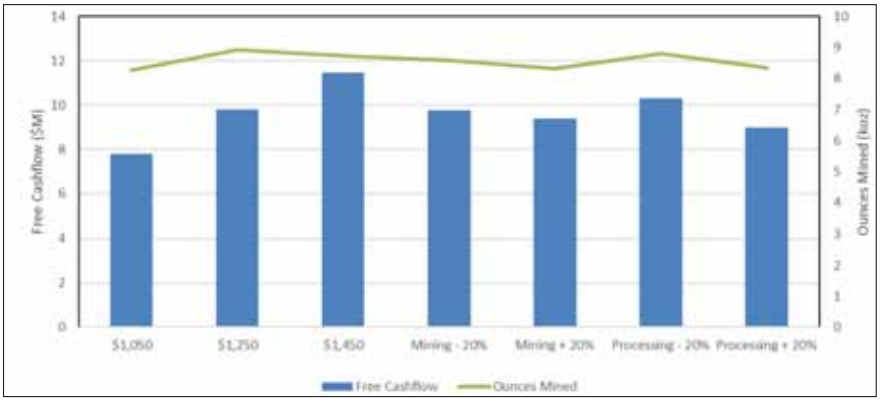
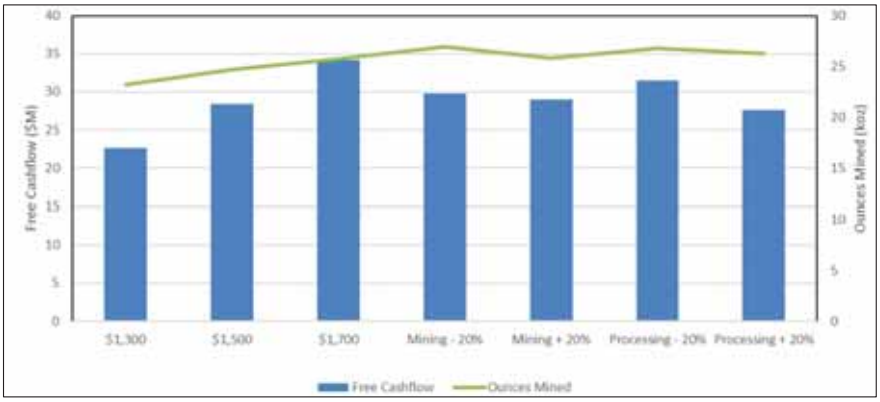


Figure 3.10 Sensitivity results - Manson's Lode



The results of the sensitivity analysis 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 3.11 to Figure 3.13.

The pit design at Rixen has not been modified from the previous 2020 design that included the addition of a southerly extension of the main northern pit and a deepening and a major expansion of the separate southern pit area when compared to the 2018 design.

Figure 3.11 Final pit design - Rixen (north to right)

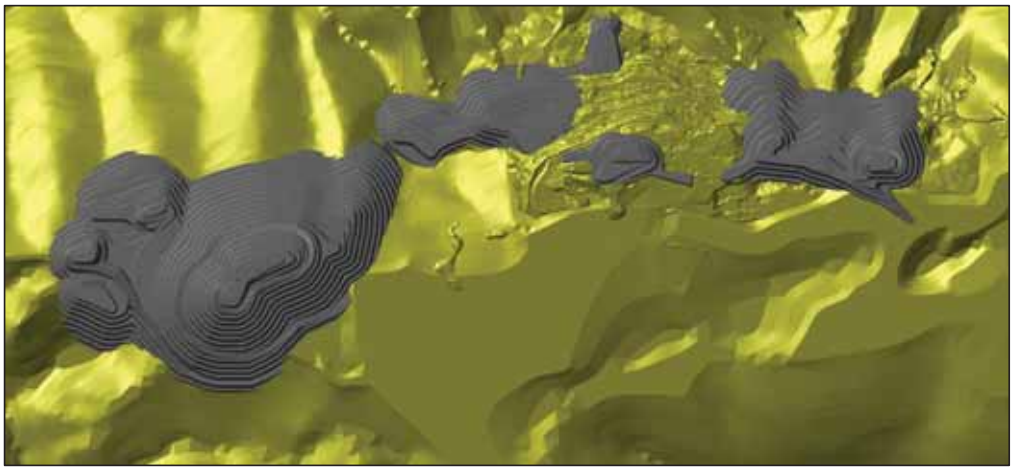


Figure 3.12 Final pit design - New Found

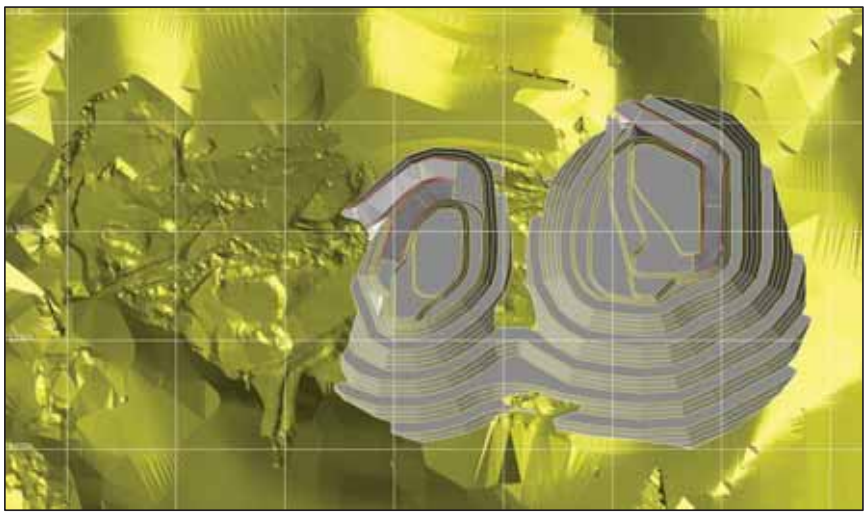
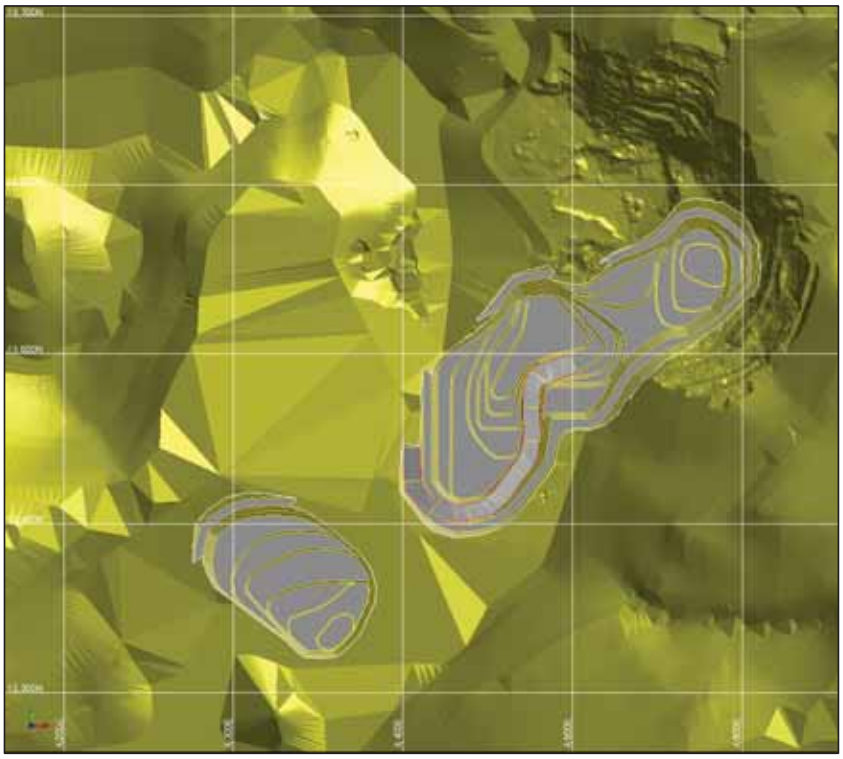


Figure 3.13 Final pit design - Manson's Lode



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 kt	Ore tonnes (kt)			Ore grade (g/t gold)			Gold mined (koz)		
		Heap leach	CIL	Total	Heap leach	CIL	Total	Heap leach	CIL	Total
Manson's Lode	159	0	188	188	0.00	3.11	3.11	0	19	19
New Found	142	0	0	0	0.00	0.00	0.00	0	0	0
Rixen	26,500	26,500	0	26,500	1.17	0.00	1.17	128	0	128
Ketubong UG	0	0	104	104	0.00	3.85	3.85	0	13	13
Total	**27,386**	**26,500**	**343**	**26,843**	**1.17**	**3.16**	**1.19**	**128**	**35**	**163**

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 (which is based on the remaining Mineral Resources) 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 (based on 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 open pit 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. Underground mining at Ketubong is via shrinkage stoping and accessed by a vertical shaft.

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	158	158	0	0	0
Total ore	kt	188	188	0	0	0
Heap leach ore	kt	0	0	0	0	0
CIL ore	kt	188	188	0	0	0
Heap leach ore grade	g/t	0.0	0.0	0.0	0.0	0.0
CIL ore grade	g/t	3.3	3.3	0.0	0.0	0.0
Gold mined (heap leach)	koz	0	0	0	0	0
Gold mined (CIL)	koz	20	20	0	0	0
Gold mined	koz	20	20	0	0	0
New Found						
Waste	kt	445	445	0	0	0
Total ore	kt	51	51	0	0	0
Heap leach ore	kt	0	0	0	0	0
CIL ore	kt	51	51	0	0	0
Heap leach ore grade	g/t	0.0	0.0	0.0	0.0	0.0
CIL ore grade	g/t	2.0	2.0	0.0	0.0	0.0
Gold mined (heap leach)	koz	0	0	0	0	0
Gold mined (CIL)	koz	3	3	0	0	0
Gold mined	koz	3	3	0	0	0
Rixen						
Waste	kt	26,552	6,450	8,570	9,821	1,711
Total ore	kt	3,415	1,218	370	1,129	6,98
Heap leach ore	kt	3,415	1,218	370	1,129	6,98
CIL ore	kt	0	0	0	0	0
Heap leach ore grade	g/t	1.2	1.3	1.0	1.0	1.6
CIL ore grade	g/t	0.0	0.0	0.0	0.0	0.0
Gold mined (heap leach)	koz	135	52	11	36	35
Gold mined (CIL)	koz	0	0	0	0	0
Gold mined	koz	135	52	11	36	35
Ketubong						
Waste	kt	0	0	0	0	0
Total ore	kt	104	26	29	29	19
Heap leach ore	kt	0	0	0	0	0
CIL ore	kt	104	26	29	29	19
Heap leach ore grade	g/t	0.0	0.0	0.0	0.0	0.0
CIL ore grade	g/t	3.9	3.9	3.9	3.9	3.9
Gold mined (heap leach)	koz	0	0	0	0	0
Gold mined (CIL)	koz	13	3	4	4	2
Gold mined	koz	13	3	4	4	2
Sokor Project - Total						
Waste	**kt**	27,155	7,053	8,570	9,821	1,711
Total ore	**kt**	3,758	1,483	400	1,158	717
Heap leach ore	**kt**	3,415	1,218	370	1,129	698
CIL ore	**kt**	343	265	29	29	19
Heap leach ore grade	**g/t**	1.2	1.3	1.0	1.0	1.6
CIL ore grade	**g/t**	3.3	3.1	3.9	3.9	3.9
Gold mined (heap leach)	**koz**	135	52	11	36	35
Gold mined (CIL)	**koz**	36	26	4	4	2
Gold mined	**koz**	170	79	15	39	37

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.

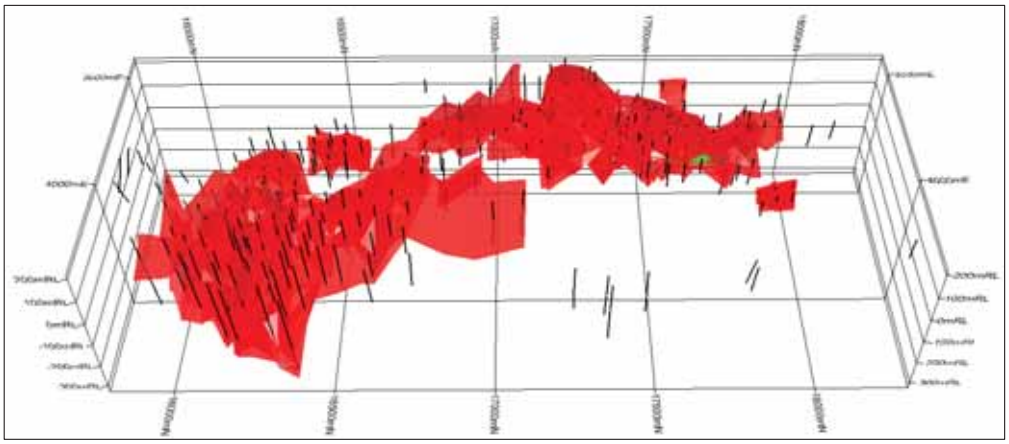
3.8.1. MINERAL RESOURCE

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 2020 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.

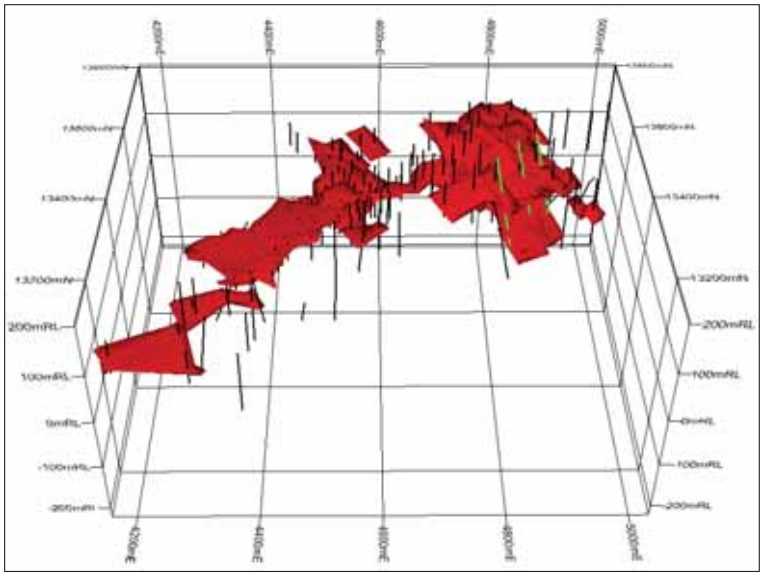
For the 2020 update to the Rixen, Manson's Lode and the combined New Discovery and New Found resource models, a nominal 0.15 g/t gold cut-off grade was used to interpret the gold mineralisation. At Rixen, the 2020 grade control drilling infilled an area within the northern part of Rixen. This close spaced data (4 m by 6 m staggered drill pattern) improved the confidence in the mineralisation interpretation and grade estimation within this area and permitted the definition of Measured Mineral Resources. The drillholes, grade control drilling area and the resource interpretation for 2020 are illustrated in Figure 3.14.

Figure 3.14 Rixen - Mineral Resource interpretation as at 2020 (red), diamond drillholes (black) and grade control drillholes (green)



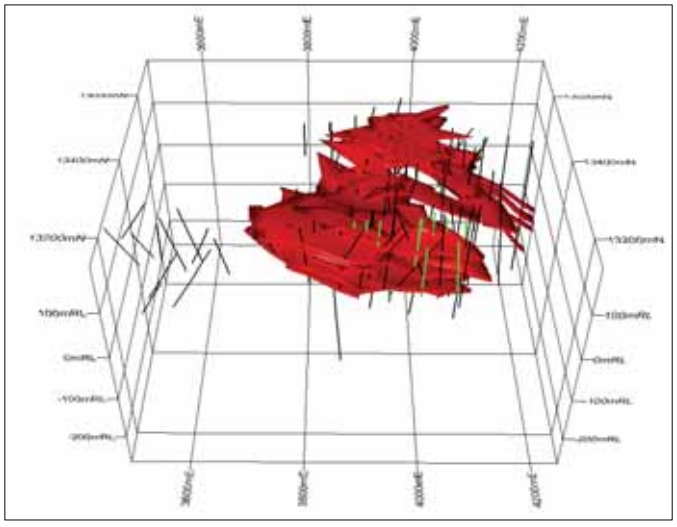
At Manson's Lode, the 2020 drilling extended the gold mineralisation and base metal mineralisation (interpreted using a nominal 2% lead+zinc cut-off grade) to the southeast. The drillholes and the resource interpretation for 2020 are illustrated in Figure 3.15.

Figure 3.15 **Manson's Lode - gold Mineral Resource interpretation as at 2020(red) and drillholes (prior to 2020 black and 2020 green)**



Eleven holes were drilled at New Found during 2020, which has extended the mineralisation interpretation to the south. The drillholes and the resource interpretation for 2020 for New Discovery and New Found are illustrated in Figure 3.16.

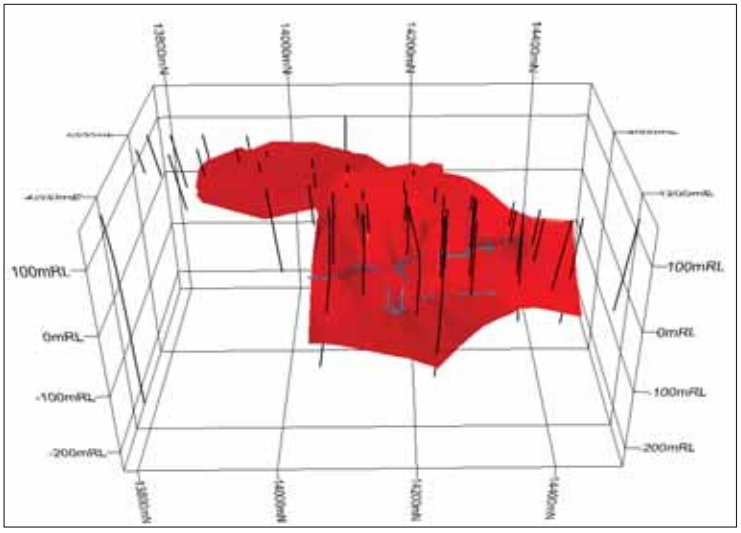
Figure 3.16 **New Discovery and New Found - Mineral Resource interpretation as at 2020 (red) and drillholes (prior to 2020 black and 2020 green)**



Open pit mining stopped at Ketubong during 2018 and underground development on three levels commenced during 2019 and continued during 2020. Sampling of the underground workings yielded results from 242 face samples (200 from 2019 and an additional 42 from 2020). A cut-off grade of 0.5 g/t gold was used for the mineralisation interpretation. Comparison of the model with production data indicated that the December 2019 model had underestimated the extracted tonnage of ore and that all

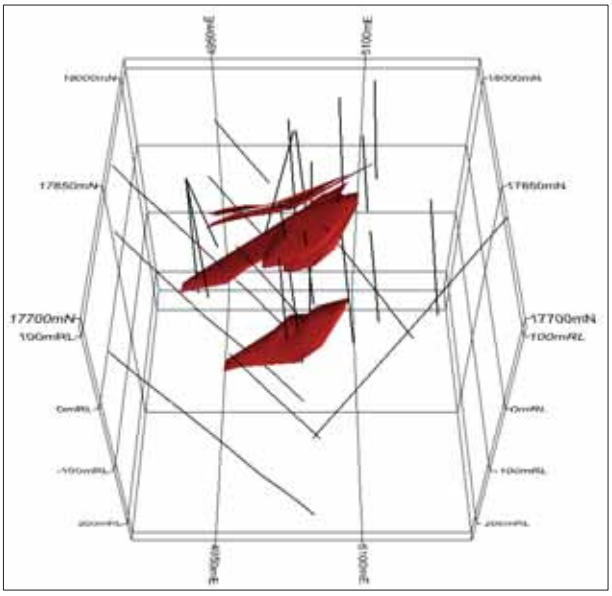
material from the drives was mined as ore by CNMC. The mineralisation interpretation was adjusted to encompass all of the underground drives, which has increased the tonnage and reduced the average grade. The resource was screened to exclude mineralisation within 10 m of the existing open pit (walls and base). The drillholes and the resource interpretation for 2020 for Ketubong and the underground workings are illustrated in Figure 3.17.

Figure 3.17 Ketubong - Mineral Resource interpretation as at 2020 (red), drillholes (black) and underground workings (blue)



Five lodes of base metal mineralisation have been defined by drilling at Sg Amang. Drilling was not conducted at Sg Amang during 2020 and the interpretation and estimated Mineral Resources have not changed since 2019. The drillholes and the resource interpretation for 2019 for Sg Amang are illustrated in Figure 3.18.

Figure 3.18 Sg Amang - Mineral Resource interpretation as at 2019 (red) and drillholes (black)



Note: no additional drilling during 2020 and so interpretation has not changed since 2019

DATA ANALYSIS

Data within the interpreted mineralisation at Manson's Lode and Rixen was composited to 1.5 m downhole intervals, data within the interpreted mineralisation at New Discovery and New Found was composited to 1.2 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 9 g/t gold (within the eluvial mineralisation at Rixen) to 30 g/t gold (within the lithologically controlled mineralisation at New Discovery and New Found). These top-cuts affected the top 0.6% to 2.5% of the gold data.

At Manson's Lode, silver, lead and zinc grades were top-cut to 470 g/t silver, 9% lead and 2.8% zinc respectively within the backfill material, and to 440 g/t silver, 23% lead and 19% zinc within the bedrock material. These top-cuts affected the top 0.3% to 2.1% 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-cut grades 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. No top-cut was applied.

The gold mineralisation at the Sokor deposits has a low to moderate nugget effect (10% to 35% of the total sample variance) and mineralisation continuity was interpreted from variogram analysis to have an along-strike range of 40 m to 135 m, and a down-dip range of 25 m to 170 m. The longest range of continuity is within the fresh rock at Rixen. 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 block sizes of 10 mE by 10 mN on 2 m benches at Manson's Lode, New Discovery and 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 vertical dimension was used to represent the increased selectivity that could 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 to 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 2020 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, 2.61 t/m^3 was used for the oxide material and 2.77 t/m^3 for the transitional material and 2.78 t/m^3 for the 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 2020 Mineral Resource at Manson's Lode, a bulk density of 2.2 t/m^3 was used for the backfill material and a density of 2.87 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 least squares regression model between density and metal grade was developed and the following equation was used to determine the bulk density for the bedrock material at Manson's Lode within the base metal lodes as a function of the lead and zinc grades:

$$\text{Bulk density} = 3.3+((Pb+Zn)*0.0494)$$

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 2020 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, above a 1.0 g/t gold cut-off grade at Ketubong, and above a 0.5 g/t gold cut-off grade at Manson's Lode, 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 0.19 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 0.69 g/t gold. A cut-off grade of 0.5 g/t gold was used to report the Mineral Resources at Manson's Lode, the transitional and fresh Mineral Resources at New Discovery and New Found. Optiro's mining study at Ketubong indicates that the current economic cut-off grade for reporting of fresh material (to be processed using CIL) is 1.32 g/t gold and a cut-off grade of 1.0 g/t gold was used to report the Mineral Resources at Ketubong. These cut-off grades are lower than the current economic mining cut-off grades and reflects potential future economic extraction.

Table 3.7 Sokor Project – Gold Mineral Resource statement as at 31 December 2020 (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	320	2.6	160	2.4	660	0.9	1,140	1.6
New Discovery	-	-	120	2.8	380	1.5	500	1.8
New Found	-	-	360	1.4	710	1.1	1,070	1.2
Ketubong	-	-	80	4.9	760	4.0	840	4.1
Rixen	370	0.9	9,260	1.4	4,980	1.4	14,610	1.4
Total	**690**	**1.7**	**9,980**	**1.4**	**7,500**	**1.6**	**18,160**	**1.5**

Note: Inconsistencies in totals are due to rounding

At Manson's Lode, elevated silver and base metal concentrations are associated with the gold mineralisation and are reported in Table 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 2020 (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	320	69	2.0	1.9	165	73	1.8	2.0	660	40	1.9	1.3	1,140	53	1.9	1.6
	2% Zn+Pb	-	-	-	-	0.8	44	2.5	1.5	610	1	2.7	2.2	620	1	2.7	2.2
Sg Amang	2% Zn+Pb	-	-	-	-	-	-	-	-	180	243	4.6	9.3	180	243	4.6	9.3
Total		**320**	**69**	**2.0**	**1.9**	**165**	**73**	**1.8**	**2.0**	**1,450**	**49**	**2.6**	**2.7**	**1,940**	**54**	**2.4**	**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. Note that it is not possible to add the exclusive Mineral Resources and the Ore Reserves together to derive the inclusive Mineral Resources because of the additional modifying factors used to define the reserves (including dilution, which is not reported in resources); additionally, there is non-reserve material inside the open pits which will not report to the exclusive Mineral Resources.

Table 3.9 Sokor Project – Mineral Resources as at 31 December 2020 (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	0.69	1.7	40	0.56	1.7	30	15%
Indicated	Gold	9.98	1.4	460	8.08	1.4	380	-4%
Inferred	Gold	7.50	1.6	390	6.07	1.6	310	1%
Total	**Gold**	**18.16**	**1.5**	**890**	**14.71**	**1.5**	**720**	**-1%**
Measured	Silver	0.32	69	700	0.26	69	570	-18%
Indicated	Silver	0.17	73	390	0.13	73	310	13%
Inferred	Silver	1.45	49	2,280	1.18	49	1,850	6%
Total	**Silver**	**1.94**	**54**	**3,370**	**1.57**	**54**	**2,730**	**1%**
Measured	Lead	0.32	2.0	6,230	0.26	2.0	5,040	-18%
Indicated	Lead	0.17	1.8	2,980	0.13	1.8	2,410	14%
Inferred	Lead	1.45	2.6	37,100	1.18	2.6	30,050	42%
Total	**Lead**	**1.94**	**2.4**	**46,300**	**1.57**	**2.4**	**37,510**	**27%**
Measured	Zinc	0.32	1.9	6,170	0.26	1.9	5,000	-23%
Indicated	Zinc	0.17	2.0	3,330	0.13	2.0	2,700	12%
Inferred	Zinc	1.45	2.7	39,040	1.18	2.7	31,630	21%
Total	**Zinc**	**1.94**	**2.5**	**48,550**	**1.57**	**2.5**	**39,320**	**12%**

Note: Inconsistencies in totals are due to rounding

Table 3.10 Sokor Project – gold Mineral Resources at 31 December 2020 (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	293	1.1	10	238	1.1	8	38
Indicated	Gold	6,733	1.5	323	5,454	1.5	262	5
Inferred	Gold	7,723	1.6	388	6,255	1.6	314	-1
Total	**Gold**	**14,749**	**1.5**	**722**	**11,946**	**1.5**	**585**	**2**

Note: Inconsistencies in totals are due to rounding

3.8.2. COMPARISON WITH DECEMBER 2019 MINERAL RESOURCE

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, 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 16,320 kt at 1.7 g/t gold for 900,000 ounces of contained gold. The Manson's Lode Mineral Resources contained silver, lead and zinc and, as at 31 December 2019, this was 1,720 kt with an average grade of 61 g/t silver, 2.1% lead and 2.5% zinc. The 2019 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 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 2019, data from 14 holes drilled at Manson's Lode and New Found were used to update the Mineral Resources. In addition, results from 42 face samples from the underground workings at Ketubong and results from 972 grade control hole at Rixen were used to update the resources. Pit surveys of Rixen, New Discovery, New Found and Manson's Lode were conducted at the end of 2020 and resource models for Rixen, New Discovery, New Found and Manson's Lode were depleted for all mining to 31 December 2020. The Ketubong resource model was depleted for underground mining to the end of 2020 and resources within 10 m of the existing open pit were excluded from the reported Mineral Resource.

Diamond drilling was not undertaken at Rixen during 2020. Grade control drilling data from an area within the northern pit was provided, and this was used to update the mineralisation interpretation and resource model. This defined an area with Measured Mineral Resources and increased the Indicated and Inferred Mineral Resources adjacent to this area. Mining at Rixen during 2020 has depleted both the Indicated and Inferred Resources estimated as at 31 December 2019. After depletion for mining at Rixen during 2020, the Indicated Mineral Resource tonnage increased by 5%, the average grade decreased by 11%, with an overall decrease of 6% in contained gold. The Inferred Mineral Resource tonnage increased by 17%, the grade decreased by 22%, with an overall decrease of 8% in contained gold. The total Mineral Resource tonnage at Rixen has increased by 12%, the average grade decreased by 15%, with an overall decrease of 5% in contained gold.

Mining at New Discovery has depleted the Measured, Indicated and Inferred Resources. The Measured Resources have all been mined. The Indicated tonnage has decreased by 4%, the grade increased by 2%, for an overall decrease of 2% in contained gold. The Inferred Mineral Resource tonnage decreased by 3%, the grade decreased by 1%, with an overall decrease of 4% in contained gold. The total Mineral Resource

tonnage at New Discovery has decreased by 3%, the average grade decreased by 0.2%, with an overall decrease of 3% in contained gold. Open pit mining at New Discovery was completed in June 2020 and CNMC is evaluating alternative mining methods to extract the remnant ore.

Mining at New Found has depleted the Indicated and Inferred Resources. The additional drilling at New Found has increased the Indicated and Inferred Mineral Resources. The Indicated tonnage has increased by 4%, the grade decreased by 6%, for an overall decrease of 2% in contained gold. The Inferred Mineral Resource tonnage increased by 8%, the grade increased by 2%, with an overall increase of 11% in contained gold. The total Mineral Resource tonnage at New Found has increased by 7%, the average grade increased by 2%, with an overall increase of 29% in contained gold.

At Manson's Lode, the drilling extended the resource to the southeast and defined additional Indicated and Inferred Mineral Resources. Mining at Manson's Lode has depleted the Measured, Indicated and Inferred Resources. For the gold resources, the Measured tonnage decreased by 17%, the average grade decreased by 2%, with an overall decrease of 19% in contained gold. The Indicated tonnage increased by 2%, the average grade increased by 6%, with an overall increase of 8% in contained gold. The Inferred tonnage increased by 20%, the grade decreased by 3%, with an overall increase of 17% in contained gold. The total gold Mineral Resource tonnage at Manson's Lode has increased by 5%, the average grade decreased by 8%, with an overall decrease of 4% in contained gold.

Underground mining at Ketubong has depleted the Indicated Resources. Comparison of the Ketubong resource model with production data indicated that the December 2019 model had underestimated the extracted tonnage of ore and that all material from the drives was mined as ore by CNMC. The mineralisation interpretation was adjusted to encompass all of the underground drives, which has increased the tonnage and reduced the average grade. The Indicated tonnage increased by 125%, the average grade decreased by 34%, with an overall increase of 49% in contained gold. The Inferred tonnage increased by 17%, the grade increased by 7%, with an overall increase of 26% in contained gold. The total gold Mineral Resource tonnage at Ketubong has increased by 12%, the average grade decreased by 15%, with an overall decrease of 5% in contained gold.

As at 31 December 2020, 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, above a 1.0 g/t gold cut-off grade at Ketubong, and above a 0.5 g/t gold cut-off grade at Manson's Lode and for transitional and fresh rock at New Discovery and New Found) is 18,160 kt at 1.5 g/t gold for 890,000 ounces of contained gold. Compared to the 31 December 2019 Mineral Resource estimate and after depletion for mining during 2020, there has been an increase in gold Mineral Resource tonnage of 1,870 kt, the average gold grade has decreased from 1.7 g/t to 1.5 g/t and there is an overall small decrease of 1% in contained gold in the 2020 Mineral Resource.

The Manson's Lode Mineral Resources contain silver, lead and zinc and additional base metal resources were estimated at Sg Amang in 2019. 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 additional drilling at Manson's Lode has increased the resource and as at 31 December 2020, the base metal Mineral Resources at Manson's Lode and Sg Amang comprised 1,940 kt with an average grade of 54 g/t silver, 2.4% lead and 2.5% zinc. The total Mineral Resource tonnage has increased by 13%, the contained silver by 1%, the contained lead by 27% and the contained zinc by 12%.

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 3.9.

Where changes in ounces as a percentage are quoted, these refer to the change in ounces attributable to CNMC (not the total reserve) 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 2020 and 31 December 2020, there was mining at Rixen. CNMC reported to Optiro that for the 2020 production period, approximately 2,027 kt of ore was removed from the Rixen Pit as contained in the spreadsheet '*Production_and_Cost_Inputs_Spreadsheet_2020*'; 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 2020 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 2020.

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 2020 Ore Reserve estimate is quoted in Table 3.12, along with the additional (exclusive) Mineral Resources.

Table 3.12 Rixen Pit gold Ore Reserves and Mineral Resources (additional to Ore Reserves) as at 31 December 2020

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	245	1.1	8	198	1.1	7	100
Probable	Gold	3,173	1.2	120	2,570	1.2	97	-34
Total	**Gold**	**3,418**	**1.2**	**128**	**2,769**	**1.2**	**104**	**-25**
Additional Mineral Resources								
Measured	Gold	172	0.8	4	140	0.8	3	0
Indicated	Gold	6,032	1.5	284	4,886	1.5	230	1
Inferred	Gold	4,981	1.4	224	4,035	1.4	182	-13
Total	**Gold**	**11,186**	**1.4**	**512**	**9,060**	**1.4**	**415**	**-4**

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 2019 ORE RESERVE ESTIMATE - RIXEN

The variance between the 2019 and 2020 Ore Reserve estimates is due to:

- changes in the Mineral Resources
- reductions due to depletion by mining during the year.

The operating cost base used for the 2019 Ore Reserves was based on the actual (weighted) cost base as reported to Optiro over the 2020 production year for oxide material mined in the Rixen Pit. The cost for mining fresh material was taken from the 2020 actual mining costs for New Found and Ketubong, which produced fresh material from underground during 2020.

Pit surveys were taken at the end-of-reporting period of 31 December 2020, and these formed the basis of the depletion model. CNMC has reported to Optiro that for the period up to 31 December 2020 4,820 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 and also 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 2020. 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 1 January 2020 to 31 December 2020, approximately 146 kt of ore was removed from the Manson's Lode Pit as contained in the spreadsheet '*Production_and_Cost_Inputs_Spreadsheet_2020*'; 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 2020 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 0.69 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 2020 Ore Reserves are quoted in Table 3.13 with the 2020 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 2020

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	162	3.2	17	132	3.2	14	-47
Probable	Gold	26	2.5	2	21	2.5	2	0
Total	**Gold**	**188**	**3.1**	**19**	**152**	**3.1**	**15**	**-42**
Additional Mineral Resources								
Measured	Gold	121	1.6	6	98	1.6	5	-5
Indicated	Gold	129	2.2	9	105	2.2	8	-2
Inferred	Gold	536	1.0	17	434	1.0	13	5
Total	**Gold**	**787**	**1.3**	**32**	**637**	**1.3**	**26**	**1**

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 pit*
- *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.*

The decrease in the Ore Reserve is attributable to the mining of 146 kt at an average grade of 1.19 g/t gold from the pit.

3.9.3. NEW DISCOVERY AND NEW FOUND PIT ORE RESERVES

Between the period 1 January 2020 to 31 December 2020, mining activity occurred at New Discovery and New Found. CNMC reported to Optiro that for the 2020 production period approximately 51 kt of ore was mined from the New Discovery and New Found Pits. Open pit mining at New Discovery was completed in June 2020.

The New Found and New Discovery Pits (completed) 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 New Discovery (completed) and New Found Pit are reported below in Table 3.14 and are applicable for 2020. The additional Mineral Resources (exclusive of Ore Reserves) are for the combined New Discovery (completed) and New Found deposits.

Table 3.14 New Discovery and New Found Pit gold Ore Reserves and Mineral Resources (additional to Ore Reserves) as at 31 December 2020

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	0	0.0	0	0	0.0	0	0
Probable	Gold	51	1.9	3	41	1.9	2	-236
Total	**Gold**	**51**	**1.9**	**3**	**41**	**1.9**	**2**	**-237**
Additional Mineral Resources								
Measured	Gold	0	0.0	0	0	0.0	0	0
Indicated	Gold	486	1.1	17	393	1.1	14	7
Inferred	Gold	1,413	1.0	47	1,144	1.0	38	13
Total	**Gold**	**1,898**	**1.1**	**65**	**1,538**	**1.1**	**52**	**12**

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 2019 ORE RESERVES ESTIMATE – NEW DISCOVERY

The variance between the 2019 and 2020 Ore Reserve estimate is primarily due to changes in the Mineral Resource, increased gold price, mining depletion of 51 kt of ore and 0.66 Mt of total movement. No other modifying factors have been changed for the New Discovery and New Found Pit Ore Reserves between 2019 and 2020.

3.9.4. KETUBONG

An Ore Reserve estimate has been calculated for the underground working area of the Ketubong deposit. CNMC is currently mining underground 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:

Only the Indicated resource classification of the resource can be converted to a Probable Ore Reserve.

1. Figure 3.19 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 3.20 shows the grade distribution above and below cut-off within the Indicated resource.
4. Within the Indicated resource the:
   - minimum width is 0.12 m
   - maximum width is 8.1 m
   - average width is 1.12 m.
5. To estimate the dilution factor the footwall and hangingwall wireframes were 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 173 kt at 3.85 g/t gold for 21,470 ounces.
9. To account for pillars and ore loss a factor of 60% has been applied to the diluted resource.
10. The resulting underground Probable Reserve is 104.0 kt at 3.85 g/t for 12,880 contained ounces.

The Ore Reserve thus defined and the additional Mineral Resource are detailed in Table 3.15.

Table 3.15 Ketubong UG gold Ore Reserves and Mineral Resources at Ketubong (additional to Ore Reserves) as at 31 December 2020

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	0	0.0	0	0	0.0	0	0
Probable	Gold	104	3.8	13	84	3.8	10	51
Total	**Gold**	**104**	**3.8**	**13**	**84**	**3.8**	**10**	**51**
Additional Mineral Resources								
Measured	Gold	0	0.0	0	0	0.0	0	0
Indicated	Gold	79	5.0	13	64	5.0	10	99
Inferred	Gold	770	4.0	99	624	4.0	80	16
Total	**Gold**	**849**	**4.1**	**112**	**688**	**4.1**	**91**	**25**

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 1.0 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.*

Figure 3.19 UG Ketubong Mineral Resource interpretation as at 2020 (Indicated – blue; Inferred – green, sterilised below open pit base - red)

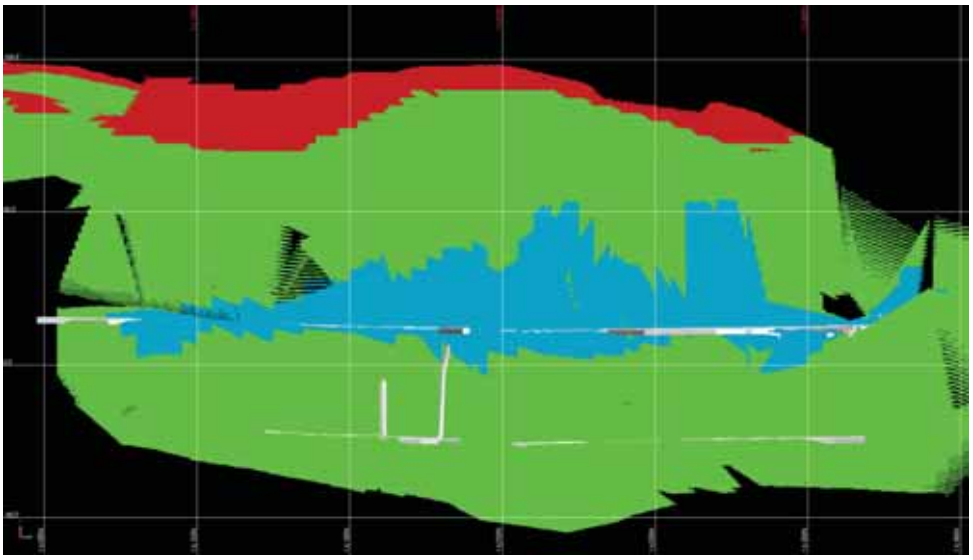
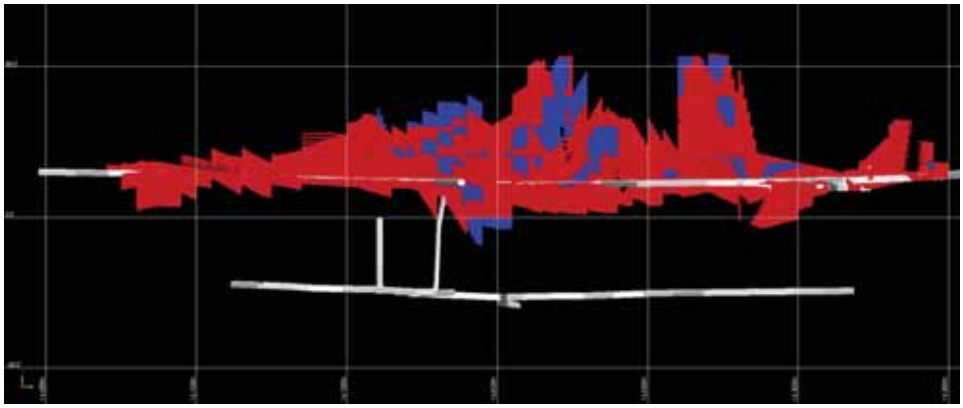


Figure 3.20 UG Ketubong Mineral Resource (above cut-off – red; below cut-off – blue)



3.10. STATEMENT OF SOKOR MINERAL RESOURCES AND ORE RESERVES

The combined Ore Reserve estimate for Rixen, Manson's Lode, Ketubong and New Found deposits has been calculated and is shown in Table 3.16, accompanied by the additional Mineral Resources tabulation for Rixen, Manson's Lode, Ketubong, New Found and New Discovery (completed) deposits (reported exclusive of and additional to Ore Reserves) and for New Discovery (where Ore Reserves have not been defined).

Table 3.16 **Combined Sokor Project gold Ore Reserves (Manson's Lode, New Found, 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 Found, Ketubong and Rixen) as at 31 December 2020**

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	407	1.9	25	330	1.9	20	2
Probable	Gold	3,354	1.3	138	2,717	1.3	112	-30
Total	**Gold**	**3,761**	**1.3**	**163**	**3,046**	**1.3**	**132**	**-25**
Additional Mineral Resources								
Measured	Gold	293	1.1	10	238	1.1	8	38
Indicated	Gold	6,726	1.5	323	5,448	1.5	262	5
Inferred	Gold	7,701	1.6	388	6,238	1.6	314	-1
Total	**Gold**	**14,720**	**1.5**	**721**	**11,923**	**1.5**	**584**	**2**

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 pits and at New Discovery, 0.5 g/t gold for Inferred oxide, transitional and fresh material inside the optimised pits at Manson's Lode, New Discover and New Found and 1.0 g/t gold at Ketubong*
- *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. In November 2020, CNMC submitted an updated EIA in accordance with the Second Schedule Environmental Impact Assessment, which covers all previous aspects, including proposed flotation process, proposed CIL expansion and proposed underground mining in Rixen and Amang.

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 previous EIA reports were prepared by I.Z. Environmind Sdn. Bhd. and the updated EIA report submitted in November 2020 was prepared by KenEp Consultancy & Services 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 that, as of 31 December 2020, there had been no reported breaches during the past 12 months 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.

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.

Optiro understands that all ponds, channels and impounding bunds are 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.

A Land Disturbing Pollution Prevention and Mitigation Measures 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, Ketubong, 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$59.9 M, with a Net Present Value of US$49.0 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 and New Found 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 2020.

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)	43.7	59.9	76.1
NPV (US$ M)	35.9	49.0	62.2

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 2020 drilling has extended the gold mineralisation at New Found to the east and has extended the gold and the base metal mineralisation at Manson's Lode at depth and to the southeast. Mining at Ketubong is now from underground. The inclusion of data from close-spaced grade control drilling at Rixen has improved confidence in the mineralisation interpretation and grade estimation within the area of grade control drilling and has allowed for the declaration of Measured Mineral Resources.

Additional drilling was not undertaken at Ketubong during 2020. Comparison of the Ketubong resource model with production data indicated that the December 2019 model had underestimated the extracted tonnage of ore and that all material from the drives was reported as ore by CNMC. The mineralisation interpretation was adjusted to encompass all of the underground drives, which has increased the tonnage and reduced the average grade. As noted in Optiro (2020), the underground workings and face sampling data has indicated that there are possible faults and off-sets to the mineralisation that are not yet fully understood. 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 2020. 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 2020.

On a similar note, the movement of material from stockpiles to leach pads continued to be recorded during 2020. 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:

- Blank samples were not submitted for analysis during 2020. Blank samples must be submitted to the site laboratory at a rate of at least 1 in 40 to determine if inter-sample contamination is a concern.
- 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.
- 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 and Ore Reserve models, grade control data and production should be undertaken at quarterly intervals.
- Review of the New Found pit surface provided by CNMC for 31 December 2020 reporting indicated localised inaccuracies and considerable additional processing was required to correct this surface for the resource model depletion. Detailed aerial pit surveys were conducted at the end of 2018 using an unmanned aerial vehicle (UAV) and processed by Land Surveys (an Australian based company). These surveys and resulting surface were to a high standard and Optiro recommends that this method is used in future.
- 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.
- Drilling platforms have been used by CNMC to provide access for drill rigs. Survey data for these platforms should be obtained when these are constructed, and the topographical surface should be updated.
- Differences between the surveyed drillhole collars and topography were noted within the eastern area of Manson's Lode. Some of these are from the construction of a drilling platform; however, survey measurements of elevations at the edge of the platform are inconsistent with the available topographical surface. It is recommended that detailed topographical data is obtained for this area.

Optiro has the following recommendations with respect to the data used for the Ore Reserve estimate at the Sokor Project. These are considered 'best practice' recommendations:

- A detailed life-of-mine schedule should be updated with the depleted 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 assumptions 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 has, however, improved since 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 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 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. The Kelgold exploration license was renewed for another five years with a new area of 1,175 hectares (11.75 km^2). 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 anticlinal 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, northwesterly or northeasterly 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 ongoing. 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 has strategic synergy within the Company due to the geographic proximity to the Group's existing Sokor Project.

4.2. EXPLORATION

Assessment of the Kelgold Project by CNMC remains at an early stage. No material exploration work was completed during the year at the Kelgold Project due to constraints associated with the Covid-19 outbreak.

Optiro previously 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 2020 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 previously 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 and 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).

CNMC Pulai has advised of uncertainties pertaining to certain operational and regulatory issues and challenges, as follows:

- the outcome of renewal for an exploration licence, which expired late last year, is still pending to date
- the unfavourable outcome of renewal for its iron ore mining licence was only made known last year despite the renewal application being made two years ago. While an appeal has since been filed, the outcome is still pending
- uncertainties over the renewal of its feldspar mining license and the commercial and economic viability of feldspar mining following CNMC's recent re-assessment.

In light of the above mentioned, CNMC made an impairment allowance of approximately US$3.8 million against certain exploration and evaluation assets of CNMC Pulai and the total combined exploration and mining licenses area were reduced from 38.41 km^2 to 7.2 km^2.

5.1. FELDSPAR

Feldspar was mined from the feldspar mining license prior to CNMC's involvement and continued until September 2020. Mining is subcontracted to a local feldspar producer which supplies to ceramics manufacturers in Malaysia. Annual production from the mining licence in summarised in Table 5.1.

Table 5.1 Annual Pulai feldspar production

Year	Tonnes mined
2020	21,285
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.

No material exploration work was completed during the year at the CNMC Pulai Project due to constraints associated with the Covid-19 outbreak. CNMC, however, completed mineral processing testing on the feldspar product to determine an optimum process flow and process indices, and to provide a basis for process design and future production. This preliminary work successfully investigated various options, with the primary goal of reducing iron content.

In 2019, a feldspar Mineral Resource was estimated by Optiro and classified as Inferred in accordance with the guidelines of the Australian JORC Code (2012). 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. The Mineral Resource that is attributable to CNMC is included in Table 5.3. The Mineral Resource was not updated in 2020 as no material exploration work was completed during the year at the CNMC Pulai Project due to constraints associated with the Covid-19 travel restrictions. In Optiro's opinion, there are still an estimated 23.7 Mt of feldspar in the ground as at 31 December 2020 with no change from the previous report (Optiro, 2020).

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 2020

Category	Mineral	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	-	-	-	-	-	-	
Indicated	Feldspar	-	-	-	-	-	-	No change
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**	**No change**

In addition to the resources, 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

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 outcrops 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 widespread 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 oriented north-south and north-northeast, 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 subordinate northeast, northwest and north-northeast faults controlling the distribution of alteration and mineralisation
- alluvial gold is present within the project area
- there is 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.
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.

Term	Explanation
	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 resource 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 drillhole samples selected for analysis was 1.46 m, during 2014 and 2015 the average sample length was 1.27 m and for 2016 to 2019 the average sample length was 0.97 m. • Face samples were collected from the underground working at Ketubong. These rock chip samples were taken over intervals of 0.1 m to 1.8 m with an average sample length of 0.7 m. • Grade control data was included for the 2020 resource update for Rixen. The blastholes are drilled on 10 m benches and sample intervals are 3.3 to 10 m with an average sample length of 3.9 m. • All sample preparation and analyses were undertaken at CNMC's Sokor on-site laboratory.
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*	• 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
	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 diamond 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 2019 the average sample length was 0.97 m. • Sample intervals selected for analysis from the 2020 drillholes are between 0.04 m and 1.69 m with an average of 1.29 m. • Quarter core samples were used for quality assurance and quality control analysis. • Face samples were collected from the underground working at Ketubong. These rock chip samples were taken over intervals of 0.1 m to 1.8 m with an average sample length of 0.7 m. • Grade control data was included for the 2020 resource update for Rixen. The blastholes are drilled on 10 m benches and sample intervals are 3.3 to 10 m with an average sample length of 3.9 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 2020 samples were assayed at CNMC's Sokor on-site laboratory. • CNMC's procedures for 2020 included the submission of 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). Blank samples were not included with the 2020 samples. • Seven standard samples (G307-1, G315-2, G912-7, G913-10, G916-1, GBM315-13 and GBM914-13) from Geostats Pty Ltd were submitted to CNMC's on-site laboratory. In total, 58 standard samples were submitted with samples from the diamond drillhole samples used to update the Mineral Resources. Of the 58 samples five samples were outside the acceptable limits. • Analysis of the QAQC data indicates acceptable levels of precision and there is no bias across the grade ranges.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• A twin hole was drilled at New Discovery during 2013, and another validation hole was drilled at Manson's Lode in late 2017. These confirmed the main mineralised intersection within the upper part of the orebody. • 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 six 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 2019 by CNMC using an unmanned aerial vehicle (UAV) and processed by Land Surveys, an Australian based company. • These surfaces were updated by CNMC at the end of 2020. A drone was used to obtain an aerial image which is then calibrated using survey data obtained using a CHC X91GNSS.
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 689 diamond drillholes for 77,499 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 and Rixen. Downhole compositing to 1.2 m intervals was applied for Mineral Resource estimation at 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*	• 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

Criteria	JORC Code explanation	Commentary
	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.*	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.*	• 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

Criteria	JORC Code explanation	Commentary
		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 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*	• Not applicable – drilling was designed for resource definition.

Criteria	JORC Code explanation	Commentary
	These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	
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 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*	• 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

Criteria	JORC Code explanation	Commentary
	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.*	occurred at Manson's Lode and the pit has been backfilled with mineralised material of lower grades from Manson's Lode. • Geological interpretation has been defined by diamond drilling. 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 160 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. Mineralisation is open down-dip. • 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

Criteria	JORC Code explanation	Commentary
		strike length of 200 m and across strike extent of 200 m. The mineralisation dips to the north-west at around 50°.
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. • Mineral Resources were updated for Rixen, New Discovery, New Found and Manson's Lode. • 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 40 m to 135 m, and a down-dip range of 25 m to 170 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. • 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 74% of blocks at Manson's Lode, 71% 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. Only 7% of blocks at Ketubong were estimated in the first search pass. • The estimated block model grades were visually validated against the input drillhole data and comparisons were carried out against the declustered drillhole data and by easting, northing and elevation slices.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• The tonnages are estimated on a dry basis.

Criteria	JORC Code explanation	Commentary
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The Mineral Resources are reported above a 1.0 g/t gold cut-off grade at Ketubong, above a 0.5 g/t gold cut-off grade at Manson's Lode and for the transitional and fresh material at New Discovery and New Found and above a 0.17 g/t gold cut-off grade at Rixen and, 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 at Rixen, New Found, Manson's Lode and Sg Amang is by open pit mining. Mining factors such as dilution and ore loss have not been applied. • Planned extraction at Ketubong is by underground mining. • Open pit mining has been completed at New Discovery and CNMC is evaluating alternative mining methods to extract the remnant ore.
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*	• 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
	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 408 sections of diamond drill core (including 39 measurements obtained during 2020) 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 and at Rixen within the area of grade control drilling. • 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 it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to*	• 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
	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 Found 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 choice, nature and appropriateness of the selected mining method(s) and other mining*	• The methods and assumptions used in converting Mineral Resources to Ore Reserves are based on operating parameters from the mines. The mines have appropriate current designs developed from the recently re-done optimisation processes. • The open pit mining methods selected for the CNMC mines have been selected to best address the operational requirements of the deposit characteristics, and have been in effect since the commencement of mining operations in 2010.

Criteria	JORC Code explanation	Commentary
	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.*	• 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.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk*	• The Sokor Project is currently in operation and all required infrastructure is in place.

Criteria	JORC Code explanation	Commentary
	commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.	
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 (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to*	• No detailed economic analysis has been completed by Optiro as the project is already in operation and demonstrates an economically viable project. • No assumptions or inputs have been applied in an NPV analysis.

Criteria	JORC Code explanation	Commentary
	variations in the significant assumptions and inputs.	
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 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*	• 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
	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.*	

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 22 March 2021

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF SHAREHOLDINGS
1 - 99	2	0.07	14	0.00
100 - 1,000	89	3.03	53,128	0.01
1,001 - 10,000	932	31.74	6,927,274	1.70
10,001 - 1,000,000	1,879	64.00	129,567,633	31.78
1,000,001 and above	34	1.16	271,144,951	66.51
Total	**2,936**	**100.00**	**407,693,000**	**100.00**

SUBSTANTIAL SHAREHOLDERS
As recorded in the Register of Substantial Shareholders as at 22 March 2021

	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]	45,162,500	11.08	–	–
Professor Lin Xiang Xiong	1,629,900	0.40	106,987,500	26.24
Choo Chee Kong[2]	205,000	0.05	45,162,500	11.08
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]	–	–	45,162,500	11.08

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 22 March 2021

TWENTY LARGEST SHAREHOLDERS

As at 22 March 2021

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHAREHOLDINGS
1	INNOVATION (CHINA) LIMITED	106,987,500	26.24
2	CITIBANK NOMINEES SINGAPORE PTE LTD	46,724,400	11.46
3	DBS NOMINEES (PRIVATE) LIMITED	14,718,123	3.61
4	MAYBANK KIM ENG SECURITIES PTE. LTD.	11,044,500	2.71
5	CHUA TEO LENG	10,708,100	2.63
6	PHILLIP SECURITIES PTE LTD	10,070,200	2.47
7	LIM PENG LIANG DAVID LLEWELLYN	9,156,100	2.25
8	RAFFLES NOMINEES (PTE.) LIMITED	5,114,900	1.25
9	XU DEHAN	4,606,925	1.13
10	NG ENG TIONG	4,241,200	1.04
11	OCBC SECURITIES PRIVATE LIMITED	4,130,800	1.01
12	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	3,440,700	0.84
13	IFAST FINANCIAL PTE. LTD.	2,696,500	0.66
14	LEE JING YI	2,483,100	0.61
15	CHNG BENG HUA	2,300,000	0.56
16	YEO HUNG HEE BENJAMIN	2,300,000	0.56
17	LIM YEAN LENG	2,119,000	0.52
18	VICTOR NG SIAK KEONG	2,043,000	0.50
19	NG BOON GUAT	2,029,200	0.50
20	ANG SOK KIANG	2,000,000	0.49
	TOTAL	**248,914,248**	**61.04**

PERCENTAGE OF SHAREHOLDING HELD BY THE PUBLIC

Based on the information provided to the Company as at 22 March 2021, approximately 62.22% 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 OR CONTINUED APPOINTMENT

Mr Lim Kuoh Yang, Ms Gan Siew Lian, Mr Kuan Cheng Tuck and Mr Tan Poh Chye Allan are the Directors seeking re-election or continued appointment at the forthcoming annual general meeting of the Company to be convened and held on 30 April 2020.

Mr Lim Kuoh Yang and Ms Gan Siew Lian are the Directors seeking re-election at the forthcoming annual general meeting ("**AGM**") of the Company to be convened and held on 30 April 2020.

Mr Kuan Cheng Tuck and Mr Tan Poh Chye Allan are the Directors seeking shareholders' approval for continued appointment at the forthcoming AGM pursuant to Catalist Rule 406(3)(d)(iii), which provides that the continued appointment of an independent director, after an aggregate period of more than nine years on the board, must be sought and approved in separate resolutions by (A) all shareholders and (B) shareholders excluding directors, chief executive officer, and their associates (the "**Two-Tier Voting**").

The following additional information relating to the aforesaid Directors is to be read in conjunction with their respective profiles in "Board of Directors" section and "Key information regarding Directors" on pages 14 to 17 and pages 60 to 61.

Details required under Appendix 7F of the Catalist Rules	**Lim Kuoh Yang**	**Gan Siew Lian**	**Kuan Cheng Tuck**	**Tan Poh Chye Allan**
Date of Initial Appointment	11 August 2011	1 July 2012	20 September 2011	20 September 2011
Date of last re-appointment (if applicable)	27 April 2018	27 April 2018	26 June 2020	26 June 2020
Age	47	55	49	56
Country of principal residence	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Lim as an executive director 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 Ms Gan as an independent director of the Company was recommended by the Nominating Committee and accepted by the Board, having regard to her performance, knowledge, skills and experiences, and overall contributions since her last re-appointment. The Board considers Ms Gan Siew Lian to be independent for the purpose of Rule 704(7) of the Catalist Rules.	The continued appointment 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 Board considers Mr Kuan Cheng Tuck to be independent for the purpose of Rule 704(7) of the Catalist Rules.	The continued appointment 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. The Board considers Mr Tan Poh Chye Allan to be independent for the purpose of Rule 704(7) of the Catalist Rules.
Whether appointment is executive, and if so, the area of responsibility	Executive	Non-executive	Non-executive	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	- Chief Executive Officer	- Independent Director - Chairperson of Nominating Committee - Member of the Audit Committee - Member of the Remuneration Committee	- 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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION OR CONTINUED APPOINTMENT

Details required under Appendix 7F of the Catalist Rules	Lim Kuoh Yang	Gan Siew Lian	Kuan Cheng Tuck	Tan Poh Chye Allan
Professional qualifications	- Attended Deakin University, Australia.	- Bachelor's Degree in Computing and Accounting, University of Kent at Canterbury, UK. - Master of Business Administration in International Business, University of South Australia, Australia. - Graduate Diploma in Marketing, Chartered Institute of Marketing, UK and Marketing Institute of Singapore, Singapore.	- Bachelor of Accountancy Nanyang Technological University of Singapore. - Bachelor of Laws (Honours), University of London, UK. - Master 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. - Member of Singapore Institute of Directors	- 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	- CNMC Goldmine Holdings Limited, Chief Executive Officer and Executive Director (September 2011 to Present)	- Nanyang Technological University, Deputy Director, Student Administration Transformation Management (July 2019 to Present) - Galaxy Professional Services Limited, Vice President (Change Management) (August 2017 to June 2019) - Singtel, Director, Transformation Management Office (From November 2014 to August 2017) - Ericsson Telecommunications Pte Ltd, Regional Project Manager (From March 2006 to August 2013)	- 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) - Allan Tan Law Practice, Sole Proprietor (April 2019 to March 2020) - Altum Law Corporation, Director (April 2020 to present)
Shareholding interest in the listed issuer and its subsidiaries	CNMC Goldmine Holdings Limited Direct Interest: 20,000 shares Deemed Interest: 108,617,400 shares	Nil	Nil	Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION OR CONTINUED APPOINTMENT

Details required under Appendix 7F of the Catalist Rules	Lim Kuoh Yang	Gan Siew Lian	Kuan Cheng Tuck	Tan Poh Chye Allan
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	Son of Executive Chairman and Executive Director Professor Lin Xiang Xiong.	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	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)	None	None	- 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 - Allan Tan Law Practice, Principal Lawyer
Present	Director of CNMC Goldmine Limited. Director of CNMC Pulai Mining Sdn. Bhd. Director of Sumberjaya Land and Mining Sdn. Bhd.	None	- Kori Holdings Limited, Independent Director - Karin Technology Holdings Limited, Independent Director - KCT Consulting Pte. Ltd., Director - Kreston Consulting Pte. Ltd., Director - Kanifer Realty Sdn. Bhd., Director - Tahua Realty Sdn. Bhd., Director	- Nico Steel Holdings Limited, Independent Director - Vibropower Corporation Limited, Independent and Non-Executive Director - Altum Law Corporation, Director

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION OR CONTINUED APPOINTMENT

Details required under Appendix 7F of the Catalist Rules	Lim Kuoh Yang	Gan Siew Lian	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	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?	No	No	Mr Kuan was a former independent non-executive director ("INED") 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 INED 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	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION OR CONTINUED APPOINTMENT

Details required under Appendix 7F of the Catalist Rules	Lim Kuoh Yang	Gan Siew Lian	Kuan Cheng Tuck	Tan Poh Chye Allan
(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	No	No
(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	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	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	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION OR CONTINUED APPOINTMENT

Details required under Appendix 7F of the Catalist Rules	Lim Kuoh Yang	Gan Siew Lian	Kuan Cheng Tuck	Tan Poh Chye Allan
(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	No	No
(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 from engaging in any type of business practice or activity?	No	No	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:-				
(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	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	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	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION OR CONTINUED APPOINTMENT

Details required under Appendix 7F of the Catalist Rules	Lim Kuoh Yang	Gan Siew Lian	Kuan Cheng Tuck	Tan Poh Chye Allan
(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	No	No
(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	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.	Not applicable. This is in relation to continued appointment of director.	Not applicable. This is in relation to continued appointment of director.
If yes, please provide details of prior experience.	Not applicable	Not applicable	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	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 in relation to re-election of director.	Not applicable. This is in relation to re-election of director.	Not applicable. This is in relation to continued appointment of director.	Not applicable. This is in relation to continued appointment of director.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of CNMC GOLDMINE HOLDINGS LIMITED (the "**Company**") will be held by electronic means on Friday, 30 April 2021 at 3.00 p.m. to transact the business set out below.

This Notice has been made available on SGXNet and the Company's website and may be accessed at the URL http://www.cnmc.com.hk/investor_relations.html. A printed copy of this Notice will NOT be despatched to the shareholders.

AS ORDINARY BUSINESS

Resolution 1

1. To receive and adopt the audited financial statements for the financial year ended 31 December 2020, together with the Directors' Statement and Independent Auditors' Report.

Resolution 2

2. To re-elect Mr Lim Kuoh Yang who is retiring by rotation pursuant to Article 117 of the Company's Constitution (the "**Constitution**") and who, being eligible, offers himself for re-election as a Director.

[see Explanatory Note (i)]

Resolution 3

3. To re-elect Ms Gan Siew Lian who is retiring by rotation pursuant to Article 117 of the Constitution and who, being eligible, offers herself for re-election as a Director.

*Ms Gan Siew Lian will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and will be considered independent for the purpose of Rule 704(7) of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**")(the "**Catalist Rules**").*

[see Explanatory Note (i)]

Resolution 4

4. Subject to and contingent upon the passing of Resolution 5, to approve the continued appointment of Mr Kuan Cheng Tuck as an independent Director, such approval to remain in force until the retirement or resignation of Mr Kuan Cheng Tuck as a Director or the conclusion of the third annual general meeting of the Company following the passing of this Resolution, whichever is the earlier.

[see Explanatory Note (ii)]

Resolution 5

5. Subject to and contingent upon the passing of Resolution 4 above, to approve the continued appointment of Mr Kuan Cheng Tuck as an independent Director, with the Directors and the Chief Executive Officer ("**CEO**") and their respective associates (as defined in the Catalist Rules) abstaining from voting, such approval to remain in force until the retirement or resignation of Mr Kuan Cheng Tuck as a Director or the conclusion of the third annual general meeting of the Company following the passing of this Resolution, whichever is the earlier.

[see Explanatory Note (ii)]

Mr Kuan Cheng Tuck will, upon continued appointment as an independent Director, remain as the chairman of the Audit Committee and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.

If one of Resolution 4 or 5 is not passed, the Company shall endeavour to fill the vacancy of the independent Director within two months, but in any case not later than three months, from the date of AGM.

Resolution 6

6. Subject to and contingent upon the passing of Resolution 7, to approve the continued appointment of Mr Tan Poh Chye Allan as an independent Director, such approval to remain in force until the retirement or resignation of Mr Tan Poh Chye Allan as a Director or the conclusion of the third annual general meeting of the Company following the passing of this Resolution, whichever is the earlier.

[see Explanatory Note (ii)]

Resolution 7

7. Subject to and contingent upon the passing of Resolution 6 above, to approve the continued appointment of Mr Tan Poh Chye Allan as an independent Director, with the Directors and the CEO and their respective associates (as defined in the Catalist Rules) abstaining from voting, such approval to remain in force until the retirement or resignation of Mr Tan Poh Chye Allan as a Director or the conclusion of the third annual general meeting of the Company following the passing of this Resolution, whichever is the earlier.

[see Explanatory Note (ii)]

Mr Tan Poh Chye Allan will, upon continued appointment as an independent Director, remain as a member of the Audit Committee and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.

If one of Resolution 6 or 7 is not passed, the Company shall endeavour to fill the vacancy of the independent Director within two months, but in any case not later than three months, from the date of AGM.

Resolution 8

8. To approve the payment of Directors' fees of up to S$200,000 or the financial year ending 31 December 2021, to be paid quarterly in arrears [FY2020: S$200,000].

Resolution 9

9. To re-appoint KPMG LLP as the Company's Independent Auditors and to authorise the Directors to fix their remuneration.

10. To transact any other ordinary business that may be properly transacted at an annual general meeting.

AS SPECIAL BUSINESS

Resolution 10

11. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

Authority to allot and issue shares

That pursuant to Section 161 of the Companies Act, Chapter 50 and the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**")(the "**Catalist Rules**"), authority be and is hereby given to the Directors of the Company to:-

(A) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(B) (notwithstanding that this authority may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this authority was in force,

provided that:-

(1) the aggregate number of Shares to be issued pursuant to this authority (including Shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below) ("**Issued Shares**"), of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed fifty per cent (50%) of the total number of Issued Shares;

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of Issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this authority is given, after adjusting for:-

(i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and outstanding or subsisting at the time this authority is given, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(ii) any subsequent bonus issue, consolidation or sub-division of Shares;

(3) in exercising the authority conferred by this Resolution, the Directors shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) this authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."

[see Explanatory Note (iii)]

Resolution 11

12. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

Share purchase mandate

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares ("**Shares**") in the issued share capital of the Company not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchases (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme as may be determined or formulated by the Directors of the Company as they consider fit, such scheme satisfying all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next annual general meeting of the Company is held or required by law to be held;

(ii) the date on which the purchase or acquisition of Shares have been carried out to the full extent of the Share Purchase Mandate; or

(iii) the date on which the authority contained in the Share Purchase Mandate is varied or revoked by an ordinary resolution of shareholders of the Company in general meeting;

(c) in this Resolution:

"**Prescribed Limit**" means the number of Shares representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company as at the date of the passing of this Resolution, unless the Company has reduced its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereafter defined), in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares as altered (excluding treasury shares and subsidiary holdings);

"**Relevant Period**" means the period commencing from the date of the passing of this Resolution and expiring on the date on which the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier;

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase : 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase : 120% of the Average Closing Price,

where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five Market Days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during such five-day market period and the day on which the Market Purchase is made or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"**Market Day**" means a day on which the SGX-ST is open for trading in securities; and

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution."

[see Explanatory Note (iv)]

BY ORDER OF THE BOARD

WEE MAE ANN
Company Secretary
Singapore
15 April 2021

Explanatory Notes:

(i) Detailed information on the Directors who are proposed to be re-elected can be found under the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-Election or Continued Appointment" in the Company's Annual Report.

(ii) Rule 406(3)(d)(iii) of the Catalist Rules, which takes effect from 1 January 2022, provides that a director who has been a director for an aggregate period of more than nine years (whether before or after listing) will not be independent unless his continued appointment as an independent director has been approved in separate resolutions by (A) all shareholders; and (B) all shareholders, excluding the directors and the chief executive officer of the company, and associates of such directors and chief executive officer. Such resolutions may remain in force until the earlier of (X) the retirement or resignation of the director, or (Y) the conclusion of the third annual general meeting of the company following the passing of the resolutions.

Mr Kuan Cheng Tuck and Mr Tan Poh Chye Allan have each served as independent Directors of the Company for more than nine years. Ordinary Resolutions 4 to 7 are proposed to seek approval by way of the two-tier voting process required under Rule 406(3)(d)(iii) of the Catalist Rules for the continued appointment of the aforesaid Directors as independent Directors.

Detailed information on Mr Kuan Cheng Tuck and Mr Tan Poh Chye Allan can be found under the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-Election or Continued Appointment" in the Company's Annual Report.

(iii) Under the Catalist Rules, a share issue mandate approved by shareholders as an ordinary resolution will enable directors of an issuer to issue new shares and convertible securities of an aggregate number of up to 100% of the total number of issued shares of the issuer (excluding treasury shares and subsidiary holdings) as at the time of passing of the resolution approving the share issue mandate, of which the aggregate number of new shares and convertibles securities issued other than on a pro-rata basis to existing shareholders must be not more than 50% of the total number of issued shares of the issuer (excluding treasury shares and subsidiary holdings).

Ordinary Resolution 10, if passed, will empower the Directors from the date of the above AGM until the date of the next annual general meeting, to allot and issue Shares and/or Instruments. The aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted) which the Directors may allot and issue under this Resolution, shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). For issues of Shares and convertible securities other than on a pro-rata basis to all shareholders, the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted) shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). This authority will, unless previously revoked or varied at a general meeting, expire at the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier. However, notwithstanding the cessation of this authority, the Directors are empowered to issue Shares pursuant to any convertible securities issued under this authority.

(iii) Ordinary Resolution 11, if passed, will renew the mandate to permit the Company to purchase or otherwise acquire its issued ordinary shares on the terms and subject to the conditions of the Resolution. Further details are set out in the Circular which is enclosed with the Company's Annual Report.

NOTES:-

General

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meeting for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Annual Report 2020 will not be sent to members but will be published on the SGX website at www.sgx.com and on the Company's website at http://www.cnmc.com.hk/investor_relations.html;

2. Alternative arrangements relating to participation in the AGM proceedings via electronic means, submission of questions in advance of the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out below.

Participation in the AGM proceedings

3. Members who wish to observe and/or listen to the AGM proceedings must pre-register at https://cnmcagm.listedcompany.com/agm-2021 by **3.00 p.m. on 27 April 2021** to enable the Company to verify their status. Pre-registrations received after the deadline will not be processed.

4. Following the verification, authenticated members will receive an email by 3.00 p.m. on 29 April 2021. The email will contain instructions on how to access the live audio-visual webcast and the live audio-only stream of the AGM proceedings. Members who have registered by the deadline on 27 April 2021, but do not receive an email by 3.00 p.m. on 29 April 2021, should contact the Company via email at e_agm@cnmc.com.hk and provide their full name and identification/registration number.

5. Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50)) (other than those who hold shares under the Central Provident Fund Investment Scheme and/or the Supplementary Retirement Scheme) and who wish to observe and/or listen to the AGM proceedings or submit questions in advance of the AGM, should contact their respective relevant intermediaries as soon as possible in order to make the necessary arrangements for them to do so.

Submission of questions in advance

6. Members will not be able to ask questions during the AGM proceedings. Members can submit questions relating to the resolutions to be tabled for approval at the AGM, so that they are received no later than **3.00 p.m. on 23 April 2021**, in the following manner:

   (a) via the pre-registration website at https://cnmcagm.listedcompany.com/agm-2021;

   (b) by post to the registered office of the Company at 745 Toa Payoh Lorong 5, #04-01 The Actuary, Singapore 319455; or

   (c) by electronic mail to the Company at e_agm@cnmc.com.hk.

   If the questions are submitted by post or electronic mail, the member's full name and identification/registration number must be included for verification purposes, failing which the submission will be treated as invalid.

7. The Company will address substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM either before or at the AGM. Where the questions are addressed before the AGM, the Company will publish the responses to the questions on SGXNet and the Company's website.

Voting by proxy

8. Members (whether individual or corporate) who wish to exercise their voting rights at the AGM must appoint the Chairman of the Meeting as their proxy to vote on their behalf at the AGM. The proxy form for the AGM is available on the SGX website at www.sgx.com and on the Company's website at http://www.cnmc.com.hk/investor_relations.html.

9. Where members appoint the Chairman of the Meeting as their proxy, they must give specific instructions as to voting, or abstentions from voting, in respect of each resolution in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

10. Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50)) (other than those who hold shares under the Central Provident Fund Investment Scheme and/or the Supplementary Retirement Scheme) and who wish to appoint the Chairman of the Meeting as proxy to vote, should contact their respective relevant intermediaries as soon as possible in order to make the necessary arrangements for them to do so.

    Investors who hold shares under the Central Provident Fund Investment Scheme and/or the Supplementary Retirement Scheme, and who wish to appoint the Chairman of the Meeting as proxy to vote, must approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions by **20 April 2021**, to enable their respective relevant intermediaries to submit proxy forms on their behalf so that they are received no later than **3.00 p.m. on 27 April 2021**.

11. The Chairman of the Meeting, as proxy, need not be a member of the Company.

12. A member who wishes to submit an instrument of proxy appointing the Chairman of the Meeting as proxy must complete and sign the proxy form, before submitting it:

    (a) by post to the registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 or

    (b) by electronic mail to e_agm@cnmc.com.hk.

    in either case, to be received not later than **3.00 p.m. on 27 April 2021**, failing which the proxy form will be treated as invalid.

Personal data privacy:

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

CNMC GOLDMINE HOLDINGS LIMITED

(Company Registration No. 201119104K)
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING PROXY FORM

IMPORTANT

1. The Annual General Meeting ("**AGM**") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meeting for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Annual Report 2020 will not be sent to members but will be published on the SGX website at www.sgx.com and on the Company's website at http://www.cnmc.com.hk/investor_relations.html.
2. Due to the current COVID-19 situation, a member will not be allowed to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.
3. Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50)) (other than those who hold shares under the Central Provident Fund Investment Scheme and/or the Supplementary Retirement Scheme) and who wish to appoint the Chairman of the Meeting as proxy to vote, should contact their respective relevant intermediaries as soon as possible in order to make the necessary arrangements for them to do so.
4. Investors who hold shares under the Central Provident Fund Investment Scheme and/or the Supplementary Retirement Scheme, and who wish to appoint the Chairman of the Meeting as proxy to vote, must approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions by **20 April 2021**, to enable their respective relevant intermediaries to submit proxy forms on their behalf so that they are received no later than **3.00 p.m. on 27 April 2021**.

I/We _____ (Name) _____ (NRIC/Passport/Registration Number)

of _____ (Address)
being a member/members of CNMC GOLDMINE HOLDINGS LIMITED (the "**Company**") hereby appoint the Chairman of the Annual General Meeting ("**AGM**"), as my/our proxy/proxies to attend and to vote for me/us on my/our behalf, at the AGM of the Company to be held by electronic means on Friday, 30 April 2021 at 3.00 p.m. and at any adjournment thereof as indicated hereunder.

No.	Resolution relating to:-	For	Against	Abstain
	Ordinary Business			
1.	Audited financial statements for financial year ended 31 December 2020			
2.	Re-election of Mr Lim Kuoh Yang as Director			
3.	Re-election of Ms Gan Siew Lian as Director			
4.	Continued appointment of Mr Kuan Cheng Tuck as an independent Director by members			
5.	Continued appointment of Mr Kuan Cheng Tuck as an independent Director by members, excluding Directors and the Chief Executive Officer ("**CEO**") and their associates			
6.	Continued appointment of Mr Tan Poh Chye Allan as an independent Director by members			
7.	Continued appointment of Mr Tan Poh Chye Allan as an independent Director by members, excluding Directors and the CEO and their associates			
8.	Payment of Directors' fees of up to S$200,000 for financial year ending 31 December 2021			
9.	Re-appointment of KPMG LLP as independent auditors of the Company			
	Special Business			
10.	Authority to allot and issue shares			
11.	Share purchase mandate			

(Please indicate with a cross [X] in the space provided whether you wish your vote to be cast for or against or to abstain in respect of the resolution as set out in the Notice of the AGM. Alternatively, if you wish to exercise your votes for and/or against the resolution and/or to abstain, please indicate the number of shares in the respective spaces provided.)

Dated this _____ day of _____ 2021

Shares in:	No. of Shares
(a) Depository Register	
(b) Register of Members	

_____
Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes: -

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.

2. Due to the current COVID-19 situation, a member will not be allowed to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.

   Where a member appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of each resolution in this proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

   Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50)) (other than those who hold shares under the Central Provident Fund Investment Scheme and/or the Supplementary Retirement Scheme) and who wish to appoint the Chairman of the Meeting as proxy to vote, should contact their respective relevant intermediaries as soon as possible in order to make the necessary arrangements for them to do so.

   Investors who hold shares under the Central Provident Fund Investment Scheme and/or the Supplementary Retirement Scheme, and who wish to appoint the Chairman of the Meeting as proxy to vote, must approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions by **20 April 2021**, to enable their respective relevant intermediaries to submit proxy forms on their behalf so that they are received no later than **3.00 p.m. on 27 April 2021**.

3. The Chairman of the Meeting, as proxy, need not be a member of the Company.

4. A member who wishes to submit an instrument of proxy appointing the Chairman of the Meeting as proxy must complete and sign this proxy form, before submitting it:

   (a) by post to the registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 or

   (b) by electronic mail to e_agm@cnmc.com.hk,

   in either case, to be received not later than **3.00 p.m. on 27 April 2021**, failing which the proxy form will be treated as invalid.

5. This proxy form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where this proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where this proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this proxy form, failing which this proxy form shall be treated as invalid.

6. The Company shall be entitled to reject a proxy form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

7. By submitting this proxy form, a member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 15 April 2021.

www.cnmc.com.hk

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