FIRST GOLD
LASTING VALUE

Annual Report 2012

G-RESOURCES

Corporate Philosophy

OUR COMPANY

G-Resources is an Asian gold mining company listed on the Hong Kong Stock Exchange (HKEx: 1051).

The Martabe gold and silver mine is G-Resources Group's core starter asset. Martabe is located in North Sumatra, Indonesia and has a resource base of 8.05 million ounces of gold and 77 million ounces of silver. Production commenced at Martabe on 24 July 2012.

G-Resources has strong support from the Indonesian Central, Provincial and Local Governments and the majority of communities of Batangtoru. The Company believes that mines should be developed, operated and decommissioned in a manner that is socially responsible. Caring for our people, the communities in which we conduct our business and the environment is our philosophy, and the core that underpins the way we conduct business.

OUR MISSION

G-Resources is seeking to grow gold production through exploration success on the large and highly prospective Contract of Work area at Martabe and through acquisition of other quality gold assets in the Asian region.

OUR VALUES

We strive to be a GREAT company in all of our operations and dealings with people. The GREAT values are the foundation of our Company, and provide a core commitment to achieve the best we can for all of G-Resources' stakeholders. The GREAT values include:

GROWTH in value for all our stakeholders

RESPECT for our people, our communities and for all stakeholders

EXCELLENCE in everything we do

ACTION to deliver on our commitments

TRANSPARENCY openness, honesty and good governance

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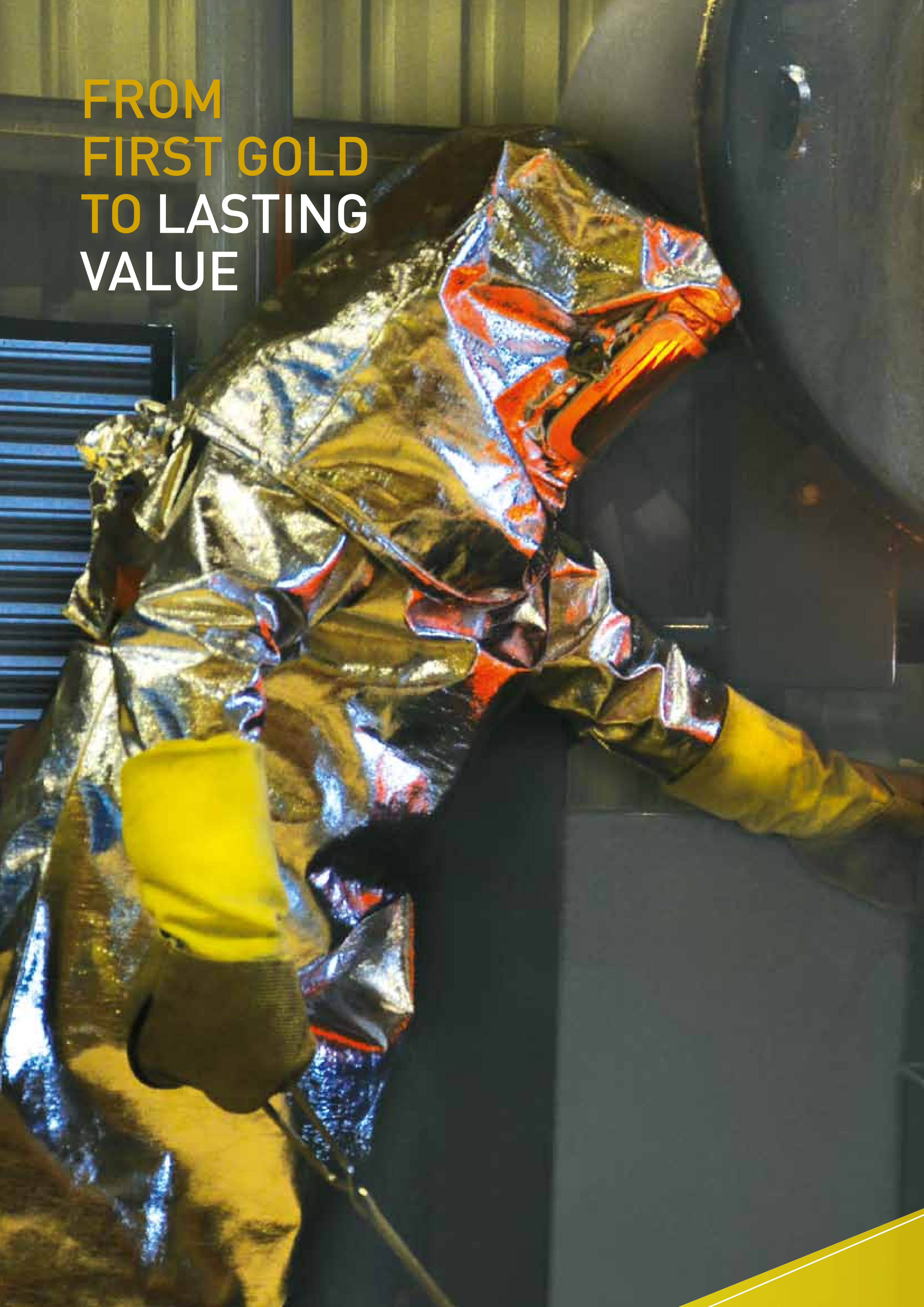


The newest base and precious metals project of scale in Indonesia in

the last 10 years.

Chairman's Statement

Dear shareholders,

The past 12 months or so have been defining for our Company – we have just joined the ranks of world gold producers having poured first gold at Martabe in July and at the time of writing we are in the process of ramping up production to design capacity of 250,000 oz/a gold and 2.5M oz/a silver. It has been an exciting, challenging and eventful three year journey for G-Resources. We began in mid-2009 by acquiring the Martabe Project and successfully raising capital to become one of the largest Hong Kong gold mining development companies.

Under an experienced and diligent management team, we set about building the mine, processing plant and related infrastructure at Martabe, North Sumatra, Indonesia. It has taken a little longer than our expectations in 2009 and the capital cost has been somewhat more, but this is not unusual in the world mining industry project developments this last decade of the so-called "mining boom". And we now have the world's newest gold operation – it is a very well engineered, constructed and robust plant and has the potential to last multiple decades. We also have a good social licence record and have embedded the Company and the operation and its people into the nearby communities within the South Tapanuli and Sibolga Regencies. The cooperation and support we have received from Governments and communities within Indonesia has been remarkable and a key success factor for the Company.

Indonesia is an excellent and world competitive mining investment host – it is a country with strong mineral endowment, especially copper and gold, and a strong mining culture and infrastructure. G-Resources operates under a long term licence known as a Contract of Work – enabling the Company to explore, develop and operate on its tenement area for 30 years with two 10 year extensions. We are proud to be investors in Indonesia and to have built the newest base and precious metals project of scale for some 10 years.

We are also bringing on the Martabe gold and silver mine at a time of world economic uncertainty – which has a negative effect on equity prices but is coincident with robust gold and silver prices. Our view on the outlook for gold has been and will continue to be very positive. All the demand factors for gold – jewellery, electronics, safe haven demand, store of value, financial hedge, inflation hedge – are positive and likely to remain so. Also, the Sovereign Central Banks are now back buying gold – whereas in the first decade of this millennium the Central Banks were selling gold into the market to make up the gap between demand and supply. On the gold supply side, there is still a relatively flat curve going forward – there are fewer major discoveries, less new mines coming on stream and less expansions – so we think the supply response to increasing demand will be modest. This combination of relatively strong demand and subdued supply will yield robust prices in our view.

We are a young and energetic company and we have a significant achievement now with Martabe built and on stream. We must now deliver on the ramp-up to full production and settle down the plant. We will then look to improving the operation and look into the possibility of expansion. We have a strong resource base and the Martabe District has high potential for further gold and silver deposits. Above all, we must deliver value to our shareholders by seeking to ensure our share price reflects full value for our world class asset in Martabe.

I want to express thanks to our experienced and committed people in G-Resources, especially our CEO, Mr Peter Albert, who has worked tirelessly and effectively through thick and thin for the Company. I also want to thank our Board Members and our two Vice-Chairmen, Mr Or and Mr Hegarty.

Our shareholders have been both supportive and patient – and we thank you very much for that; your interest and support is invaluable to the Company.

We look forward to this coming year with high expectations for further achievement.

Chiu Tao
Chairman
Hong Kong, 27 September 2012

CEO's Report

Dear shareholders,

For G-Resources, the past year has been one of challenge, excitement and achievement. I cannot say enough about our people in G-Resources who have all worked extremely hard to deliver some outstanding results.

During the year, we commenced mining activities delivering gold ore to stockpiles and the process plant, we have completed the construction of the process plant, we have completed all mine infrastructure (except for the high voltage power line and remaining works associated with water polishing plant), we have completed the tailings dam and the sedimentation dams and we have recruited the full operations team. Subsequent to year ended 30 June 2012, we have produced and continue to produce gold and silver, and we have sold our precious metals onto the international spot market.

The strong fundamentals of Martabe remain unchanged and are continually being enhanced by the addition of more ounces of gold and silver in Resources and Reserves. Martabe has a great ore body, good grade, low mining cost, simple process technology, outstanding existing infrastructure and logistics, and an experienced and capable management team. The past year has seen the Martabe Project crystallise into the Martabe Gold Mine and the next few months will see the bedding down of the operations as we reach steady state.

The Martabe Project has been built to the best international standards. At every step of the way, the best available expertise has been utilised, whether for example, designing and building the tailings dam, auditing our Resources and Reserves or employing the best Indonesian and international contractors to deliver the project.

Due to a number of project challenges, the schedule was delayed by approximately three months with first gold being produced on 24 July 2012. The capital costs also increased as a result of the delays with the final capital cost estimated to be approximately USD700 million. At the end of August 2012 the commissioning activities were well advanced with the process plant albeit complete and only the water polishing plant in the final stages of commissioning. By end of August 2012 approximately 8,422 ounces of gold and 53,718 ounces of silver had been recovered to the carbon-in-leach ("CIL") circuit with 3,437 ounces gold and 23,295 ounces silver produced and despatched to the refinery.

Like all mining operations around the world, Martabe is experiencing some operating cost pressures due to significant increases in consumable costs, labour costs and general inflation. Nonetheless the anticipated operating costs for Martabe will still remain in the bottom quartile of world gold producers as a consequence of the great project fundamentals and strong silver by-product credit.

The construction team is almost fully demobilised now, with only works on completion of the water polishing plant and the high voltage power line outstanding. Both of these will be completed by end October 2012.

The operations team is now at full strength, with significant effort having been made to recruit and train the maximum number of local persons into the team as possible. The mine's goal of 70% local employment is well on the way to being achieved.

2011 was a year of significant growth in Resources and Reserves at Martabe, whereas 2012 has deliberately been a year of consolidation and focus on the regional opportunities. In October 2011, Martabe's forestry licences were renewed supporting a continued focus on exploration opportunities on the wider Contract of Work ("CoW"). Much work has been done to identify and firm up both new and known targets. The exploration team has also spent considerable time developing a sulphide resource programme at Martabe as well as a copper-gold porphyry programme on the wider CoW. These programmes will accelerate and gain maximum momentum in the next year.

The safety record at Martabe is outstanding. In 2012, our teams clocked up 8.7 million manhours of work, experienced 11 lost time injuries with a Lost Time Injury Frequency Rate of 1.20, being more than three times better than the equivalent Australian construction industry average. The Board and management of G-Resources is particularly proud of this achievement by the whole team at Martabe. The safety statistics are a testament to the Company's focus to protect the safety, health and wellbeing of all our employees and contractors. This is

part of our GREAT (Growth, Respect, Excellence, Action and Transparency) core values and our commitment to social responsibility. In addition to safety, we are working to maintain the environmental integrity of the Martabe district and to implement social programmes such as our eye cataract surgery project.

We have very good relations with local community leaders as well as government at all levels and maintain a constant dialogue with them. On 24 July 2012, the Company formally signed a contract granting of 5% of the ownership of the mine to a shared ownership between the Governments of North Sumatra and the Regency of South Tapanuli. This was a milestone event in the life of the mine and has been well recognised by the Government of Indonesia. During the year, the Martabe Mine was recognised as one of the businesses able to contribute to the country's strategic plan to become one of the top ten world economies by 2025.

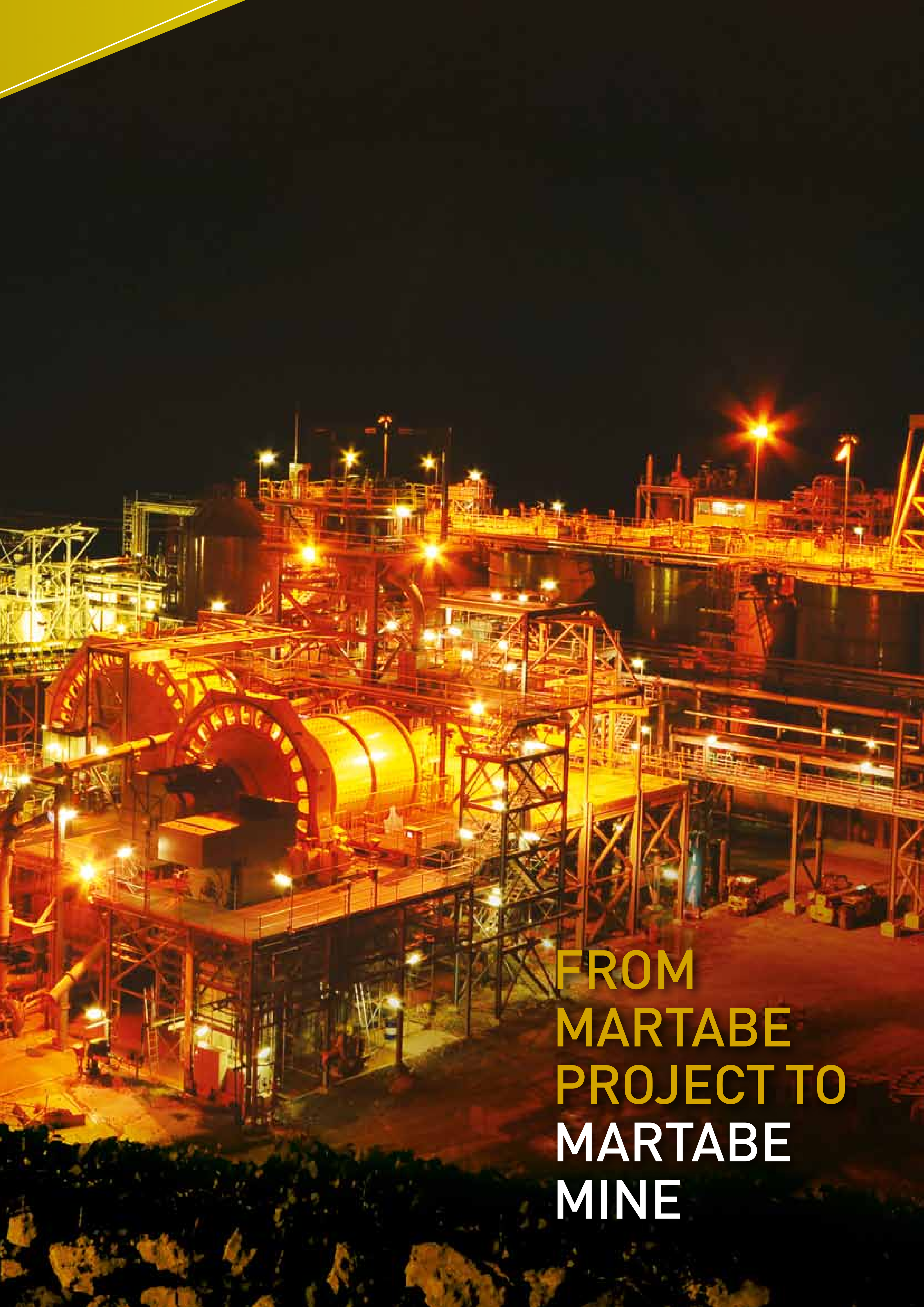
I would like to take this opportunity to recognise the support of the governments within Indonesia at the Central, Provincial and District levels. Without their support and guidance, our task would be that much harder. Within the Indonesian Government, there is a clear recognition of the sustained value that can be added to the country and standards of living by long term mining projects.

I would also like to give my heartfelt thanks to our Directors for their encouragement over the past year as well as our shareholders who continued to demonstrate their confidence in the Martabe operation. In particular, I would like to give special mention to our staff at the Martabe Mine, who have worked so hard over the past year to achieve all of the milestones that we have met.

This is an exciting time to be at G-Resources, and I am proud to work alongside this immensely talented and dedicated team.

Peter Geoffrey Albert
Chief Executive Officer
Hong Kong, 27 September 2012

At 30 September 2012, G-Resources Group JORC compliant Mineral Resources are estimated to contain **8.05 Moz of gold** and **77 Moz of silver**.



FROM MARTABE PROJECT TO MARTABE MINE

Project Overview: MARTABE

Production has commenced at Martabe and when at full capacity the mine is expected to produce at a rate of 250,000 ounces per annum of gold and 2-3 million ounces per annum of silver and at an anticipated life of mine cash cost in the lowest quartile for global gold producers.

Name	Martabe
Location	North Sumatra Province, Indonesia
Product	Gold and Silver
Mining Method	Open pit
Processing Method	Mine, crush, SAG/Ball mill, carbon-in-leach (CIL) operation
First Production	July 2012
Production Forecast	Annual estimate 250,000 ounces gold and 2-3 million ounces silver
Workforce	Approximately 2,855 employees and contractors as at 30 September 2012

G-Resources is a Hong Kong based and listed gold mining company. The Martabe mine in North Sumatra, Indonesia is the Company's core starter asset. First gold was poured at the Martabe mine on 24 July 2012 and marked a significant milestone in the development of this world class gold mine.

G-Resources is seeking to grow gold production through exploration success on the large and highly prospective Martabe Contract of Work ("CoW") area. The Martabe mine enjoys the strong support of the Indonesian Central, Provincial and Local Governments and the majority of communities in and around Batangtoru.

Martabe

The Martabe mine is located on the western side of the Indonesian island of Sumatra in the Province of North Sumatra, in the Batangtoru sub-district (Figure 1). The project is established under a sixth generation CoW which was signed in April 1997. The CoW defines all of the terms, conditions and obligations of both G-Resources and the Government of Indonesia for the life of the CoW.

Martabe has a resource base of 8.05 million ounces ("Moz") of gold and 77 Moz of silver. The operation comprises of an open pit mine with a low strip ratio of 1.3:1, conventional processing plant with 4.5 Mtpa capacity, a permanent village, haulage roads, high voltage switchyard, onsite workshop and warehousing and a tailings storage facility with associated water catchment and diversion systems.

Production has commenced at Martabe and when at full capacity, the mine is expected to produce at a rate of 250,000 ounces per annum of gold and 2-3 Moz per annum of silver and at an anticipated life of mine cash cost in the lowest quartile for global gold producers.

Aerial photo of Martabe plant site on 26 July 2012.

Construction of Martabe

The Martabe operation has been built to the best international standards. The construction of the process plant, mine and infrastructure has been a major focus for the Company over the past year. Through the commitment of many parties – including shareholders, contractors, the local community and the various government entities – the Company has successfully accomplished the pouring of first gold at Martabe on 24 July 2012.

Many key milestones were achieved over the past year all contributing to the completion of the processing plant, mine, water management systems and infrastructure facilities, and achieving first gold. The combination of continuous project management, equipment deliveries and construction has seen the Martabe project come to fruition in 2012. Now with the commissioning activities well advanced, the operation will be ramping up to full production capacity over the next few months.

Key Milestones Achieved to Pour First Gold

First ore mined	Aug-11
Workshop and warehouse completed	Sep-11
CIL processing tank erection completed	Oct-11
Administration and service buildings completed	Nov-11
ROM stockpile ready for ore	Nov-11
TSF phase 1 completed for receipt of tailings	Dec-11
Commissioning started	Jan-12
Ball mill installation completed	Jan-12
First HV power available	Jan-12
SAG mill installation completed	Feb-12
Primary crusher installation completed	Mar-12
TSF starter completed	May-12
Gold room completed	Jun-12
First gold poured	Jul-12

OVERVIEW
PROJECT OVERVIEW: MARTABE
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Reverse Circulation drill conducting grade control drilling.

Operations

During the peak of the construction phase, more than 4,000 people were engaged in work at Martabe, these numbers will reduce rapidly to less than 2,000 people as Martabe transforms into an operating mine. Throughout the year, G-Resources finalised recruitment of the operations team. All teams were trained to be operationally ready for taking over the plant as construction is completed. Mining commenced delivering gold ore to stockpiles and the process plant commissioning commenced.

On 24 July 2012, first gold was poured at Martabe. The operations team is now fully engaged and working 24 hours a day. The Martabe operation has now moved from a construction project to an operating gold mine.

Mining

Development work to access the orebody on the western side of Purnama continued from July to December 2011. The first ore was mined in August 2011 with full scale mining commencing in January 2012, all ore mined until 30 June was stockpiled. The Purnama ridge was lowered 20 metres from the surface at RL500 to RL480. A reverse circulation drill provided samples from grade control drilling for ore and grade definition. A total of 440,000 tonnes of ore @ 1.8 g/t gold and 7.8 g/t silver was stockpiled at the end of June 2012.

Access to waste rock, to construct the Tailing Storage Facility ("TSF") starter dam, commenced in September 2011 on the eastern side of the Purnama pit, as did pre-stripping the northern end of the pit. Construction of the Run of Mine ("ROM") pad, where the mined ore is stored prior to feeding to the process plant, commenced in February and was ongoing at the end of June 2012.

On 1 September 2012, more than 620,000 tonnes of ore was stockpiled. The current mine plan includes an operational stockpile to hold an average of 200,000 tonnes on hand for milling operations.

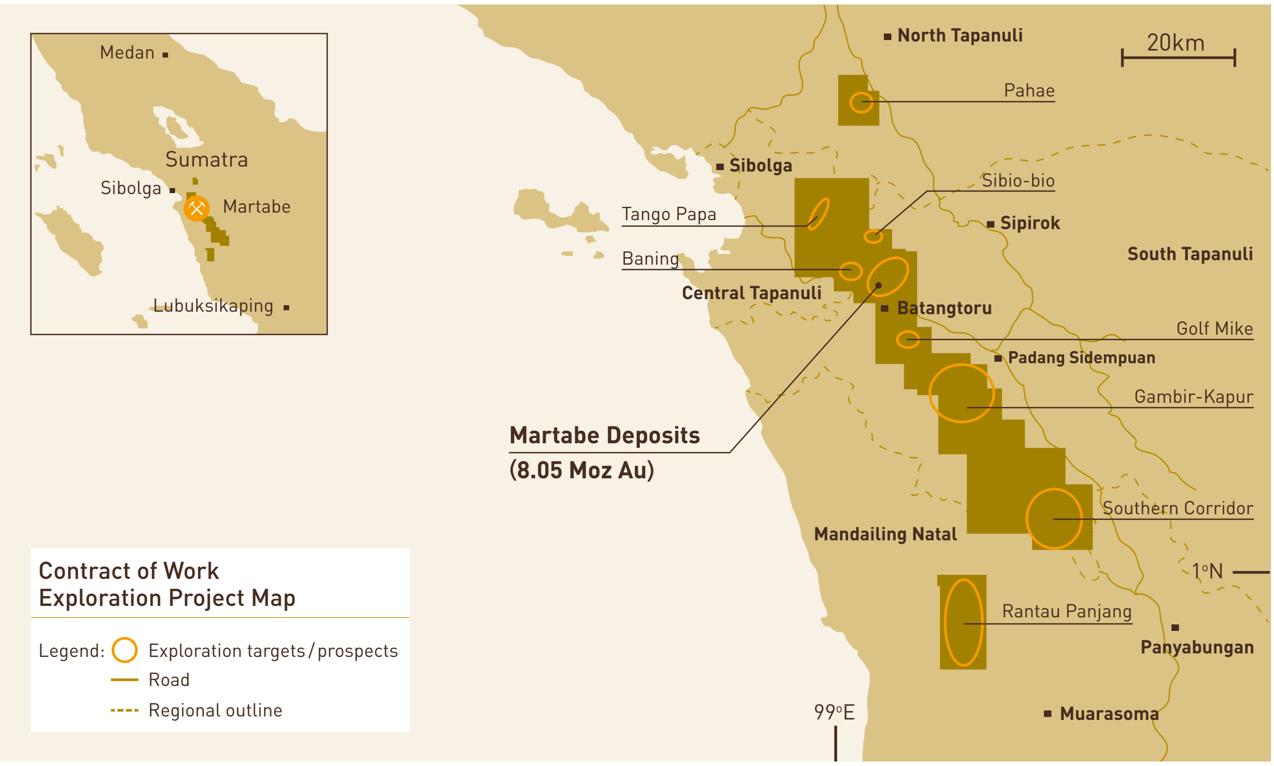


Figure 1. Martabe location, showing deposit and regional prospect locations within the CoW.

Processing

The process operations and maintenance teams were fully resourced, trained and commenced operating 24 hours a day by the end of the second quarter of 2012. Following the achievement of first gold on 24 July 2012, the processing team is now focused on the ramp-up and de-bottlenecking of the plant to maximise the operating output of the mine.

Supply Chain

Building Martabe would not have been possible without a dedicated Supply Chain Management Department in place. Throughout the process, the Company has sourced equipment from all over the world, and logistically maneuvered the importation of materials, sometimes very heavy out-of-gauge equipment to the Martabe site lowlands and then up to the process plant site. The Supply Chain Management team has gained great experience during this time and is now in full operational mode and supporting the ramp-up of the processing plant and completion of the project phase of Martabe.

Costs

The Martabe project has an anticipated life of mine cash cost structure in the lowest quartile for global gold producers. The low cost structure is due to a number of factors including the capacity and size of the project, the shallow location of the deposit that results in a low strip ratio of 1.3:1, the good grade of the ore and straightforward gold extraction process. In addition, Martabe benefits from the advantageous location of the project, with the potential to reduce transportation costs and has access to a large skilled and mining experienced Indonesian workforce.

Martabe Exploration and Mineral Resource and Reserve Statement (As at 30 September 2012)

1. Exploration Overview

The Martabe CoW occurs within the Java-Sumatra portion of the Sunda-Bandah magmatic arc. The magmatic arc has approximately 70 Moz of gold in resources and past production, yet remains under-explored relative to many of the world's major gold-copper belts.

The Martabe CoW covers 1,639 km^2 along 110 km of strike length of the Sumatra fault, which is a major structural control for mineral deposits along the Java-Sumatra Arc. Ongoing success in expanding the resource and additional discoveries made at Martabe is an indication of the potential of this fertile tectonic setting. G-Resources is aggressively exploring at Martabe, both close to the existing Martabe deposits and regionally across the CoW holding, in the belief that this world class mineral province will produce further discoveries.

The 2011-2012 exploration programme was successful, and achieved the following notable outcomes:

1. A new resource estimate at the Purnama Timur zone in July 2011, adding 0.23 Moz of gold and 2.11 Moz of silver to the Inferred and Indicated Resources at Martabe.

2. A maiden resource estimate was completed at the Tor Uluala deposit in September 2011, adding 0.73 Moz of gold and 4.29 Moz of silver to the Inferred Resources at Martabe.

3. A maiden resource estimate was completed for the Horas deposit in October 2011, adding 0.4 Moz of gold and 0.88 Moz of silver to the Inferred Resources at Martabe.

4. A maiden resource estimate was completed at the Tor Uluala deposit in September 2012, adding 0.19 Moz of gold and 3.52 Moz of silver to the Inferred Resources at Martabe.

5. Drill testing of multiple epithermal gold-silver and porphyry copper targets on the CoW.

Overall, 136 diamond drill holes for 28,445 metres were completed between 1 July 2011 and 30 September 2012. Exploration activities included the completion of induced polarisation (IP) geophysics surveys to the east of the Horas and Barani deposits and at the Southern Corridor prospect, a programme of modeling both existing and new geophysics data, and geological interpretation with consulting experts in porphyry copper and epithermal systems.

2. Martabe Resource and Reserve Development

The period 1 July 2011 to 30 September 2012 saw additions to the G-Resources Mineral Resource Estimate at the Purnama Timur, Horas and Tor Uluala deposits. Overall, an estimated total of 1.55 Moz of gold and 10.80 Moz of silver was added. This represents an increase of 24% in the total gold resource estimate and 16% in the total silver resource estimate for the period.

Since acquisition of the Martabe Project in July 2009, G-Resources has added an estimated 2.15 Moz of gold and 15.50 Moz of silver to the Martabe deposits, representing an increase of 36% in gold resources and 25% in silver resources.

At 30 September 2012, G-Resources Group JORC compliant Mineral Resources are estimated to contain 8.05 Moz of gold and 77 Moz of silver within the Purnama, Purnama Timur, Barani, Ramba Joring, Tor Uluala, Uluala Hulu and Horas deposits at Martabe in North Sumatra, Indonesia.

The Horas deposit was discovered in December 2010 and developed to a first resource in October 2011. The resulting Mineral Resource Estimate was published in October 2011 and added 0.4 Moz gold and 0.88 Moz silver of inferred resource. Geological interpretation and preliminary metallurgical test work indicates the Horas Deposit is predominately refractory in nature. The detailed metallurgy of Horas is being assessed as part of a larger study into potential processing options for non-oxidised mineralisation types at the Martabe deposits.

Drilling continued at the Tor Uluala deposit, targeting strike extensions and zones which were not drilled at sufficient spacing to include in the Inferred Resource category in the 2011-2012 period. As a result of this work, an additional Inferred Resource of 0.73 Moz of gold and 4.29 Moz of silver was added to the Tor Uluala Mineral Resource estimate in September 2011. Preliminary metallurgical testing and geological interpretation indicate up to half of the Resource is oxide and transitional in nature and will likely prove to be a suitable feed source for the Martabe gold plant. Following on from the financial year period, additional 0.19 Moz of gold and 3.52 Moz of silver was added to the Tor Uluala resource estimate in September 2012.

3. Martabe District Exploration

Exploration continued close to the Martabe deposits in 2011-2012. Exploration focused on discovering higher grade intersections with potential to significantly increase the economics of existing deposits. A major geophysics IP survey was completed to the east of Horas and Barani deposits and another survey planned and prepared to the west of Tor Uluala deposit.

Significant, high grade drilling results were achieved from the Horas Barat prospect including 11.0 metres @ 26.2 g/t gold, 23 g/t silver, and from Purnama North prospect including 31.4 m @ 4.5 g/t gold. Refer to Announcements dated 6 October 2011 and 29 June 2012 for details.

Junior Geologist Mustika Rivay analysing rock samples.

4. Regional Exploration

Exploration work on the Martabe CoW accelerated in 2011-2012. Exploration was conducted at the Baning, Tango Papa, Southern Corridor, Golf Mike and Gambir-Kapur prospects. Drilling was conducted at Baning, Tango Papa, Golf Mike and Gambir-Kapur. Drilling and surface exploration located indications of epithermal gold-silver systems at all prospects.

A high level of work continues towards the exploration of porphyry copper-gold systems. The Golf Mike, Gambir-Kapur, Tango Papa and Pahae prospects all display various characteristics that could be interpreted as indicators of buried porphyry copper-gold systems. The geology of buried porphyry systems is complex and the exploration group is building multi-faceted targeting models for drilling based on surface, 3D geological models, geophysics, geochemistry and mineral alteration systems. World class consulting experts across these fields have been engaged to assist in the targeting process.

Table 1: Martabe Mineral Resource Estimates as at 30 September 2012

Deposit	Category	Tonnes (Mt)	Gold Grade (g/t Au)	Silver Grade (g/t Ag)	Contained Metal Gold (Moz)	Contained Metal Silver (Moz)
Purnama	Measured	4.36	3.1	53.0	0.43	7.46
	Indicated	36.44	2.0	24.0	2.36	28.46
	Inferred	41.24	1.3	17.0	1.74	22.54
	Total	**82.04**	**1.7**	**22.0**	**4.53**	**58.46**
Purnama Timur	Measured	–	–	–	–	–
	Indicated	2.37	1.3	15.9	0.10	1.21
	Inferred	2.60	1.6	10.8	0.13	0.90
	Total	**4.97**	**1.5**	**13.2**	**0.23**	**2.11**
Ramba Joring	Measured	–	–	–	–	–
	Indicated	33.71	1.0	4.1	1.11	4.47
	Inferred	4.64	0.8	3.7	0.12	0.55
	Total	**38.35**	**1.0**	**4.1**	**1.23**	**5.02**
Barani	Measured	–	–	–	–	–
	Indicated	10.30	1.3	3.5	0.42	1.14
	Inferred	6.60	1.1	2.4	0.24	0.63
	Total	**16.90**	**1.2**	**3.2**	**0.66**	**1.77**
Tor Uluala	Measured	–	–	–	–	–
	Indicated	–	–	–	–	–
	Inferred	31.5	0.9	7.7	0.92	7.81
	Total	**31.5**	**0.9**	**7.7**	**0.92**	**7.81**
Horas	Measured	–	–	–	–	–
	Indicated	–	–	–	–	–
	Inferred	15.7	0.8	1.7	0.40	0.88
	Total	**15.7**	**0.8**	**1.7**	**0.40**	**0.88**
Uluala Hulu	Measured	–	–	–	–	–
	Indicated	0.77	2.3	31.0	0.06	0.77
	Inferred	0.49	1.5	12.0	0.02	0.18
	Total	**1.26**	**2.0**	**24.0**	**0.08**	**0.95**
Combined	**Total**	**190.72**	**1.31**	**12.5**	**8.05**	**77.00**

The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves.

Significant figures do not imply precision. Figures are rounded according to JORC Code guidelines.

Note on Cut-off grade:

All Mineral Resources (with the exception of Tor Uluala) are estimated using a 0.5 g/t cut-off grade. Tor Uluala is estimated using a 0.5 g/t Au equivalent cut-off grade, using the formula Au equivalent = Au in g/t + Ag/60 in g/t for each block.

Note on Mine depletion:

This resource statement does not account for depletion due to mining operations during the period 1 July 2012 to the date of issue.

The information in this report is based on and accurately reflects reports prepared by the Competent Persons for each Resource Estimation as listed below. All Competent Persons have given consent to the inclusion of the material in the form and context in which it appears in this report.

1. Michael Stewart (Member of AusIMM (209311), employee of Quantitative Group Pty Ltd) was responsible for those aspects of Purnama resource estimate related to statistical and geostatistical analysis and estimation.
2. Bosta Pratama (Member of AusIMM (211701), employee of Quantitative Group Pty Ltd) was responsible for those aspects of Purnama resource estimate related to statistical and geostatistical analysis and estimation.
3. Graham Petersen (Member of AusIMM (109633), former employee of G-Resources) was responsible for remaining aspects of Purnama, Barani and Uluala Hulu resource estimates, including data, geological interpretation, modeling and classification.
4. Dr Stuart Smith (Member of AIG (4180), former employee of G-Resources) was responsible for aspects of Ramba Joring resource estimate related to data, geological interpretation and modeling.
5. Patrick Adams (Member of AusIMM (112739), employee of Cube Consulting Pty Ltd) was responsible for those aspects of the Ramba Joring resource estimate related to statistical and geostatistical analysis, estimation and classification.
6. David Slater (Member of AusIMM (201414), employee of Coffey Mining Ltd.) was responsible for those aspects of Barani and Uluala Hulu resource estimates related to statistical and geostatistical analysis, estimation and classification.
7. Christopher Black (Member of AIG (1363) employee of Cube Consulting Pty Ltd) was responsible for those aspects of the Purnama Timur, Horas and Tor Uluala resource estimates related to modeling, statistical and geostatistical analysis, estimation and classification.
8. Shawn Crispin (Member and Chartered Professional of AusIMM (110597), employee of G-Resources) was responsible for those aspects of the Purnama Timur, Horas and Tor Uluala resource estimates related to modeling, classification, data and geological interpretation.

Martabe Reserve

G-Resources Group JORC compliant Ore Reserve estimates for Martabe are shown in Table 2 below.

Table 2: Martabe Ore Reserve Estimate as at 30 June 2012

Deposit	Category	Tonnes	Gold Grade	Silver Grade	Contained Metal	
					Gold	Silver
		(Mt)	(g/t Au)	(g/t Ag)	(Koz)	(Koz)
Purnama	Proved Reserves	4.4	3.0	53.4	429	7,550
	Probable Reserves	30.3	2.1	25.6	2,060	24,910
Barani	Probable Reserves	4.3	1.6	2.9	221	409
Ramba Joring	Probable Reserves	5.5	1.7	4.3	302	759
Purnama stockpile	Proved Reserves	0.4	1.8	7.8	24	103
Subtotals	Proved Reserves	4.8	2.9	49.5	452	7,653
	Probable Reserves	40.1	2.0	20.2	2,582	26,078
Total Ore Reserves		**44.9**	**2.1**	**23.4**	**3,034**	**33,731**

Calculations are rounded to the nearest 100,000 tonnes; 0.1 g/t Au and Ag grade; 1,000 ounces Au and Ag metal. Errors of rounding may occur.

Ore Reserves are estimated using a gold price of USD1,377/oz and silver price of USD26.20/oz.

Competent Persons: The information in this report relating to Ore Reserves is based on and accurately reflects reports prepared by Mr Quinton de Klerk. Mr de Klerk is a Director and Principal Consultant of Cube Consulting Pty Ltd and qualifies as a "Competent Person" under the JORC Code for Reporting of Mineral Resources and Ore Reserves (JORC, 2004 Edition). Mr de Klerk has given his consent to the inclusion of the material in the form and context in which it appears.

FROM GREAT VALUES TO A COMMITMENT TO SUSTAINABILITY

Our Workforce

The Company's goal is to have a minimum of **70% local employment** and is well on the way to being achieved.

G-Resources and Sustainability

The Board of G-Resources believes that mines should be developed, operated and closed in a manner that is socially responsible. This must take into account a range of potentially complex issues relating to project approval, protection of the environment, and social welfare.

The Board of G-Resources believes that mines should be developed, operated and closed in a manner that is socially responsible. This must take into account a range of potentially complex issues relating to project approval, protection of the environment, and social welfare. By working towards these outcomes in a consistent manner, we aim to establish and maintain a reputation for being a valued and trusted member of the communities in which we work and live.

In 2012, G-Resources maintained its commitment to sustainable development through a range of initiatives and programmes. The following is a summary of our efforts to date to meet the principles of sustainable development.

1. Safety

G-Resources has the goal of zero harm to our employees and the contractors that work with us. We are also committed to the reduction of accidents away from work through community safety programmes.

Progress in 2012

For much of 2012, construction of the plant site and associated infrastructure was ongoing. Management of safety risk during this period was led by a project safety team. The safety effort was focused on risk assessments, field inspections, mentoring of unsafe practice and immediate rectification of hazards.

From July, there was a transition from construction to commissioning and operations, and this was accompanied by the gradual introduction of an operational safety management system. Key initiatives during this period included:

Golden Rules

The Golden Rules are simple safety rules that will protect a worker from the most common causes of fatal accidents in the mining industry. Because of their importance, they are mandatory requirements at the Martabe Gold Mine for all workers.

Departmental Safety and Health Committees

These Committees meetings are held monthly and are chaired by the Department Head. They provide a forum to direct and support ongoing safety improvements at the Department level.

Integrated Permit to Work System

A permit to work system is an industry standard approach to controlling hazardous work. Permits control the way in which work is conducted in order that the work is done safely. Permits are signed by both the area owner and the person in charge of the work team, and are supported by various technical approvals such as isolation and confined space clearances.

Training underpins the safety programme at the Martabe Gold Mine. This is a critical activity because a large proportion of new employees are from the local area with no previous experience of mining. Some key safety courses were delivered in 2012 across the workforce, the most important being *HSE Induction, Work at Height, Confined Space, Basic Permit to Work, Job Safety & Environmental Analysis, "Take 5" and Golden Rules Awareness.*

Employees conducting planting as part of the Revegetation Programme.

These safety management efforts resulted in an outstanding safety performance for the site by industry standards. At the 30 June 2012, the Lost Time Injury Frequency Rate (LTIFR) per 1,000,000 man-hours was 1.20 for PT Agincourt Resources ("PTAR") site.

"Away from work" safety was targeted in particular by a safe motorcycle riding programme aimed at improving compliance with the wearing of standard motorcycle helmets. This included presentations to local schools and safety inspections as employees arrived to work riding motorcycles.

Plans for 2013

Safety management in 2013 will be aimed at ongoing improvement of workplace safety through the targeting of both unsafe conditions and unsafe behavior. Unsafe conditions will be addressed in part by a systematic programme of workplace inspections. Unsafe behavior will be addressed by ongoing delivery of targeted safety training and in particular by the introduction of a behavioral safety programme. An important goal will be delivery of incident investigation training to supervisors and managers.

2. Environment

Environmental management continues to be a critical activity at the site due to a number of factors including, the proximity of local communities, the biodiversity in the area and the challenging nature of mining in a high rainfall environment.

Progress in 2012

Various site environmental management programmes were maintained in 2012, such as the site revegetation and sediment control, and environmental monitoring and reporting. In addition, the move from construction to operations presented new challenges such as the form of commissioning of the Tailings Storage Facility ("TSF") and Water Polishing Plant.

Clean water testing as part of the Environmental Management Programme.

Environmental management achievements included:

- Two baseline aquatic biota studies in local river systems;
- Establishment of a partnership with the North Sumatra University for ongoing independent assessment of river health;
- Completion of waste rock characterisation studies;
- Completion of phase one of a waste rock oxidation modeling study (to investigate controls on the generation of acid mine drainage);
- Implementation of a wildlife and critical habitat assessment to serve as a foundation for the mine habitat rehabilitation plan;
- Completion of a mine closure plan and submission to the Government of Indonesia;
- Revegetation of 24 hectares of disturbed land with grasses and cover crops;
- Establishment of Codes of Practice for waste and hydrocarbon management across the site, supported by an inspection programme; and
- Successful commissioning of the Water Polishing Plant and management of the operational water balance.

2012 was completed without a significant environmental incident.

Plans for 2013

Key environmental management outcomes planned for 2013 include:

- Installation of Datasight, an environmental monitoring database;
- Completion of a site plant nursery;
- Co-operation with the Government of South Tapanuli in the establishment of a public waste landfill;
- Commencement of environmental studies related to a second TSF location; and
- Completion of a Code of Practice for waste dump rehabilitation.

3. Community

Successful relationship management with local communities is critical to the success of the Martabe Gold Mine.

Progress in 2012

In 2012, community relations effort work extended over three key areas: communication, community development and support for local business.

With the long-awaited commencement of operations, clear communication with local communities became even more important. Special communication programmes were held for a number of topical issues:

- The reduction of significant numbers of workers towards the end of construction phase;
- Exploration activity in new regional areas;
- The site water management strategy and in particular release of treated water to the Batangtoru River. Socialisation sessions were delivered to about 1,000 community members and the majority of PTAR and contractor employees; and
- Mine blasting.

Community development efforts during the year focused on education, health and infrastructure development and included:

- Work with village authorities to maintain four children's libraries, called "reading gardens", in four local villages.
- The "PTAR Goes to School" programme was maintained in four schools in the Batangtoru sub-district. This programme has the objective of maintaining good relationship with local schools and promoting special campaigns such as the safe motorcycle riding programme.
- In partnership with a Batangtoru Woman's Group, a seminar was conducted on child growth and development. This event was attended by 90 participants, comprising teachers, health volunteers, school inspectors and village representatives.
- Support continued for health posts by means of monthly visits to 21 villages in Batangtoru. Supplementary foods for toddlers and health counselling were provided in addition to regular medical services.
- The installation of a clean water supply for villagers of Sumuran village helped more than 70 households gain access to clean water.

Health volunteers and participants at Martabe's Public Health Programme.

- The Company worked with the Health Office of South Tapanuli organising a training course for health volunteers, with 138 participants.
- The Company donated building materials and computers to local schools as well as assisted with renovations for an elementary school and kindergarten.

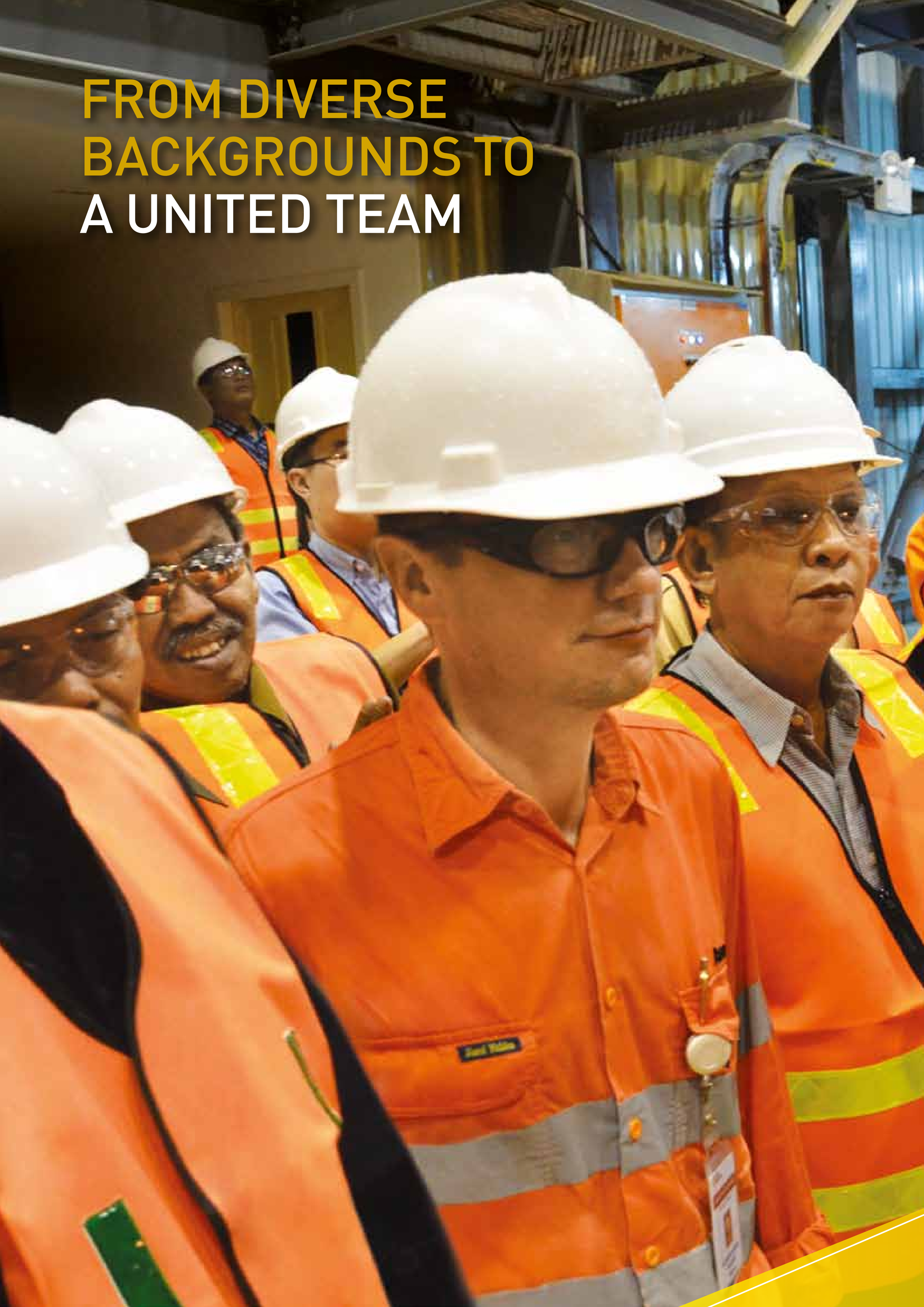
Business development was promoted by the policy of purchasing goods and services locally, if competitive. Significant local purchases in 2012 included building construction, fencing, light vehicle rental and servicing, and food and fuel supply. Support was given to the farmer groups by means of agricultural training provided in cooperation with the Agriculture Agency of Batangtoru. This included:

- Compost production;
- Rubber cultivation; and
- Aquaculture.

Plans for 2013

In 2013, the current community development programmes will continue. A significant change will be an increase in the number of villages included in the programme, from 10 to 14. Three of these are in Muara Batangtoru sub-district.

FROM DIVERSE BACKGROUNDS TO A UNITED TEAM



Growth
Respect
Excellence
Action
Transparency

Biographical Details of Directors and Senior Management

Executive Directors

Chiu Tao, aged 56

was appointed as the Chairman and an executive director of the Company on 19 August 2009 and 22 July 2009, respectively. Mr Chiu is an experienced executive and merchant, and was engaged as the chairman of various listed companies in Hong Kong. Mr Chiu has extensive experience in the metal business, trading, investment planning, business acquisitions and development, and corporate management. He is currently the Chairman and an executive director of CST Mining Group Limited, whose shares are listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") ("CST").

Owen L Hegarty, aged 64

was appointed as Vice-Chairman and an executive director of the Company on 19 August 2009 and 10 May 2009, respectively. Mr Hegarty has some 40 years' experience in the global mining industry. Mr Hegarty had 25 years with the Rio Tinto group where he was Managing Director of Rio Tinto Asia and Managing Director of the Group's Australian copper and gold business. He was the founder and chief executive officer of Oxiana Limited, which grew from a small exploration company to a multi-billion dollar Australia, Asia and Pacific focused base and precious metals producer, developer and explorer. Oxiana Limited later became OZ Minerals Limited.

For his achievements and leadership in the mining industry, Mr Hegarty was awarded the AusIMM Institute Medal in 2006 and the G.J. Stokes Memorial Award in 2008.

Mr Hegarty is currently a non-executive director of Australian Fortescue Metals Group Limited and Tigers Realm Coal Limited (whose shares are both listed on the Australian Stock Exchange); a director of the Australasian Institute of Mining and Metallurgy ("AusIMM"); and a member of a number of Government and industry advisory groups. Mr Hegarty is also Chairman of Tigers Realm Minerals Pty Ltd.

Peter Geoffrey Albert, aged 54
was appointed as the Chief Executive Officer and an executive director of the Company on 22 July 2009. Mr Albert is a metallurgist and holds an Executive MBA degree. He has 30 years of experience in project management, general management and operations management in mining and minerals processing in Australia, Africa and Asia. He is a member of the Institute of Materials, Minerals and Mining (London), a member of the Australasian Institute of Mining and Metallurgy and a Chartered Engineer.

He was the Executive General Manager – Asia of OZ Minerals Limited covering off-shore operations; the Sepon copper and gold operations and projects; the development of the Martabe Project; business development in Asia, and Asian government relations. He joined Oxiana Limited in 2000 from Fluor Daniel, where he held the position of General Manager – Projects. Mr Albert has also worked with Shell-Billiton (Australia), Aker Kvaerner (Australia) and JCI (South Africa).

Ma Xiao, aged 47
was appointed as the Deputy Chief Executive Officer and an executive director of the Company on 22 July 2009. Mr Ma has over 20 years of international minerals and metals trading, financing and hedging experience. Mr Ma also has extensive experience in mineral company acquisitions and development. He previously held senior and executive positions with several base and precious metals companies, including China Minmetals. Mr Ma was based in London for four years working for Minmetals (UK) Limited and was the Managing Director of Guizhou H-Gold & Mining Limited and was a director of the China Minerals Acquisition Fund.

Wah Wang Kei, Jackie, aged 45
was appointed as an executive director and Company Secretary of the Company on 9 April 2008 and 1 December 2009, respectively. Mr Wah graduated from The University of Hong Kong in 1990 and was qualified as a solicitor in 1992. Up until 1997, Mr Wah was a partner of a Hong Kong law firm. Mr Wah is currently an executive director of China New Energy Power Group Limited, whose shares are listed on the main board of the Stock Exchange ("China New Energy Power") and an executive director of CST.

Hui Richard Rui, aged 44
was appointed as an executive director of the Company on 5 March 2009. Mr Hui graduated from the University of Technology, Sydney in Australia with a Bachelor's degree in Mechanical Engineering. He has more than 10 years' experience in management positions with companies in Australia, Hong Kong and PRC. Mr Hui is currently an executive director of CST and an executive director of China Strategic Holdings Limited, whose shares are listed on the main board of the Stock Exchange ("China Strategic").

Kwan Kam Hung, Jimmy, aged 50
was appointed as an executive director of the Company on 25 March 2009. Mr Kwan was engaged as a senior manager with various listed companies in Hong Kong. He has over 15 years of experience in the fields of finance and accounting and corporate management. Mr Kwan is currently an executive director of CST and an executive director of China New Energy Power.

Non-Executive Director

Tsui Ching Hung, aged 59

was appointed as an executive director of the Company on 5 March 2009 and redesignated as a non-executive director of the Company on 22 July 2009. Mr Tsui holds a Master of Science degree in Polymer Science and a Master of Business Administration degree from the University of Aston and University of Warwick in the United Kingdom, respectively. He has over 10 years of experience in senior management positions with several multinational corporations in Hong Kong. Mr Tsui is currently an executive director of CST and an independent non-executive director of Rising Development Holdings Limited, whose shares are listed on the main board of the Stock Exchange.

Independent Non-Executive Directors

Or Ching Fai, aged 62

was appointed as a Vice-Chairman and an independent non-executive director of the Company on 22 July 2009. Mr Or began his career with The Hongkong and Shanghai Banking Corporation Limited in 1972 after receiving a bachelor's degree in Economics and Psychology from the University of Hong Kong. He was the Vice-Chairman, Chief Executive Officer and an executive director of Hang Seng Bank, whose shares are listed on the main board of the Stock Exchange. Mr Or was also an independent non-executive director of Hutchison Whampoa Limited and Cathay Pacific Airways Limited; the shares of both companies are listed on the main board of the Stock Exchange. Mr Or is currently an independent non-executive director of Chow Tai Fook Jewellery Group Limited and Industrial and Commercial Bank of China Limited (whose shares are both listed on the main board of the Stock Exchange), Chairman and independent non-executive director of Esprit Holdings Limited, whose shares are listed on the main board of the Stock Exchange, Chairman and an executive director of China Strategic.

Ma Yin Fan, aged 48

was appointed as an independent non-executive director of the Company on 25 March 2009. She obtained a bachelor's degree with honours in accountancy at Middlesex University in the United Kingdom. She also holds an MBA and Master in Professional Accounting degree from Heriot-Watt University in the United Kingdom and Hong Kong Polytechnic University, respectively. Ms Ma is a CPA (Practising) in Hong Kong and has been working in auditing, accounting and taxation for more than 20 years. She is the principal of Messrs Ma Yin Fan & Company CPAs. Ms Ma is a fellow of the Hong Kong Institute of Certified Public Accountants, Taxation Institute of Hong Kong, Association of Chartered Certified Accountants, Hong Kong Institute of Chartered Secretaries and Institute of Chartered Secretaries and Administrators. She is also a member of the Institute of Chartered Accountant in England and Wales and a certified Tax Adviser in Hong Kong. Ms Ma is currently an independent non-executive director of China Strategic and an independent non-executive director of China New Energy Power.

Leung Hoi Ying, aged 61

was appointed as an independent non-executive director of the Company on 31 March 2009. Mr Leung graduated from the Guangdong Foreign Trade School in the People's Republic of China. He has over 30 years of experience in international trade and business development. Mr Leung is currently an independent non-executive director of China Strategic and an independent non-executive director of China New Energy Power.

Senior Management

Arthur Ellis, aged 51

was appointed Chief Financial Officer of the Company on 1 December 2009. Mr Ellis is a member of the Institute of Chartered Accountants in Australia and holds a BA (Hons) Accounting and Finance degree. He has over 15 years' experience in the resources industry. He was the Group Financial Controller for Kingsgate Consolidated Limited ("Kingsgate"), an ASX listed gold mining company. He joined Kingsgate in 2000 as Financial Controller at the start of the construction of the Chatree Gold mine in Thailand. Prior to that, he worked in Australia and Hong Kong and provided accounting, corporate, tax and auditing services.

Timothy John Vincent Duffy, aged 46

was appointed as the General Manager of Operations of the Company on 8 June 2009. Mr Duffy is a Certified Practicing Accountant and holds a bachelor's degree in Commerce. He has 20 years of experience in the mining industry and has operational experience in gold, silver, nickel, copper, uranium, coal, and open cut and underground mining operations. He has been engaged in finance and commercial roles in mining projects and has strategic capability across the full suite of mining activities in an Asian environment. Mr Duffy was the General Manager Finance – Asia of OZ Minerals Limited, mainly responsible for providing commercial guidance and strategic direction for Asian operations and business.

Linda H D Siahaan, aged 51

was appointed as the Director Government Relations for G-Resources' Indonesian subsidiary, PT Agincourt Resources ("PTAR") on 31 March 2011 and subsequently appointed as the Director External Relations of PTAR on 1 October 2011. Ms Siahaan is based in Jakarta, where she has worked for PTAR since July 2007. Her responsibilities include maintaining harmonious relationships with the government of the Republic of Indonesia to ensure that the Company complies with Indonesian laws and regulations. She is also responsible for establishing and maintaining relationships with all relevant stakeholders. Ms Siahaan is from Medan in North Sumatra, the province where the G-Resources Martabe Mine is located. She has accounting qualifications from the University of North Sumatra, as well as a diploma in communications from the Ketchum Institute of Public Relations in Fairfax, USA. Ms Siahaan began her career with Mobil Oil Indonesia. From 1997 until 2007, she worked in the External Relations department of PT Newmont Nusa Tenggara, one of the largest copper and gold mining companies in the world.

Shawn David Crispin, aged 44

was appointed as Senior Manager, Resource Development and Exploration on 6 November 2010. Mr Crispin has over 18 years mining industry experience which covers open pit and underground mine geology, resource drilling and estimation programmes, project acquisition and greenfields and brownfields exploration. This experience was gained with a wide range of commodities including gold and copper. He is an Australian citizen with international experience in Papua New Guinea and South America. Previously Mr Crispin was Principal Exploration Geologist for OK Tedi Mining Ltd in Papua New Guinea. Mr Crispin is a member of the AusIMM and Chartered Professional.

Management Discussion and Analysis

The Company achieved first gold pour on 24 July 2012 and the immediate goal for 2012/13 is to move quickly from plant commissioning to commercial production and focus on the ramping up of production to reach design capacity as soon as possible.

Key Financial Information

	2012 *USD'000*	2011 *USD'000*
FINANCIAL POSITION		
Current Assets		
Bank balances and cash	**65,338**	135,627
Others	**12,406**	5,936
Non-current Assets	**881,371**	500,698
Total Assets	**959,115**	642,261
Total Debts	**(82,136)**	–
Other Liabilities	**(84,162)**	(52,063)
Net Assets	**792,817**	590,198

	2012 *USD'000*	2011 *USD'000* (Restated)
INCOME STATEMENT		
Turnover	**–**	–
Gross profit	**–**	–
EBITDA	**(18,894)**	(21,214)
Loss before taxation	**(19,244)**	(21,419)
Taxation	**–**	22
Loss for the year	**(19,244)**	(21,397)

Business Review

During the year, the Group continued the construction of Martabe Gold Mine which is situated in Indonesia. Despite various project challenges, the Company achieved first gold and silver production at the end of July 2012.

During the year ended 30 June 2012, the Group invested a total of approximately USD353 million in exploration and development activities and which is summarised as the following key expenditure incurred:

	Mine Property & Development* *USD'000*	Regional Exploration & Evaluation *USD'000*	Construction in Progress *USD'000*
Land holding fee	153	–	253
Assets and equipment	3,329	88	185,272
Earthworks and access	19,391	–	55,328
Drilling and assays expense	6,032	1,243	1,019
Consultancy and advisory	1,772	75	1,819
Staff cost	20,688	1,468	2,196
Transportation cost	3,732	–	17,476
Others	16,742	522	14,488
Sub-total	**71,839**	**3,396**	**277,851**
Total			**353,086**

* *Include costs incurred on near mine exploration and evaluation activities*

Results

The Group's Martabe Gold Mine's operations were delayed until after the year end and therefore the Group did not generate any revenue in the current year. To focus on the Group's principle activity of gold mining business, the management of the Group decided in January 2012 to cease its financial information service in the second quarter of 2012.

Loss attributable to owners of the Company from the operations for the current year was approximately USD19.2 million, compared to a loss of approximately USD21.4 million in the corresponding period of 2011, representing a decrease of 10%. The decrease in loss was mainly due to change in fair value of held for trading investment with a loss of USD1.3 million as compared with a loss of approximately USD4.1 million recorded for the year ended 30 June 2011.

Net Asset Value

As at 30 June 2012, the Group's total net asset amounted to approximately USD793 million, represented an increase of USD203 million as compared to approximately USD590 million as at 30 June 2011. The increase in net assets was mainly due to the share placement of USD213 million (net proceeds) in August 2011.

Liquidity and Financial Resources

The Group recorded a net cash outflow of approximately USD73 million during the year ended 30 June 2012.

Due to the delay in gold and silver production the Group incurred an operating cash outflow of USD42 million.

Cash outgoings of approximately USD326 million were incurred on the Group's property, plant and equipment and exploration. These activities were financed by USD213 million received from share placement and USD81 million (net of borrowing costs) from drawing on its Bank Revolving Credit Facility.

As at 30 June 2012, cash and bank balances of the Group amounted to approximately USD65 million (2011: approximately USD136 million). Bank deposit of approximately USD82,000 was pledged to a bank to secure the cutting tree permit granted to a subsidiary of the Group as at 30 June 2012 (2011: USD92,000).

During the year, the Group's Indonesian subsidiary PT Agincourt Resources ("PTAR") executed a USD100 million Revolving Credit Facility with BNP Paribas, Commonwealth Bank of Australia, Hang Seng Bank Limited and Sumitomo Mitsui Banking Corporation ("Facility") for the purpose of financing its Martabe Gold Mine. As at 30 June 2012, the unused facility was USD15 million. It was arranged on a floating rate basis. The maturity profile of the Group's borrowings net of capitalised borrowing costs is set out as following:

	2012 ***USD'000***	2011 *USD'000*
Within one year	**33,568**	–
More than one year, but not exceeding two years	**48,568**	–
Total borrowings	**82,136**	–

The Group's gearing ratio, expressed as the percentage of the Group's total borrowings over shareholders' equity, was 10% as at 30 June 2012 (2011: nil).

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G-RESOURCES AND SUSTAINABILITY
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Material Acquisitions and Disposals of Subsidiaries and Associated Companies

There was no material acquisition or disposal of subsidiaries and associated companies during the year.

Exposure to Fluctuations in Exchange Rates and Related Hedge

The Group conducted most of its business in USD, Australian dollars ("AUD"), Indonesian Rupiah ("IDR") and Hong Kong dollars ("HKD"). The foreign currency exposure to USD is minimal as HKD is pegged to USD. The Group is exposed to foreign currency risk that is denominated in AUD and IDR.

The management of the Group monitors the foreign currency exposure and during the year, the Group entered into certain forward currency contracts to sell USD and purchase IDR at a fixed rate in the normal course of business in order to limit its exposure to adverse fluctuations in the USD/IDR exchange rate. These instruments are executed with a creditworthy financial institution. The management will continue to monitor the Group's other foreign currency exposure and impose other hedging policy should the need arise. It is the Group's policy not to enter into derivative for speculative purposes.

As at 30 June 2012, the Group has outstanding fixed rate foreign exchange forward contracts for monthly purchase of IDR which are designated hedges to be used for its expected future IDR payments.

Business Outlook

The Company achieved first gold pour on 24 July 2012 and the immediate goal for 2012/13 is to move quickly from plant commissioning to commercial production and focus on the ramping up of production to reach design capacity as soon as possible. Martabe has a great ore body, good grade, low mining cost, simple processing, and an experienced and capable management team.

We intend to expand the Group's resources and reserves through near mine exploration at Martabe and to continue to develop a sulphide resource programme at Martabe. The Group has defined exploration targets such as Golf Mike, Gambir-Kapur, Tango Papa and Pahae prospects for future discoveries on its Contract of Works.

The Group continues to review opportunities in the gold sector for quality gold projects or gold producing assets in Asia Pacific region which could deliver substantial value to shareholders.

Human Resources

As at 30 June 2012, the Group had 26 employees in Hong Kong, 500 employees in Indonesia and 1 employee in Australia, respectively. Employees are remunerated at a competitive level and are rewarded according to their performance. Our Group's remuneration packages include a medical scheme, group insurance, mandatory provident fund, performance bonus and options for senior staff.

According to the share option scheme adopted by the Company on 30 July 2004, share options may be granted to directors and eligible employees of the Group to subscribe for shares in the Company in accordance with the terms and conditions stipulated therein.

Directors' Report

The Board is pleased to present their report and the audited financial statements for the year ended 30 June 2012.

Principal Activities

The principal activity of the Company is gold and related metals mining business. The principal activities of the Company's subsidiaries as at 30 June 2012 are set out in note 32 to the financial statements.

Results and Dividend

The results of the Group for the year ended 30 June 2012 are set out in the consolidated income statement on page 57 of the annual report.

The Board does not recommend the payment of a dividend during the year.

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 106 of the annual report.

Reserves

Details of the movements during the year in the reserves of the Group are set out in the consolidated statement of changes in equity on page 60 to the annual report.

Share Capital and Share Options

Details of movements in the Company's share capital and share options during the year are set out in notes 23 and 24 to the financial statements, respectively.

Contributed Surplus

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is available for distribution to shareholders. However, the Company shall not declare or pay a dividend or make a distribution out of contributed surplus if there are reasonable grounds for believing that:

(a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

Property, Plant and Equipment

Details of the movements in the property, plant and equipment of the Group during the year are set out in note 12 to the financial statements.

Directors

The directors of the Company (the "Directors") during the year and up to the date of this report are:

Executive Directors
Chiu Tao (Chairman)
Owen L Hegarty (Vice-Chairman)
Peter Geoffrey Albert (Chief Executive Officer)
Ma Xiao (Deputy Chief Executive Officer)
Wah Wang Kei, Jackie
Hui Richard Rui
Kwan Kam Hung, Jimmy

Non-Executive Director
Tsui Ching Hung

Independent Non-Executive Directors
Or Ching Fai (Vice-Chairman)
Ma Yin Fan
Leung Hoi Ying

In accordance with clause 99 of the Company's Bye-laws, at each annual general meeting one third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest but not less than one-third, shall retire from office by rotation. Accordingly, Mr Chiu Tao, Mr Ma Xiao, Mr Tsui Ching Hung and Mr Or Ching Fai will retire by rotation at the forthcoming annual general meeting. Each of Mr Chiu Tao, Mr Ma Xiao, Mr Tsui Ching Hung and Mr Or Ching Fai, being eligible, have offered themselves for re-election.

Directors' Service Contracts

Mr Chiu Tao, Mr Ma Xiao, Mr Tsui Ching Hung and Mr Or Ching Fai were appointed for a term of 2 years expiring on 31 March 2014.

Save as disclosed above, none of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

Purchase, Sale or Redemption of the Company's Listed Securities

The Company has not redeemed any of its securities during the year ended 30 June 2012. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's securities during the year.

Directors and Executive Officers' Interests in Securities

At 30 June 2012, the interests and short positions of the Directors and Executive Officers of the Company and their respective associates in the shares, underlying shares, convertible notes or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by Directors and Chief Executives of the Company (the "Model Code"), were disclosed as follows in accordance with the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"):

Long positions in shares, underlying shares of the Company

	Number of *shares / underlying shares					
Name of Director/ Executive Officers	Personal interests	Corporate interests	Share options	Total	Approximate % of the issued share capital of the Company	*Notes*
Chiu Tao	–	–	280,000,000	280,000,000	1.65%	
Owen L Hegarty ("Mr Hegarty")	1,002,000	175,179,000	322,181,050	498,362,050	2.95%	1
Or Ching Fai	9,999,000	–	109,000,000	118,999,000	0.70%	
Peter Geoffrey Albert ("Mr Albert")	33,213,000	–	301,681,050	334,894,050	1.98%	2
Ma Xiao	–	–	50,000,000	50,000,000	0.29%	
Wah Wang Kei, Jackie	1,272,000	–	50,000,000	51,272,000	0.30%	
Hui Richard Rui	–	–	50,000,000	50,000,000	0.29%	
Kwan Kam Hung, Jimmy	–	–	21,500,000	21,500,000	0.12%	
Arthur Ellis	210,000	–	38,000,000	38,210,000	0.22%	

** Ordinary shares unless otherwise specified in the Note*

Notes:

1. 175,179,000 shares are held by Asia Linkage International Corp. ("Asia Linkage"), and Asia Linkage was wholly-owned by Mr Hegarty. By virtue of SFO, Mr Hegarty is deemed to have interest in all of the shares.

   Pursuant to a share option agreement entered into between Mr Hegarty and the Company on 10 May 2009, the Company agreed to grant to Mr Hegarty 201,681,050 share options upon the fulfilment of certain conditions precedent pursuant to such share option agreement. Upon fulfilment of these conditions precedent, the share options granted to Mr Hegarty became effective on 24 July 2009 and shall be valid for a maximum period of five years thereafter.

2. Pursuant to an investment agreement entered into between Mr Albert and the Company on 8 June 2009, Mr Albert agreed to subscribe for 33,213,000 shares at HKD0.35 each in an aggregate amount of USD1,500,000. The shares were issued and allotted to Mr Albert on 9 July 2009 upon completion of placing of new shares under specific mandate.

   Pursuant to a share option agreement entered into between Mr Albert and the Company on 10 May 2009, the Company agreed to grant to Mr Albert 201,681,050 share options upon the fulfilment of certain conditions precedent pursuant to such share option agreement. Upon fulfilment of these conditions precedent, the share option granted to Mr Albert became effective on 24 July 2009 and shall be valid for a maximum period of five years thereafter.

Save as disclosed above, none of the Directors and Executive Officers of the Company or their associates had any interests and short positions in the shares, underlying shares, convertible notes or debentures of the Company or any of its associated corporations as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or otherwise notified by the Company pursuant to the Model Code required to be disclosed in accordance with the Listing Rules as at 30 June 2012.

Share Option

Particulars of the share option scheme of the Company are set out in note 24 to the financial statements.

1. Share Option Scheme

The following table discloses movements in the Company's share options held by each of the Directors and the employees of the Company in aggregate granted under the share option scheme of the Company during the year ended 30 June 2012:

Name or Category of participants	Date of grant	Exercisable period	*Notes*	Exercise period *HKD*	Outstanding as at 01.07.2011
(a) DIRECTORS					
Chiu Tao	23.11.2009	23.11.2009-22.11.2014	1	0.5500	140,000,000
	01.12.2010	01.12.2010-30.11.2015	2	0.7000	140,000,000
Owen L Hegarty	01.12.2010	01.12.2010-30.11.2015	2	0.7000	120,500,000
Or Ching Fai	23.11.2009	23.11.2009-22.11.2014	1	0.5500	9,000,000
	03.03.2011	03.03.2011-02.03.2016	2	0.7000	100,000,000
Peter Geoffrey Albert	01.12.2010	01.12.2010-30.11.2015	2	0.7000	100,000,000
Ma Xiao	20.10.2009	20.10.2009-19.10.2014	1	0.4800	3,954,057
	23.11.2009	23.11.2009-22.11.2014	1	0.5500	31,045,943
	01.12.2010	01.12.2010-30.11.2015	2	0.7000	15,000,000
Wah Wang Kei, Jackie	20.10.2009	20.10.2009-19.10.2014	1	0.4800	3,954,057
	23.11.2009	23.11.2009-22.11.2014	1	0.5500	31,045,943
	01.12.2010	01.12.2010-30.11.2015	2	0.7000	15,000,000
Hui Richard Rui	20.10.2009	20.10.2009-19.10.2014	1	0.4800	3,954,057
	23.11.2009	23.11.2009-22.11.2014	1	0.5500	31,045,943
	01.12.2010	01.12.2010-30.11.2015	2	0.7000	15,000,000
Kwan Kam Hung, Jimmy	23.11.2009	23.11.2009-22.11.2014	1	0.5500	15,000,000
	01.12.2010	01.12.2010-30.11.2015	2	0.7000	6,500,000
Total for Directors					**781,000,000**
(b) EMPLOYEES	20.10.2009	20.10.2009-19.10.2014	1	0.4800	5,378,161
	23.11.2009	23.11.2009-22.11.2014	1	0.5500	13,850,000
	04.12.2009	04.12.2009-03.12.2014	1	0.5500	28,000,000
	13.05.2010	13.05.2010-12.05.2015	1	0.5500	5,000,000
	01.12.2010	01.12.2010-30.11.2015	2	0.7000	22,109,194
	01.12.2010	01.12.2010-30.11.2015	2	0.6000	28,400,000
	01.12.2010	01.12.2010-30.11.2015	3	0.6000	25,000,000
	02.03.2011	02.03.2011-01.03.2016	2	0.7000	27,500,000
	08.07.2011	08.07.2011-07.07.2016	4	0.7700	–
	03.01.2012	03.01.2012-02.01.2017	5	0.6000	–
	03.01.2012	03.01.2012-02.01.2017	6	0.6000	–
	10.01.2012	10.01.2012-09.01.2017	5	0.6000	–
Total for Employees					**155,237,355**
(c) OTHERS	23.11.2009	23.11.2009-22.11.2014	1	0.5500	4,000,000
	01.12.2010	01.12.2010-30.11.2015	2	0.6000	3,000,000
Total for Others					**7,000,000**
Total for Scheme					**943,237,355**

Notes:

1. The share options will vest upon the occurrence of:
   i) as to one-third, upon the first gold production by G-Resources Martabe Pty Ltd and its subsidiary under the Martabe Gold and Silver Project owned by PT Agincourt Resources in the Regency of South Tapanuli, Northern Sumatra, Indonesia (the "Martabe Project");
   ii) as to one-third, upon the process plant of the Martabe Project being in operation and having reached its designed capacity within a range of 10% deviation for the average of the first year of production as defined by the mine schedule and plan and as approved by the Board for a continuous of three months; and
   iii) as to the remaining one-third, upon the average closing share price of the Company for a continuous period of 30 days having reached 100% above the exercise price of the share option granted,

   provided always that, in each case, no share options shall be vested at any time prior to the expiry of twelve months from the date of the grant of the share options and no option is exercisable until upon and after vesting.

2. The share options will vest upon the occurrence of:
   i) as to 50%, upon the first gold production by G-Resources Martabe Pty Ltd and its subsidiary under the Martabe Project;
   ii) as to 25%, upon the process plant of the Martabe Project being in operation and having reached its designed capacity of not less than a monthly average of gold production of 90% of the board approved production output for that year over a period of any six consecutive months after the first gold production at the Martabe Project; and
   iii) as to 25%, upon the process plant of the Martabe Project being in operation and having reached its designed capacity of not less than a monthly average of gold production of 90% of the board approved production output for that year over a period of any twelve consecutive months after the first gold production at the Martabe Project,

   provided always that, in each case, no share options shall be vested at any time prior to the expiry of twelve months from the date of grant of the share options.

3. The share options will vest upon the occurrence of:
   i) as to 50%, upon completion of the Martabe Project and the first gold production by G-Resources Martabe Pty Ltd and its subsidiary under the Martabe Project on the condition that the first gold production of the Martabe Project must be on or before 31 December 2011; and

Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year	Outstanding as at 30.06.2012	Market value per share at date of grant of options *HKD*	Option value per share *HKD*
–	–	–	–	140,000,000	0.5400	0.2412
–	–	–	–	140,000,000	0.5200	0.1814
–	–	–	–	120,500,000	0.5200	0.1814
–	–	–	–	9,000,000	0.5400	0.2412
–	–	–	–	100,000,000	0.5400	0.2170
–	–	–	–	100,000,000	0.5200	0.1814
–	–	–	–	3,954,057	0.4750	0.2288
–	–	–	–	31,045,943	0.5400	0.2412
–	–	–	–	15,000,000	0.5200	0.1814
–	–	–	–	3,954,057	0.4750	0.2288
–	–	–	–	31,045,943	0.5400	0.2412
–	–	–	–	15,000,000	0.5200	0.1814
–	–	–	–	3,954,057	0.4750	0.2288
–	–	–	–	31,045,943	0.5400	0.2412
–	–	–	–	15,000,000	0.5200	0.1814
–	–	–	–	15,000,000	0.5400	0.2412
–	–	–	–	6,500,000	0.5200	0.1814
–	**–**	**–**	**–**	**781,000,000**		
–	–	–	–	5,378,161	0.4750	0.2288
–	–	(1,000,000)	–	12,850,000	0.5400	0.2412
–	–	–	–	28,000,000	0.5200	0.2289
–	–	–	–	5,000,000	0.4750	0.1929
–	–	(1,000,000)	–	21,109,194	0.5200	0.1814
–	–	(1,750,000)	–	26,650,000	0.5200	0.2021
–	–	–	(12,500,000)	12,500,000	0.5200	0.2021
–	–	–	–	27,500,000	0.5400	0.2174
47,750,000	–	(7,500,000)	–	40,250,000	0.6400	0.2474
52,250,000	–	(1,000,000)	–	51,250,000	0.4400	0.1426
12,500,000	–	–	–	12,500,000	0.4400	0.1137
3,500,000	–	–	–	3,500,000	0.4400	0.1287
116,000,000	**–**	**(12,250,000)**	**(12,500,000)**	**246,487,355**		
–	–	–	–	4,000,000	0.5400	0.2412
–	–	–	–	3,000,000	0.5200	0.2021
–	**–**	**–**	**–**	**7,000,000**		
116,000,000	**–**	**(12,250,000)**	**(12,500,000)**	**1,034,487,355**		

ii) as to 50%, upon the process plant of the Martabe Project being in operation and having reached its designed capacity within a range of 10% deviation for the average of the first year of production as defined by the mine schedule and plan for a continuous period of three months as approved by the Board.

4. The share options will vest upon the occurrence of:
   i) as to 50%, 90 days after the first gold production by G-Resources Martabe Pty Ltd and its subsidiary under the Martabe Project;
   ii) as to 25%, upon the process plant of the Martabe Project being in operation and having reached its designed capacity of not less than a monthly average of gold production of 90% of the board approved production output for that year over a period of any six consecutive months after the first gold production at the Martabe Project; and
   iii) as to 25%, upon the process plant of the Martabe Project being in operation and having reached its designed capacity of not less than a monthly average of gold production of 90% of the board approved production output for that year over a period of any twelve consecutive months after the first gold production at the Martabe Project,

   provided always that, in each case, no share options shall be vested at any time prior to the expiry of twelve months from the date of grant of the share options.

5. The share options will vest upon the occurrence of:
   i) as to 50%, 180 days after the first gold production by G-Resources Martabe Pty Ltd and its subsidiary under the the Martabe Project;
   ii) as to 25%, upon the process plant of the Martabe Project being in operation and having reached its designed capacity of not less than a monthly cumulated average of gold production of 90% of the board approved production output for that year over a period of any six consecutive months after the first gold production at the Martabe Project; and
   iii) as to 25%, upon the process plant of the Martabe Project being in operation and having reached its designed capacity of not less than a monthly cumulated average of gold production of 90% of the board approved production output for that year over a period of any twelve consecutive months after the first gold production at the Martabe Project,

   provided always that, in each case, no share options shall be vested at any time prior to the expiry of nine months from the date of grant of the share options.

6. The share options will vest upon completion and the first gold production of the Martabe Project on the condition that the first gold production of the Martabe Project must be on or before 30 April 2012.

2. Share Option Agreements

On 10 May 2009 and 8 June 2009, two Directors and five employees of the Company entered into share option agreements with the Company respectively, pursuant to which the Company agreed to grant to each of them an option to subscribe for shares of the Company subject to fulfilment of the conditions under the share option agreement. The options were subsequently granted on 15 July 2009.

Details of movements of the options granted pursuant to the above share option agreements during the year under review were as follows:

Name or Category of participants	Date of grant	Exercisable period	Note	Exercise price *HKD*	Outstanding as at 01.07.2011	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year	Outstanding as at 30.06.2012	Market value per share at date of grant of options *HKD*	Option value per share *HKD*
(a) DIRECTORS												
Owen L Hegarty	15.07.2009	24.07.2009 -23.07.2014	1	0.3850	201,681,050	–	–	–	–	201,681,050	0.4150	0.1962
Peter Geoffrey Albert	15.07.2009	24.07.2009 -23.07.2014	1	0.3850	201,681,050	–	–	–	–	201,681,050	0.4150	0.1962
Total for Directors					**403,362,100**	**–**	**–**	**–**	**–**	**403,362,100**		
(b) EMPLOYEES	15.07.2009	03.08.2009 -02.08.2014	1	0.4025	26,890,806	–	–	–	–	26,890,806	0.4150	0.1959
Total for Employees					**26,890,806**	**–**	**–**	**–**	**–**	**26,890,806**		
Total					**430,252,906**	**–**	**–**	**–**	**–**	**430,252,906**		

Note:

1. The share options will vest upon the occurrence of:
   i) as to one-third, upon the first gold production by G-Resources Martabe Pty Ltd and its subsidiary under the Martabe Gold and Silver Project owned by PT Agincourt Resources in the Regency of South Tapanuli, Northern Sumatra, Indonesia (the "Martabe Project");
   ii) as to one-third, upon the process plant of the Martabe Project being in operation and having reached its designed capacity within a range of 10% deviation for the average of the first year of production as defined by the mine schedule and plan and as approved by the Board for a continuous period of three months; and
   iii) as to the remaining one-third, upon the average closing share price of the Company for a continuous period of 30 days having reached 100% above the exercise price of the share option granted,

   provided always that, in each case, no share options shall be vested at any time prior to the expiry of 12 months from the date of the grant of the share options and no option is exercisable until upon and after vesting.

Valuation of Share Options

The valuation of share options is set out in note 24 to the financial statements.

Retirement Benefit Scheme

Details of the Group's retirement benefit scheme for the year ended 30 June 2012 are set out in note 30 to the financial statements.

Directors' and Executive Officers' Rights to Acquire Shares or Debentures

Save as disclosed in the section headed "Directors and Executive Officers' Interests in Securities" disclosed above, at no time during the year was the Company or its subsidiaries or jointly controlled entity a party to any arrangement that enabled any Director or Executive Officer to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate.

Save as disclosed above, none of the Directors or Executive Officers or their spouses or children under the age of 18 had any right to subscribe for the securities of the Company or had exercised any such right during the year.

Directors' Interests in Contracts of Significance

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company or any of its subsidiaries had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' Interest in Competing Business

During the year up to the date hereof, none of the Directors of the Company, or any of their respective associates (as defined in the Listing Rules) had any material interest in a business that competes or may compete with the business of the Group.

Independent Non-Executive Directors

The Company has received from each of its independent non-executive directors written confirmation of their independence pursuant to Rule 3.13 of the Listing Rules.

Discloseable Interests and Short Positions of Persons other than Directors and Executive Officers

As at 30 June 2012, so far as known to the Directors or Executive Officers of the Company, the following persons/entities are the shareholders (other than the Directors or Executive Officers of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances of general meetings of the Company or who were recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO or had otherwise notified the Company.

Long positions in shares and underlying shares of the Company

Name of shareholders	Capacity	Number of shares/ underlying shares	Approximate % of the issued share capital	*Notes*
CST Mining Group Limited ("CST")	Interest of a controlled corporation	1,686,331,571 (L)	9.98%	2
Skytop Technology Limited ("Skytop")	Beneficial owner	1,686,331,571 (L)	9.98%	2
McGoldrick Mark	Interest of a controlled corporation	1,305,419,050 (L)	7.73%	
Mount Kellett Capital Management GP LLC	Investment manager	1,305,419,050 (L)	7.73%	
BlackRock, Inc.	Interest of a controlled corporation	1,323,552,597 (L)	7.62%	3
		32,438,597 (S)	0.03%	3
JPMorgan Chase & Co. ("JPMorgan")	Beneficial owner/ Investment manager	1,167,948,347 (L)	6.92%	4
	Custodian corporation/ Approved lending agent	596,900,347 (P)	3.54%	

Notes:
1. "L" denotes long position, "S" denotes short position and "P" denotes lending pool.
2. CST is the ultimate beneficial owner of Skytop. Under Part XV of the SFO, CST is deemed to have interest in the shares of the Company held by Skytop.
3. These interests comprised 1,323,552,597 ordinary shares of the Company.

   These interests comprised the respective direct interests held by:

	Number of shares (in Long Position)	Number of shares (in Short Position)
BlackRock Institutional Trust Company, N.A.	57,386,000	
BlackRock Fund Advisors	20,763,000	
BlackRock Advisors, LLC.	327,000	
BlackRock Japan Co. Ltd.	28,335,000	
BlackRock Investment Management (Australia) Limited	2,895,000	
BLK Isle of Man Holdings Limited	12,002,000	
BlackRock Asset Management Australia Limited	90,000	
BlackRock Asset Management North Asia Limited	32,562,232	31,658,232
Blackrock Advisors (UK) Limited	4,413,365	780,365
BlackRock (Luxembourg) S.A.	679,999,000	
BlackRock Asset Management Ireland Limited	5,185,000	
BlackRock Investment Management (UK) Limited	128,496,000	
BlackRock Fund Managers Limited	350,000,000	
BlackRock Investment Management (Korea) Limited	1,099,000	

   BlackRock, Inc. is deemed to be interested in 1,323,552,597 shares held by various of its indirectly wholly owned subsidiaries.

4. These interests comprised 1,167,948,347 ordinary shares of the Company which include 596,900,347 shares in the lending pool.

These interests comprised the respective direct interests held by:

	Number of shares
JPMorgan Chase Bank, N.A.	596,900,347
JF Asset Management Limited	24,654,000
JPMorgan Asset Management (UK) Limited	546,393,000
J.P. Morgan Securities Ltd.	1,000

JPMorgan is deemed to be interested in these interests through its controlling interests of 100% in all of the above companies.

Save as disclosed above, the Company has not been notified by any person (other than the Directors or Executive Officers of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances of general meetings of the Company or who were recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO or had otherwise notified the Company as at 30 June 2011.

Major Customers and Suppliers

Both of the turnover and purchase are from discontinued operation. The aggregate percentage of turnover attributable to the Group's five largest customers is less than 19% of the Group's total turnover for the year. Purchases from the five largest suppliers accounted for approximately 95% of the total purchase for the year, and purchases from the largest supplier included therein amounted to approximately 66%.

At no time during the year, none of the Directors, their associates or the shareholders of the Company, which to the knowledge of the Directors owned more than 5% of the Company's issued share capital, had any interests in the above suppliers.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's Bye-laws or the applicable laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to the existing shareholders.

Emolument Policy

The emolument policy of the employees of the Group is set up by the board of Directors on the basis of their merit, qualifications and competence. The emoluments of the Directors of the Company are decided by the Directors, who are authorised by the shareholders in the annual general meeting, having regard to the Group's operating results, individual performance and comparable market statistics. The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of which are set out in note 24 to the financial statements.

Public Float

From information publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules at all times during the year under review and as at the date of this report.

Corporate Governance

The information set out in pages 43 to 53 and information incorporated by reference, if any, constitutes the Corporate Governance Report of the Company.

Audit Committee

The Company has established an audit committee with written terms of reference based upon the recommendations set out in *A Guide for Effective Audit Committees* published by the Hong Kong Institute of Certified Public Accountants and the code provisions set out in the Corporate Governance Code. The duties of the audit committee include reviewing the Company's annual reports and interim reports and providing advice and comments thereon to the Directors. The audit committee is also responsible for reviewing and supervising the financial reporting and internal control procedures of the Group.

As at the date of this report, the audit committee comprises three independent non-executive Directors, namely, Mr Or Ching Fai, Ms Ma Yin Fan, and Mr Leung Hoi Ying, with Mr Or Ching Fai being the chairman of the committee. The audited financial statements of the Company for the year ended 30 June 2012 have been reviewed by the audit committee.

Auditors

SHINEWING (HK) CPA Limited, who acted as the auditor of the Company since 2005, resigned on 14 May 2009 and Deloitte Touche Tohmatsu was appointed as the auditor of the Company on 14 May 2009.

The consolidated financial statements of the Group for the year ended 30 June 2012 have been audited by Deloitte Touche Tohmatsu who shall retire and, being eligible, offer themselves for re-appointment in the forthcoming annual general meeting. A resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Chiu Tao
Chairman
Hong Kong, 27 September 2012

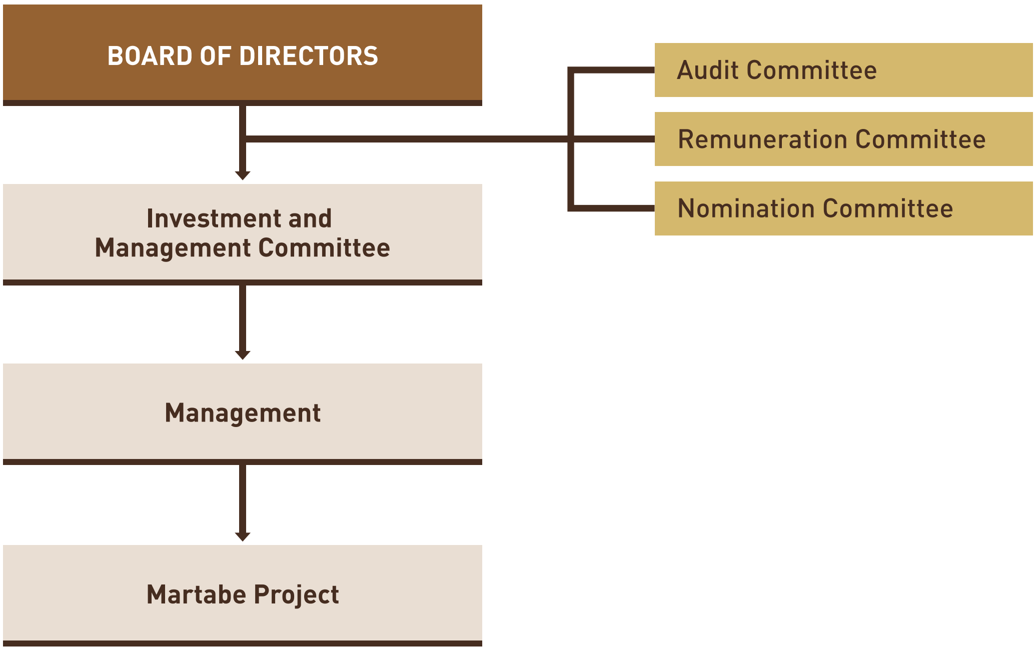
Corporate Governance Report

The Group is committed to maintaining a high standard of corporate governance, enhancing transparency to protect shareholders' interests, and formalising the best practices of corporate governance.

G-Resources Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") is committed to maintaining a high standard of corporate governance and enhancing its transparency so as to protect shareholders' interest in general. The Group will continue to raise the standard by formalising the best practices of corporate governance as far as possible.

The Company has adopted the principles and complied with the revised corporate governance rules and codes as well as those of the former rules and codes of the Corporate Governance Code (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the year ended 30 June 2012.

Organisation chart of the Group and various Board committees



OVERVIEW
PROJECT OVERVIEW: MARTABE
G-RESOURCES AND SUSTAINABILITY
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Board of Directors

As at 30 June 2012, the board of directors (the "Board") of the Company comprised seven executive directors, one non-executive director and three independent non-executive directors ("INEDs") (collectively the "Directors").

Save as disclosed under the section headed "Biographical Details of Directors and Senior Management" of this annual report, there is no financial, business, family or other material/relevant relationship between the Directors and the Board, which is comprised of the following:

Executive Directors
Chiu Tao (Chairman)
Owen L Hegarty (Vice-Chairman)
Peter Geoffrey Albert (Chief Executive Officer)
Ma Xiao (Deputy Chief Executive Officer)
Wah Wang Kei, Jackie
Hui Richard Rui
Kwan Kam Hung, Jimmy

Non-Executive Director
Tsui Ching Hung

Independent Non-Executive Directors
Or Ching Fai (Vice-Chairman)
Ma Yin Fan
Leung Hoi Ying

The principal functions of the Board are to supervise the management of the business and Company's affairs; to approve the Company's strategic plans, investment and funding decisions; to review the Group's financial performance and operative initiatives.

The role of the INEDs is to bring an independent and objective view to the Board's deliberations and decisions. The INEDs must have appropriate professional qualifications, or accounting or related financial management expertise, so that they are of sufficient calibre and number for their views to carry weight. The INEDs may also take independent professional advice at the Company's expense in carrying out their functions. The Board considers the current board size as adequate for its present operations. The day-to-day running of the Company is delegated to the senior management team, with divisional heads responsible for different aspects of the business.

The Company has received from each of the INEDs an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the INEDs to be independent.

The Board is responsible for overseeing the development of good corporate governance practice of the Group.

Role and Function on Corporate Governance	
• to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board	• to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors
• to review and monitor the training and continuous professional development of directors and senior management	• to review the Company's compliance with the code and disclosure in the Corporate Governance Report
• to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements	

Summary of work during the year	
• established the Nomination Committee as required by the Code and adopted the Terms of Reference of the Nomination Committee	• arranged suitable training for directors, placing an appropriate emphasis on the roles, functions and duties of a listed company director
• reviewed the Terms of Reference of the Audit Committee and Remuneration Committee	• established and adopted a whistleblowing policy and system for employees and those who deal with the Company
• reviewed the Code and corporate governance report	

BOARD COMMITTEES

Investment and Management Committee ("IMC")

The Board has delegated the management of the daily operation and investment matters of the Company and its subsidiaries to the IMC. The IMC comprised five members of the Board, namely:

IMC Members
Chiu Tao
Owen L Hegarty
Peter Geoffrey Albert
Ma Xiao
Hui Richard Rui

Audit Committee

As at 30 June 2012, the Audit Committee comprised three members, all of whom are INEDs, namely:

Audit Committee Members
Or Ching Fai (Chairman)
Ma Yin Fan
Leung Hoi Ying

The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group.

The terms of reference of the Audit Committee have been reviewed and revised with reference to the Code. The terms of reference of the Audit Committee are posted on the websites of the Company and the Stock Exchange and are also available from the Company Secretary on request.

In accordance with the terms of reference of the Audit Committee, the Audit Committee meets at least twice a year to review the interim results and the final results of the Company. The terms of reference of the Committee are aligned with the recommendations set out in *A Guide For Effective Audit Committees* issued by the Hong Kong Institute of Certified Public Accountants and the code provisions set out in the Code.

Role and Function	
• to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of external auditor, any questions of its resignation or dismissal	• to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences
• to develop and implement policy on engaging an external auditor to supply non-audit services	• to review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response
• to review the Group's financial and accounting policies and practices	• to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter
• to consider major investigation findings on internal control matters as delegated by the Board or on its own initiative and management's response to these findings	• to report to the Board on matters contained in Appendix 14 – Code on Corporate Governance Practices' provision of the Listing Rules
• to review the Group's financial controls, internal control and risk management systems	• to consider other topics, as defined by the Board
• to discuss the internal control system with management to ensure that management has performed its duty to have an effective internal control system	• to review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters
• where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Group, and to review and monitor its effectiveness	• to establish a whistleblowing policy and system for employees and those who deal with the Group (e.g. customers and suppliers) to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Group
• to monitor integrity of the Company's financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in them	• to act as the key representative body for overseeing the Company's relations with the external auditor

Summary of work during the year	
• reviewed and made recommendation for the Board's approval for the draft 2012 annual report and accounts, and 2011/2012 interim report and accounts	• previewed 2012 annual accounting and financial reporting issues
• reviewed management letter, tax issues, compliance and salient features of 2012 annual accounts and 2011/2012 interim accounts presented by Deloitte Touche Tohmatsu, the external auditor ("DTT")	• reviewed the report on internal control system for the year ended 30 June 2012
• reviewed the enhancements to the 2012 audit planning process	• reviewed the report on evaluation of effectiveness of internal audit department for 2012
• pre-approved the audit and non-audit services provided by DTT	• reviewed the revised terms of reference of the Audit Committee
• reviewed DTT's fees proposal for the 2012 audit	• established and adopted a whistleblowing policy and system for employees and those who deal with the Company

Remuneration Committee

As at 30 June 2012, the Remuneration Committee comprised three members, all of whom are INEDs, namely:

Remuneration Committee Members
Or Ching Fai (Chairman)
Ma Yin Fan
Leung Hoi Ying

The primary function of the Remuneration Committee is to make recommendations to the Board on the remuneration packages of individual executive directors and senior management. The remuneration packages include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.

The terms of reference of the Remuneration Committee have been reviewed and revised with reference to the Code. The terms of reference of the Remuneration Committee are posted on the websites of the Company and the Stock Exchange and are also available from the Company Secretary on request.

Role and Function	
• to make recommendations to the Board on the Company's policy and structure for all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy	• to recommend to the Board the structure of long-term incentive plans for executive Directors and certain senior management
• to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives	• to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group
• to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management (including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment)	• to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive
• to make recommendations to the Board on the remuneration of non-executive directors	• to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate
• to review the proposals for the award of share options to executive directors and senior management based on their performance and contribution to the Company from time to time	• to ensure that no director or any of his associates is involved in deciding his own remuneration

Summary of work during the year	
• reviewed and recommended the remuneration and bonus of executive Directors and senior management	• conducted an annual review of the remuneration packages for executive and non-executive Directors
• reviewed and recommended the vesting recommendations for share options granted to senior management	• reviewed and revised terms of reference of the Remuneration Committee

Nomination Committee

The Nomination Committee was established on 29 February 2012. As at 30 June 2012, the Nomination Committee comprised three members, namely:

Nomination Committee Members
Chiu Tao (Chairman)
Or Ching Fai (INED)
Ma Yin Fan (INED)

The primary duties of the Nomination Committee are to develop and maintain a formal and transparent process for the appointment and re-appointment of members of the Board.

The terms of reference of the Nomination Committee are posted on the websites of the Company and the Stock Exchange and are also available from the Company Secretary on request.

Role and Function	
• review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy	• assess the independence of independent non-executive directors
• identify individuals suitably qualified to become Board Members and select or make recommendations to the Board on the selection of individuals nominated for directorships	• make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive

No meeting of the Nomination Committee was held during the year ended 30 June 2012 as the Nomination Committee was established on 29 February 2012.

Company Secretary

The Company Secretary, Mr Wah Wang Kei, Jackie, plays the role in supporting the Board by ensuring good information flow within the Board, as well as communications with Shareholders and management. The Company Secretary's biography is set out in the Biographical Details of Directors and Senior Management section of this Annual Report. For the year ended 30 June 2012, the Company Secretary undertook six hours of professional training to update his skills and knowledge.

Attendances of Meetings

The Board will also conduct meetings on a regular basis and on an ad hoc basis, as required by business needs. The Bye-laws of the Company allow board meetings to be conducted by way of telephone or videoconference. The Board held a total of four full board meetings during the year.

Details of Directors' attendance at the Annual General Meeting ("AGM"), Board and Board Committees' meetings held during the year ended 30 June 2012 are set out in the following table.

	Meeting Attended / Held			
Name of Directors	Board of Directors	Audit Committee	Remuneration Committee	2011 AGM[5]
EXECUTIVE DIRECTORS				
Chiu Tao[1,4]	4/4	–	–	1/1
Owen L Hegarty[1]	4/4	–	–	1/1
Peter Geoffrey Albert[1]	4/4	–	–	1/1
Ma Xiao[1]	4/4	–	–	1/1
Hui Richard Rui[1]	4/4	–	–	1/1
Wah Wang Kei, Jackie	4/4	–	–	1/1
Kwan Kam Hung, Jimmy	4/4	–	–	0/1
NON-EXECUTIVE DIRECTOR				
Tsui Ching Hung	4/4	–	–	0/1
INDEPENDENT NON-EXECUTIVE DIRECTORS				
Or Ching Fai[2,3,4]	4/4	2/2	1/1	1/1
Ma Yin Fan[2,3,4]	4/4	2/2	1/1	1/1
Leung Hoi Ying[2,3]	3/4	1/2	0/1	1/1

Notes:
1. Investment and Management Committee members
2. Audit Committee members
3. Remuneration Committee members
4. Nomination Committee members
5. The 2011 AGM was held on 5 December 2011
6. No meeting of the Nomination Committee was held during the year ended 30 June 2012 as the Nomination Committee was established on 29 February 2012

Chairman and Chief Executive Officer

The posts of Chairman and the Chief Executive Officer are separate and are not held by the same individual to ensure their independence, accountability and responsibility. The Chairman is responsible for overseeing the function of the Board and formulating overall strategies and policies of the Company. The Chief Executive Officer, supported by other members and the senior management, is responsible for managing the Group's business, implementing major strategies, making day-to-day decisions and coordinating overall business operations.

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies, contained in Appendix 10 of the Listing Rules (the "Model Code"), as the code of conduct regarding directors' securities transactions. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the year under review.

Directors' Responsibility for the Financial Statements

The Directors acknowledge their responsibility to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and in presenting the interim and annual financial statements and announcements to shareholders, the Directors aim to present a balanced and understandable assessment of the Group's position and prospects.

Auditor's Remuneration

For the year ended 30 June 2012, the Group engaged Deloitte Touche Tohmatsu, auditors of the Company, to perform audit service. Their reporting responsibilities on the financial statements of the Group are set out in the Independent Auditor's Report on page 56 of this annual report.

The services provided by Deloitte Touche Tohmatsu and the fees thereof were as follows:

Nature of services	**2012** ***USD'000***
Audit services	**178**
Non-audit services in relation to tax advisory	**2**
	180

Internal Control and Risk Management

The Board has overall responsibility for maintaining a sound and effective internal control system for the Group. The Group's system of internal control, which includes a defined management structure with limits of authority, is designed to help the achievement of business objectives, safeguard assets against their unauthorised use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensure compliance with relevant legislation and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operational systems and achievement of the Group's objectives.

The Board, through the Audit Committee, has conducted an annual review of the effectiveness of the Group's system of internal control. The Board is satisfied that the Group has fully complied with the code provisions ("Code Provision(s)") of the Code on internal control during

First Gold at Martabe Mine.

the year under review although an internal audit function was not set up in the internal control system of the Group. The Group has appointed Messrs PricewaterhouseCoopers to conduct review on the internal control of PT Agincourt Resources, the Martabe Project development company, on some aspects of operation.

The Audit Committee has established and adopted a whistleblowing policy and system on 29 February 2012 for employees and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Company. The whistleblowing policy is posted on the websites of the Company and is also available from the Company Secretary on request.

Directors' Commitments

The Company has received confirmation from each Director that he/she has given sufficient time and attention to affairs of the Company for the year. Directors have disclosed to the Company the number and nature of offices held in Hong Kong or overseas listed public companies or organisations and other significant commitments, with the identity of the public companies or organisations and an indication of the time involved. Directors are also reminded to notify the Company Secretary in a timely manner and bi-annually confirm to the Company Secretary any change of such information. In respect of those Directors who stand for re-election at the 2012 AGM, all their directorships held in listed public companies in the past three years are set out in the Notice of AGM.

Participation in Continuous Professional Development Programme in 2012

During the year, Directors received regular updates and presentations on changes and developments to the Group's business and to the legislative and regulatory environments in which the Group operates. All Directors are also encouraged to attend relevant training courses at the Company's expense. With effect from 1 January 2012, all Directors are required to provide the Company with his or her training record.

	Reading Regulatory Updates	Attending expert briefings/seminars/conferences relevant to the business or Directors' duties
EXECUTIVE DIRECTORS		
Chiu Tao	✓	✓
Owen L Hegarty	✓	✓
Peter Geoffrey Albert	✓	✓
Ma Xiao	✓	✓
Hui Richard Rui	✓	✓
Wah Wang Kei, Jackie	✓	✓
Kwan Kam Hung, Jimmy	✓	✓
NON-EXECUTIVE DIRECTOR		
Tsui Ching Hung	✓	✓
INDEPENDENT NON-EXECUTIVE DIRECTORS		
Or Ching Fai	✓	✓
Ma Yin Fan	✓	✓
Leung Hoi Ying	✓	✓

Insurance Arrangement

Pursuant to the Code Provision A.1.8 under the Code, the Company should arrange appropriate insurance to cover potential legal actions against its directors. The Company has renewed its corporate liability insurance purchased for its directors and senior management.

Term of Appointment of Non-executive Directors

According to the Code, an issuer has to have formal letters of appointment for directors (with effect from 1 April 2012) and during 2012, the Company had letter of appointment with each of the non-executive Directors (including Mr Or Ching Fai, Mr Tsui Ching Hung, Ms Ma Yin Fan and Mr Leung Hoi Ying) specifying the terms of his/her continuous appointment as a non-executive Director and a member of the relevant Board Committees, for a period of two years.

SHAREHOLDERS

The Company recognises the importance of effective communication with our shareholders. Transparency is part of who we are and included in our GREAT core values. We uphold good corporate transparency and continue to review and improve our communications with shareholders through their consultation and feedback.

Shareholders' Right and Communication

Since we started building the Martabe Project in 2009, we have been reporting our financial and non-financial results in a transparent fashion. Besides the annual report and the interim report, we published and released, from time to time, announcements, press releases and quarterly updates on the latest development of our Martabe Project and the Company. We also published regular updates on exploration drilling results and new Resource and Reserve Statements of our Martabe Project pursuant to Chapter 18 of the Listing Rules.

The Company's corporate website – www.g-resources.com, provides an excellent channel for our shareholders and other interested parties to access to information about the Company and our Martabe Project. Shareholders can find from the website all key corporate information and information on our Martabe Project including but not limited to:

- Financial Reports
- Announcements and Press Releases
- Information on Change of Share Capital
- Circulars
- Press Releases
- Company Presentations
- Interviews
- Terms of Reference of the various Board Committees
- Latest Resource and Reserve Statement of the Martabe Project
- Shareholders Communication Policy

Shareholders are encouraged to attend all general meetings of the Company and have the right to convene special general meetings, if Shareholders find necessary.

Pursuant to Section 74 of the Bermuda Companies Act 1981, the Board, notwithstanding anything in its Bye-laws shall, on the requisition of members of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit carrying the right of voting at general meetings of the Company, forthwith proceed duly to convene a special general meeting of the Company. The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company, and may consist of several documents in like form each signed by one or more requisitionists.

The Company arranges for the notice to its shareholders to be sent at least 20 clear business days before each of the annual general meetings of the Company in accordance with Code Provision E.1.3 of the Code. Separate resolutions are proposed at the annual general meetings on each substantially separate issue, including the election or re-election of each individual director.

The Board has also established a shareholders' communication policy on 29 February 2012 and has posted it on the website of the Company. The Board reviews it on a regular basis to ensure its effectiveness.

Enquiries, comments and suggestions to the Board or the Company are welcome and can be addressed to the Investor Relations Department by mail to Rooms 4501-02, 45th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong or by email at investor.relations@g-resources.net.

Gold spot price high for the period was

USD

1,884 per ounce

FROM STRATEGIC INVESTMENTS TO LASTING RETURNS

Independent Auditor's Report

Deloitte.
德勤

TO THE MEMBERS OF G-RESOURCES GROUP LIMITED
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of G-Resources Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 57 to 105, which comprise the consolidated statement of financial position as at 30 June 2012, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 30 June 2012 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 September 2012

Consolidated Income Statement

For the year ended 30 June 2012

	Notes	2012 USD'000	2011 USD'000 (Restated)
Continuing operations			
Revenue		–	–
Cost of sales		–	–
Gross profit		–	–
Other income		1,996	1,681
Administrative expenses		(19,841)	(19,117)
Fair value changes of held for trading investments		(1,399)	(4,067)
Gain on disposal of an available-for-sale investment		–	84
Loss before taxation	6	(19,244)	(21,419)
Taxation	7	–	22
Loss for the year from continuing operations		(19,244)	(21,397)
Discontinued operation			
Loss for the year from discontinued operation	8	(42)	(8)
Loss for the year		(19,286)	(21,405)
Loss per share from continuing and discontinued operations			
– Basic and diluted (US cent)	11	(0.12)	(0.15)
Loss per share from continuing operations			
– Basic and diluted (US cent)	11	(0.12)	(0.15)

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2012

	2012 USD'000	2011 USD'000
Loss for the year	**(19,286)**	(21,405)
Other comprehensive (expenses)/income:		
Fair value changes on available-for-sale investment	**(3,891)**	(558)
Reclassification adjustment upon disposal of an available-for-sale investment	**–**	(84)
Loss arising from cash flow hedges	**(1,204)**	–
Exchange difference on translation	**2,555**	122
Total other comprehensive expenses for the year	**(2,540)**	(520)
Total comprehensive expenses for the year, attributable to owners of the Company	**(21,826)**	(21,925)

Consolidated Statement of Financial Position

At 30 June 2012

	Notes	2012 USD'000	2011 USD'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	**825,000**	467,538
Exploration and evaluation assets	13	**5,338**	1,942
Available-for-sale investment	14	**5,438**	9,329
Other receivable	15	**45,595**	21,889
		881,371	500,698
CURRENT ASSETS			
Trade and other receivables	15	**10,516**	2,645
Held for trading investments	16	**1,808**	3,199
Pledged bank deposits	17	**82**	92
Bank balances and cash	17	**65,338**	135,627
		77,744	141,563
CURRENT LIABILITIES			
Other payables	18	**70,850**	49,435
Derivative financial liabilities	19	**1,204**	–
Borrowings	20	**33,568**	–
		105,622	49,435
NET CURRENT (LIABILITIES)/ASSETS		**(27,878)**	92,128
TOTAL ASSETS LESS CURRENT LIABILITIES		**853,493**	592,826
NON-CURRENT LIABILITIES			
Other payables	18	**1,493**	–
Deferred tax liability	21	**–**	–
Provision for mine rehabilitation cost	22	**10,615**	2,628
Borrowings	20	**48,568**	–
		60,676	2,628
		792,817	590,198
CAPITAL AND RESERVES			
Share capital	23	**21,757**	18,147
Reserves		**771,060**	572,051
TOTAL EQUITY		**792,817**	590,198

The consolidated financial statements on pages 57 to 105 were approved and authorised for issue by the Board of Directors on 27 September 2012 and are signed on its behalf by:

Peter Geoffrey Albert
Director

Kwan Kam Hung, Jimmy
Director

Consolidated Statement of Changes in Equity

For the year ended 30 June 2012

	Attributable to owners of the Company									
	Share capital USD'000	Share premium USD'000	Capital redemption reserve USD'000	Contributed surplus USD'000	Share options reserve USD'000	Cash flow hedges reserve USD'000	Exchange reserve USD'000	Investment revaluation reserve USD'000	Accumulated losses USD'000	Total USD'000
At 1 July 2010	18,147	563,657	212	11,658	10,267	–	(1,893)	46	–	602,094
Loss for the year	–	–	–	–	–	–	–	–	(21,405)	(21,405)
Fair value changes on available-for-sale investment	–	–	–	–	–	–	–	(558)	–	(558)
Reclassification adjustment upon disposal of an available-for-sale investment	–	–	–	–	–	–	–	(84)	–	(84)
Exchange difference on translation	–	–	–	–	–	–	122	–	–	122
Total comprehensive income/(expenses) for the year	–	–	–	–	–	–	122	(642)	(21,405)	(21,925)
Recognition of equity-settled share-based payment	–	–	–	–	10,029	–	–	–	–	10,029
At 30 June 2011	**18,147**	**563,657**	**212**	**11,658**	**20,296**	**–**	**(1,771)**	**(596)**	**(21,405)**	**590,198**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(19,286)**	**(19,286)**
Fair value changes on available-for-sale investment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(3,891)**	**–**	**(3,891)**
Loss arising from cash flow hedges	**–**	**–**	**–**	**–**	**–**	**(1,204)**	**–**	**–**	**–**	**(1,204)**
Exchange difference on translation	**–**	**–**	**–**	**–**	**–**	**–**	**2,555**	**–**	**–**	**2,555**
Total comprehensive (expenses)/income for the year	**–**	**–**	**–**	**–**	**–**	**(1,204)**	**2,555**	**(3,891)**	**(19,286)**	**(21,826)**
Issue of shares	**3,610**	**213,000**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**216,610**
Transaction costs attributable to issue of shares	**–**	**(3,457)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(3,457)**
Recognition of equity-settled share-based payment	**–**	**–**	**–**	**–**	**11,292**	**–**	**–**	**–**	**–**	**11,292**
At 30 June 2012	**21,757**	**773,200**	**212**	**11,658**	**31,588**	**(1,204)**	**784**	**(4,487)**	**(40,691)**	**792,817**

Consolidated Statement of Cash Flows

For the year ended 30 June 2012

	Note	2012 USD'000	2011 USD'000
OPERATING ACTIVITIES			
Loss before taxation	7	**(19,286)**	(21,427)
Adjustments for:			
Interest income		**(1,996)**	(1,673)
Depreciation		**389**	240
Share-based payment expenses		**11,292**	10,029
Fair value changes of held for trading investments		**1,399**	4,067
Gain on disposal of an available-for-sale investment		**–**	(84)
Loss on disposal of property, plant and equipment		**27**	11
Allowance for other receivables		**746**	–
Operating cash outflows before movements in working capital		**(7,429)**	(8,837)
Increase in other receivable (non-current portion)		**(25,880)**	(11,814)
(Increase)/decrease in trade and other receivables		**(8,667)**	405
Decrease in held for trading investments		**–**	2,776
(Decrease)/increase in other payables		**(335)**	12
Net cash used in Operating Activities		**(42,311)**	(17,458)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(322,457)**	(129,307)
Purchase of exploration and evaluation assets		**(3,396)**	(1,425)
Proceeds from disposal of an available-for-sale investment		**–**	2,069
Interest received		**1,996**	1,673
Proceeds from disposal of property, plant and equipment		**–**	450
Decrease in pledged bank deposits		**10**	–
Net cash used in Investing Activities		**(323,847)**	(126,540)
FINANCING ACTIVITIES			
Finance costs paid		**(799)**	–
Net proceeds from issue of shares		**213,153**	–
Bank borrowings raised, net of transaction costs		**81,301**	–
Net cash from Financing Activities		**293,655**	–
Net decrease in cash and cash equivalents		**(72,503)**	(143,998)
Cash and cash equivalents at beginning of the year		**135,627**	279,508
Effect of foreign exchange rate changes		**2,214**	117
Cash and cash equivalents at end of the year, represented by Bank Balances and Cash		**65,338**	135,627

OVERVIEW
PROJECT OVERVIEW: MARTABE
G-RESOURCES AND SUSTAINABILITY
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Notes to the Consolidated Financial Statements

For the year ended 30 June 2012

1. General

The Company is an exempted company with limited liability incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The address of the registered office and principal place of business of the Company is disclosed in the Corporate Information to the annual report.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 32.

The consolidated financial statements are presented in United States Dollars ("USD"), which is different from the Company's functional currency of Hong Kong Dollars ("HKD"). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

2. Application of New and Revised Hong Kong Financial Reporting Standards

In the current year, the Group has applied the following new and revised Hong Kong Accounting Standards ("HKAS"s), Hong Kong Financial Reporting Standards ("HKFRS"s), amendments and interpretations ("Int"s) (hereinafter collectively referred to as "new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKFRSs (Amendments)	Amendments to HKAS 1, HKAS 34, HKFRS 7 and HK(IFRIC) – Int 13 as part of Improvements to HKFRSs issued in 2010
HKFRS 7 (Amendments)	Disclosures – Transfer of Financial Assets
HKAS 24 (Revised)	Related Party Disclosures
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement

The application of these new and revised HKFRSs in the current year has had no material effect on the amounts reported in the consolidated financial statements and/or disclosures set out in the consolidated financial statements.

At the date of this report, the Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009-2011 Cycle[1]
HKFRS 1 (Amendments)	Government Loan[1]
HKFRS 7 (Amendments)	Disclosure – Offsetting Financial Assets and Financial Liabilities[1]
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosure[2]
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
HKFRS 9	Financial Instruments[2]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[3]
HKAS 12 (Amendments)	Deferred Tax – Recovery of Underlying Assets[4]
HKAS 19 (as revised in 2011)	Employee Benefits[1]

2. Application of New and Revised Hong Kong Financial Reporting Standards (continued)

HKAS 27 (as revised in 2011)	Separate Financial Statements[1]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[5]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[1]

1 Effective for annual periods beginning on or after 1 January 2013
2 Effective for annual periods beginning on or after 1 January 2015
3 Effective for annual periods beginning on or after 1 July 2012
4 Effective for annual periods beginning on or after 1 January 2012
5 Effective for annual periods beginning on or after 1 January 2014

HKFRS 9 Financial Instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. *HKFRS 9 Financial Instruments* (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

Under HKFRS 9, all recognised financial assets that are within the scope of *HKAS 39 Financial Instruments: Recognition and Measurement* are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of the reporting periods. All other debt investments and all equity investments are measured at fair value at the end of accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted. The directors anticipate that HKFRS 9 will be adopted by the Group for the financial year ending 30 June 2016 and that the application of HKFRS 9 may affect the classification and measurement of the Group's financial assets and financial liabilities should such designation be made in the future. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HK(IFRIC) – Int 20 Stripping Costs in the Production Phase of a Surface Mine applies to waste removal costs that are incurred in surface mining activity during the production phase of the mine ("production stripping costs"). Under the Interpretation, the costs from this waste removal activity ("stripping") which provide improved access to ore is recognised as a non-current asset ("stripping activity asset") when certain criteria are met, whereas the costs of normal ongoing operational stripping activities are accounted for in accordance with *HKAS 2 Inventories*. The stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset and classified as tangible or intangible according to the nature of the existing asset of which it forms part. HK(IFRIC) – Int 20 is effective for annual periods beginning on or after 1 January 2013 with transitional provisions. The directors anticipate that the Interpretation will be adopted in the Group's consolidated financial statements for the annual period beginning 1 July 2012. The management is in the progress of assessing the financial impact of the adoption of this interpretation and hence has not yet quantified the extent of the impact.

The directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

3. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Hong Kong Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Revenue recognition

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

Revenue from sales of goods is recognised when the goods are delivered and title has passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Service income is recognised when services are provided.

Proceeds from sales of financial assets at fair value through profit and loss/available-for-sale investments are recognised on a trade date basis when the risks and rewards of ownership are transferred and title has passed.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments including financial assets at fair value through profit or loss is recognised when the shareholders' rights to receive payment have been established.

3. Significant Accounting Policies (continued)

Property, plant and equipment

Property, plant and equipment, including building held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress) are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment (other than construction in progress, mine property and development assets) less their estimated residual values over their estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Mine property and development assets include costs of exploration and evaluation, cost to acquire mineral rights and subsequent costs to develop the mine to the production phase.

When future economic benefits are established by further development expenditure is incurred in respect of an area of interest in production, such expenditure is carried forward as part of the cost of that mine property only if future economic benefits are established. Otherwise such expenditure is classified as part of the cost of production.

The amortisation of mine property and development assets commences when the mine starts commercial production and is calculated on the unit of production basis, based on the actual production volume over the total estimated proved and probable reserves of the gold and silver mine.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period in which the item is derecognised.

Stripping cost

The costs from waste removal activity ("stripping cost") incurred in the development of a mine are capitalised as part of the mine property and development assets and are subsequently amortised over the life of the mine on a unit of production basis.

Exploration and evaluation assets

Exploration and evaluation assets are recognised at cost.

Exploration and evaluation assets represent costs of acquiring exploration and mining rights and the expenditures in the search for mineral resources on an area of interest basis. Costs incurred before the Group has obtained the legal right to explore an area are recognised in profit or loss.

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3. Significant Accounting Policies (continued)

Exploration and evaluation assets (continued)

Exploration and evaluation assets are only recognised if the rights to the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale; or
- activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if:

- sufficient data exists to determine technical feasibility and commercial viability; or
- facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Where a potential impairment is indicated, an assessment is performed for each area of interest or at the cash generating unit level. To the extent that capitalised expenditure is not expected to be recovered, it is charged to the profit or loss.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrated, any previously recognised exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mine property and development assets (included in property, plant and equipment).

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. USD) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the exchange reserve).

3. Significant Accounting Policies (continued)

Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sales.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Retirement benefits scheme

The retirement benefits scheme contributions relating to the mandatory provident fund scheme for all employees in Hong Kong and state-managed retirement benefit scheme for all employees in Indonesia charged to profit and loss represent contributions payable to the scheme by the Group at rates specified in the rules of the scheme.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly to equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

3. Significant Accounting Policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of the three categories, including financial assets at fair value through profit or loss ("FVTPL"), loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets at fair value through profit or loss

Financial assets at FVTPL represent financial assets held for trading.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future;
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from re-measurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, pledged bank deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments.

Available-for-sale financial assets are measured at fair value at the end of each reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in investment revaluation reserve, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contracts, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amounts are reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade and other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in revaluation reserve.

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are generally classified as other financial liabilities.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities (including other payables and borrowings) are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments and hedging

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Hedge accounting

The Group designates certain derivatives as hedges of highly probable forecast transactions for foreign currency exposure (cash flow hedges).

At the inception of the hedging relationship, the Group documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income and accumulated in cash flow hedges reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity (cash flow hedges reserve) are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the consolidated income statement as the recognised hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect is material).

Provision for mine rehabilitation cost

Provision for mine rehabilitation cost is required when the Group has a present obligation as a result of past event, and it is probable that the Group will be required to settle that obligation. Provision is measured based on the area of land disturbed in drilling activities for the mine project as a whole in accordance with the relevant rules and regulations applicable in Indonesia at the end of the reporting period, and using the cash flows estimated to settle the present obligation. Its carrying amount is the present value of those cash flows (where the effect is material). The payments for the mine rehabilitation cost is required by the local authority upon the closure of the respective mine project.

Mine rehabilitation cost is provided in the period in which the obligation is identified and is capitalised to the costs of mine property and development assets. The cost is charged to profit or loss through depreciation of assets, which are depreciated using the unit of production method based on the actual production volume over the total estimated proved and probable reserves of the gold and silver mine.

Impairment losses on assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amounts, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

3. Significant Accounting Policies (continued)

Share-based payment transactions

Equity settled share-based payment transactions

Share options granted to directors and employees of the Company

The fair value of services received determined by reference to the fair value of share options granted at the grant date is recognised as an expense on a straight-line basis over the vesting period/in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share options reserve).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates, if any, is recognised in profit or loss, with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated losses.

Share options granted to suppliers/consultants

Share options issued in exchange for goods or services are measured at the fair values of the goods or services received, unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the goods or services received are recognised as expenses, when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets. Corresponding adjustment has been made to equity (share options reserve).

4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying the Group's accounting policies

The following are the critical judgments, apart from those involving estimations (see below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Value added tax recoverable (included in other receivable (non-current portion))

Included in other receivable (non-current portion) is USD45,595,000 (2011: USD21,889,000) value added tax ("VAT") paid by an Indonesian subsidiary of the Group in connection with its purchase of equipment and services from suppliers. According to relevant tax law and regulations in Indonesia, such VAT payment is refundable upon application by the Group, subject to approval by the relevant Indonesian tax authority. During the current year, the Indonesian tax authority had approved the VAT of Indonesian Rupiah ("IDR")38,229,261,631 (equivalent to USD4,046,281) incurred during the year from 2006 to 2008 by its Indonesian subsidiary. The Group is in the process of obtaining the relevant approval for refund of VAT recoverable for the year from 2009 up to present, the relevant approval has not yet obtained as at 30 June 2012 and as at the date these consolidated financial statements are authorised for issue. The directors are not aware of any non-compliance with the relevant tax laws and are of the opinion that the approval from relevant tax office will be obtained and VAT will be fully refunded.

4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty (continued)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Ore reserve and resources estimates

The estimated quantities of economically recoverable reserves and resources are based upon interpretations of geological and geophysical models and require assumptions to be made regarding factors such as estimates of future operating performance, future capital requirements, short and long term commodity prices, and short and long term exchange rates. Changes in reported reserves and resources estimates can impact the carrying value of property, plant and equipment, provisions for rehabilitation obligations, as well as the amount of depreciation and amortisation recognised.

Estimated impairment on mine property and development assets and construction in progress

In determining whether there is an impairment of the mine property and development assets and construction in progress of the Group's gold and silver mine located in the Regency of South Tapanuli, Northern Sumartra, Indonesia (the "Martabe Project"), management will consider whether there is any objective evidence that indicates the value of the mine property and development assets has declined. As at 30 June 2012, the carrying amount of mine property and development assets and construction in progress are USD332,590,000 (2011: USD238,461,000) and USD492,005,000 (2011: USD228,124,000) respectively.

Estimated impairment on exploration and evaluation assets

In determining whether there is an impairment of the exploration and evaluation assets of the Martabe Project, it is required to assess whether there is any impairment indicator which indicates that there is impairment on its exploration and evaluation assets including (a) the period for which the Indonesian subsidiary has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed; (b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (c) 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 Indonesian subsidiary has decided to discontinue such activities in the specific area; (d) 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. As at 30 June 2012, the carrying amount of exploration and evaluation assets is USD5,338,000 (2011: USD1,942,000).

Provision for mine rehabilitation cost

Provision for mine rehabilitation cost has been estimated by the directors based on current regulatory requirements and the area affected in drilling and construction activities in the Martabe project area estimated by the management and is discounted to their present value. Significant changes in the regulatory requirements in relation to such costs will result in changes to the provision amounts from period to period. In addition, the expected timing of cash outflows of such mine rehabilitation cost is estimated based on the expected closure date of the Martabe Project and is subject to any significant changes to the production plan. As at 30 June 2012, the balance of provision for mine rehabilitation cost was USD10,615,000 (2011: USD2,628,000).

5. Segment Information

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purpose of resource allocation and assessment of segment performance focuses on the nature of their operations and types of products and services provided. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments.

Segment information reported externally was analysed on the basis of the following operating divisions, namely:

- Mining business;
- Provision of financial information services; and
- Securities trading.

Since trading of electronic goods and accessories is no longer a major business line of the Group and it does not meet the quantitative thresholds to be separately reported, so it is not separately reported.

For the operating segment regarding the provision of financial information services was discontinued during the current year and details are set out in note 8.

(a) Segment revenue and results

An analysis of the Group's revenue and results by operating segment is as follows:

For the year ended 30 June 2012

	Continuing operations			Discontinued operation	
	Securities trading *USD'000*	**Mining business** *USD'000*	**Total** *USD'000*	**Provision of financial information services** *USD'000*	**Total** *USD'000*
Segment revenue	**–**	**–**	**–**	**388**	**388**
Segment results	**(272)**	**(5,942)**	**(6,214)**	**(42)**	**(6,256)**
Unallocated corporate expenses			**(13,851)**	**–**	**(13,851)**
Unallocated income			**821**	**–**	**821**
Loss before taxation			**(19,244)**	**(42)**	**(19,286)**

For the year ended 30 June 2011 (Restated)

	Continuing operations			Discontinued operation	
	Securities trading *USD'000*	Mining business *USD'000*	Total *USD'000*	Provision of financial information services *USD'000*	Total USD'000
Segment revenue	–	–	–	535	535
Segment results	(2,710)	(6,057)	(8,767)	(8)	(8,775)
Unallocated corporate expenses			(13,000)	–	(13,000)
Unallocated income			348	–	348
Loss before taxation			(21,419)	(8)	(21,427)

5. Segment Information (continued)

(b) Segment assets and liabilities

An analysis of the Group's assets and liabilities by operating segment is as follows:

At 30 June 2012

	Continuing operations		Discontinued operation	
	Securities trading USD'000	Mining business USD'000	Provision of financial information services USD'000	Total USD'000
ASSETS				
Segment assets	**7,995**	**950,576**	**70**	**958,641**
Unallocated corporate assets				**474**
Total assets				**959,115**
LIABILITIES				
Segment liabilities	**2**	**165,457**	**77**	**165,536**
Unallocated corporate liabilities				**762**
Total liabilities				**166,298**

At 30 June 2011

	Continuing operations		Discontinued operation	
	Securities trading USD'000	Mining business USD'000	Provision of financial information services USD'000	Total USD'000
ASSETS				
Segment assets	18,068	623,157	215	641,440
Unallocated corporate assets				821
Total assets				642,261
LIABILITIES				
Segment liabilities	–	51,158	228	51,386
Unallocated corporate liabilities				677
Total liabilities				52,063

For the purposes of monitoring segment performances and allocating resources between segments, all assets and liabilities are allocated to operating segments.

5. Segment Information (continued)

(c) Other segments information

At 30 June 2012

	Continuing operations		Discontinued operation		
	Securities trading *USD'000*	Mining business *USD'000*	Provision of financial information services *USD'000*	Unallocated *USD'000*	Total *USD'000*
Amounts included in the measure of segment profit or loss or segment assets:					
Additions to non-current assets (Note)	**–**	**361,073**	**–**	**18**	**361,091**
Depreciation	**–**	**–**	**39**	**350**	**389**
Loss on disposal of property, plant and equipment	**–**	**–**	**27**	**–**	**27**

At 30 June 2011

	Continuing operations		Discontinued operation		
	Securities trading *USD'000*	Mining business *USD'000*	Provision of financial information services *USD'000*	Unallocated *USD'000*	Total *USD'000*
Amounts included in the measure of segment profit or loss or segment assets:					
Additions to non-current assets (Note)	–	164,357	5	458	164,820
Depreciation	–	–	35	205	240
Loss on disposal of property, plant and equipment	–	–	–	11	11

Note: Non-current assets excluded available-for-sale investment and other receivable (non-current portion).

5. Segment Information (continued)

(d) Geographical information

The following is an analysis of the non-current assets by the geographical area in which the assets are located:

	Non-current assets excluding financial instruments	
	2012 USD'000	2011 USD'000
Hong Kong	**107**	507
Indonesia	**830,231**	468,973
	830,338	469,480

The Group's revenue arises from Hong Kong in both years, which is from the discontinued operation.

(e) Information about major customers

No revenue from an individual customer contributes over 10% of the total sales of the Group for both years, which is from the discontinued operation.

6. Loss before Taxation

	Continuing operations		Discontinued operation		Consolidated	
	2012 USD'000	2011 USD'000	**2012 USD'000**	2011 USD'000	**2012 USD'000**	2011 USD'000
Loss before taxation has been arrived at after charging/(crediting):						
Staff costs						
– Directors' emoluments (Note 9(a))	**11,110**	12,206	**–**	–	**11,110**	12,206
– Other staff costs	**1,407**	1,461	**53**	96	**1,460**	1,557
– Contributions to retirement benefits schemes, excluding directors	**40**	41	**2**	5	**42**	46
– Share-based payment expenses, excluding directors	**2,426**	700	**–**	–	**2,426**	700
Total staff costs	**14,983**	14,408	**55**	101	**15,038**	14,509
Auditors' remuneration	**178**	175	**–**	–	**178**	175
Depreciation of property, plant and equipment	**350**	205	**39**	35	**389**	240
Operating lease payments in respect of office premises and warehouse	**410**	541	**21**	21	**431**	562
Loss on disposal of property, plant and equipment	**–**	11	**27**	–	**27**	11
Exchange loss, net	**863**	137	**–**	2	**863**	139
Allowance for other receivables	**746**	–	**–**	–	**746**	–
Interest income	**(1,996)**	(1,673)	**–**	–	**(1,996)**	(1,673)

7. Taxation

	Continuing operations		Discontinued operation		Consolidated	
	2012	2011	**2012**	2011	**2012**	2011
	USD'000	*USD'000*	***USD'000***	*USD'000*	***USD'000***	*USD'000*
Current tax						
Hong Kong	**–**	–	**–**	–	**–**	–
Indonesia	**–**	–	**–**	–	**–**	–
Deferred tax (note 21)	**–**	(22)	**–**	–	**–**	(22)
Taxation for the year	**–**	(22)	**–**	–	**–**	(22)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Under the relevant tax law, the tax rate of the Indonesian subsidiary is 25%.

No provision for Hong Kong Profits Tax or taxation in other jurisdictions has been made in the consolidated financial statements for both years as neither the Company nor any of its subsidiaries had any assessable profits or had sufficient tax loss to cover assessable profits in both years.

The taxation for the year can be reconciled to the loss before taxation per the consolidated income statement as follows:

	2012 ***USD'000***	2011 *USD'000* (Restated)
Loss before taxation		
– Continuing operations	**(19,244)**	(21,419)
– Discontinued operation	**(42)**	(8)
	(19,286)	(21,427)
Tax at Hong Kong Profits Tax rate of 16.5%	**(3,183)**	(3,535)
Tax effect of expenses not deductible for tax purpose	**2,510**	1,815
Tax effect of income not taxable for tax purpose	**(329)**	(32)
Tax effect of tax losses not recognised	**1,073**	1,760
Utilisation of tax loss previously not recognised	**(4)**	(3)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(67)**	(27)
Taxation for the year	**–**	(22)

Details of the Group's deferred tax are set out in note 21.

8. Discontinued Operation

In April 2012, one of the Hong Kong subsidiaries of the Group, namely Star Financial Limited, ceased its operation of provision of financial information services in order to focus on the Group's gold mining operation. No provision for Hong Kong Profits Tax has been made for Star Financial Limited as it had sufficient tax loss to cover the assessable profits in both years.

The business segment of provision of financial information services was classified as discontinued operation in respect of both years. The loss for the year from the discontinued operation is analysed as follows:

	2012 USD'000	2011 USD'000
Loss from provision of financial information services for the year	**(42)**	(8)

The results of the provision of financial information services for the period from 1 July 2010 to the date of cease of operation, which have been included in the consolidated income statement, were as follows:

	2012 USD'000	2011 USD'000
Turnover	**388**	535
Cost of sales	**(289)**	(380)
Other income	**14**	60
Distribution and selling expenses	**–**	(47)
Administrative expenses	**(155)**	(176)
Loss for the year	**(42)**	(8)

The comparative figures in the consolidated income statement for the year ended 30 June 2011 was restated to present the loss from discontinued operation for the year then ended.

During the year, the contribution of the discontinued operation to the Group's net operating cash flows, investing activities and financing activities were analysed as follows:

	2012 USD'000	2011 USD'000
Net cash (used in)/from operating activities	**(91)**	28
Net cash used in investing activities	**–**	(5)
Net cash from financing activities	**48**	–
Net cash (outflow)/inflow	**(43)**	23

9. Directors' and Employees' Emoluments

(a) Directors' Emoluments

The emoluments paid or payable to each of the directors for the year were as follows:

For the year ended 30 June 2012

	Fees USD'000	Salaries and other emoluments USD'000	Discretionary bonus USD'000	Contributions to retirement benefits scheme USD'000	Allowances USD'000	Share-based payments USD'000	Total USD'000
EXECUTIVE DIRECTORS:							
Chiu Tao	–	–	–	–	–	2,307	2,307
Owen L Hegarty	–	601	50	2	–	2,089	2,742
Peter Geoffrey Albert	–	541	–	2	96	1,879	2,518
Ma Xiao	–	214	17	2	69	368	670
Wah Wang Kei, Jackie	–	285	23	2	–	368	678
Hui Richard Rui	–	205	17	2	–	368	592
Kwan Kam Hung, Jimmy	–	–	–	–	–	160	160
NON-EXECUTIVE DIRECTOR:							
Tsui Ching Hung	–	–	–	–	–	–	–
INDEPENDENT NON-EXECUTIVE DIRECTORS:							
Or Ching Fai	90	–	–	–	–	1,327	1,417
Ma Yin Fan	13	–	–	–	–	–	13
Leung Hoi Ying	13	–	–	–	–	–	13
	116	1,846	107	10	165	8,866	11,110

9. Directors' and Employees' Emoluments (continued)

(a) Directors' Emoluments (continued)

For the year ended 30 June 2011

	Fees *USD'000*	Salaries and other emoluments *USD'000*	Discretionary bonus *USD'000*	Contributions to retirement benefits scheme *USD'000*	Allowances *USD'000*	Share-based payments *USD'000*	Total *USD'000*
EXECUTIVE DIRECTORS:							
Chiu Tao	–	174	–	–	–	2,810	2,984
Owen L Hegarty	–	601	–	2	–	2,045	2,648
Peter Geoffrey Albert	–	541	540	2	83	1,882	3,048
Ma Xiao	–	208	17	2	69	538	834
Wah Wang Kei, Jackie	–	278	23	2	–	538	841
Hui Richard Rui	–	200	17	2	–	538	757
Kwan Kam Hung, Jimmy	–	–	–	–	–	233	233
NON-EXECUTIVE DIRECTOR:							
Tsui Ching Hung	–	–	–	–	–	–	–
INDEPENDENT NON-EXECUTIVE DIRECTORS:							
Or Ching Fai	90	–	–	–	–	745	835
Ma Yin Fan	13	–	–	–	–	–	13
Leung Hoi Ying	13	–	–	–	–	–	13
	116	2,002	597	10	152	9,329	12,206

Bonuses which are discretionary are determined with reference to individual performance. Save as Mr. Chiu Tao suspended his salary with effect from October 2010 until the gold production in Martabe gold mine begins, no director waived any emoluments in both years. The remuneration of directors is determined by the remuneration committee having regard to the performance of individuals and market trends.

9. Directors' and Employees' Emoluments (continued)

(b) Employees' Emoluments

(i) Of the five individuals with the highest emoluments in the Group, three (2011: four) were executive directors and one (2011: nil) was independent non-executive director of the Company whose emoluments are included in the disclosures above. The emoluments of the remaining one (2011: one) individual were as follows:

	2012	2011
	USD'000	*USD'000*
Salaries and other benefits	**516**	396
Retirement benefits scheme contributions	**–**	2
Share-based payment expenses	**187**	416
Discretionary bonus	**176**	31
	879	845

The emoluments were within the following bands:

	Number of Employees	
	2012	2011
HKD6,500,001 (USD836,207) to HKD7,000,000 (USD900,530)	**1**	1
	1	1

(ii) The emoluments of senior management were within the following bands:

	Number of Employees	
	2012	2011
HKD3,000,001 (USD385,941) to HKD3,500,000 (USD450,265)	**1**	–
HKD3,500,001 (USD450,265) to HKD4,000,000 (USD514,589)	**1**	1
HKD5,000,001 (USD643,236) to HKD5,500,000 (USD707,559)	**–**	1
HKD5,500,001 (USD707,559) to HKD6,000,000 (USD771,883)	**1**	–
HKD6,500,001 (USD836,207) to HKD7,000,000 (USD900,530)	**1**	2
	4	4

The senior management of the Group are solely determined by the directors and the senior management for both years are Arthur Ellis, Timothy John Vincent Duffy, Graeme Walsh and Shawn David Crispin.

(c) Save as disclosed above, no emoluments have been paid by the Group to any directors or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office for both years.

10. Dividend

No dividend was paid or declared during the year ended 30 June 2012, nor has any dividend been declared or proposed since the end of the reporting period (2011: nil).

11. Loss Per Share

For continuing and discontinued operations

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2012	2011
	USD'000	*USD'000*
Loss for the year attributable to owners of the Company, for the purposes of basic and diluted loss per share	**(19,286)**	(21,405)

	Number of shares	
	2012	2011
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**16,626,531,983**	14,066,831,950

The computation of diluted loss per share for the year ended 30 June 2012 and 2011 does not include adjustments for the Company's outstanding share options as these options have anti-dilutive effect.

From continuing operations

The calculation of the basic and diluted loss per share attributable to the equity holders of the Company is based on the following data:

	2012	2011
	USD'000	*USD'000*
Loss for the year attributable to the equity holders of the Company	**(19,286)**	(21,405)
Less: Loss for the year from discontinued operation	**42**	8
Loss for the year attributable to the equity holders of the Company from continued operations	**(19,244)**	(21,397)

The denominators used are the same as those detailed above for both the basic and diluted loss per share.

From discontinued operation

Basic and diluted loss per share for the discontinued operation is US0.00025 cents per share (2011: loss of US0.00006 cents per share), based on the loss for the year from the discontinued operation of USD42,000 (2011: USD8,000) and the denominators detailed above for the basic and diluted loss per share.

12. Property, Plant and Equipment

	Buildings USD'000	Plant and equipment USD'000	Mine property & development assets USD'000	Construction in progress USD'000	Leasehold improvements USD'000	Furniture, fixtures & equipment USD'000	Motor vehicles USD'000	Total USD'000
COST								
At 1 July 2010	390	107	201,023	102,607	330	1,258	238	305,953
Exchange realignments	–	–	24	–	–	1	–	25
Additions	–	–	37,414	125,517	264	200	–	163,395
Disposals	–	–	–	–	(330)	(712)	–	(1,042)
At 30 June 2011 and 1 July 2011	390	107	238,461	228,124	264	747	238	468,331
Exchange realignments	–	–	333	–	1	2	1	337
Additions	–	–	79,826	277,851	–	18	–	357,695
Transfer to/(from) construction in progress	–	–	13,970	(13,970)	–	–	–	–
Disposals	–	–	–	–	–	(232)	–	(232)
At 30 June 2012	390	107	332,590	492,005	265	535	239	826,131
ACCUMULATED DEPRECIATION								
At 1 July 2010	45	29	–	–	63	734	122	993
Provided for the year	41	28	–	–	104	160	48	381
Eliminated on disposals	–	–	–	–	(77)	(504)	–	(581)
At 30 June 2011 and 1 July 2011	86	57	–	–	90	390	170	793
Exchange realignments	–	–	–	–	1	2	1	4
Provided for the year	49	29	–	–	109	304	48	539
Eliminated on disposals	–	–	–	–	–	(205)	–	(205)
At 30 June 2012	135	86	–	–	200	491	219	1,131
CARRYING VALUES								
At 30 June 2012	255	21	332,590	492,005	65	44	20	825,000
At 30 June 2011	304	50	238,461	228,124	174	357	68	467,538

12. Property, Plant and Equipment (continued)

Construction in progress represents the construction of mine structures and mining site infrastructure for the Martabe Project.

Depreciation on the mine property and development assets is provided using the unit of production method based on the actual production volume over the total estimated proved and probable reserves of the gold and silver mine.

The other items of property, plant and equipment, except for construction in progress, are depreciated on a straight-line basis after taking into account their estimated residual value, at the following rates per annum:

Buildings	10%
Plant and equipment	20% to 50%
Leasehold improvements	10% to 50% or over the terms of the leases whichever is shorter
Furniture, fixtures and equipment	20% to 50%
Motor vehicles	20%

Note: Depreciation expense of USD150,000 (2011: USD141,000) and borrowing cost of approximately USD1,065,000 (2011: nil) incurred during the year ended 30 June 2012 by a subsidiary in respect of the development of the gold and silver mine was capitalised as part of mine property and development assets (included in property, plant and equipment).

13. Exploration and Evaluation Assets

	USD'000
At 1 July 2010	517
Additions	1,425
At 30 June 2011 and 1 July 2011	1,942
Additions	3,396
At 30 June 2012	5,338

Exploration and evaluation assets represent the costs of acquiring exploration rights and expenditures in the search for mineral resources on an area of interest basis. The addition on the exploration and evaluation assets represents consultancy and advisory fee, staff costs and other expenditures incurred in the search for mineral resources during the year in mining areas where the existence or economically recoverable reserves could not be reasonably assessed.

14. Available-For-Sale Investment

	2012 **USD'000**	2011 USD'000
Listed debt securities, at fair value		
Senior Note Due 2015	**5,438**	9,329

In 2010, the Group acquired senior notes with principal amount of USD12,000,000 issued by a company with its shares listed on the Hong Kong Stock Exchange with maturity date of 18 May 2015 (the "Senior Notes Due 2015"). These notes are listed on the Singapore Exchange Securities Trading Limited, carry interest at a fixed rate of 11.75% per annum, payable semi-annually in arrears on 18 May and 18 November of each year, commencing on 18 November 2010.

14. Available-For-Sale Investment (continued)

The Senior Notes Due 2015 may be redeemed anytime under certain conditions before the maturity date in the following circumstances:

(1) At any time prior to 18 May 2013, the Senior Notes issuer may redeem up to 35% of the aggregate principal amount of the Senior Notes at a redemption price equal to 111.75% of the principal amount of the Senior Notes redeemed, plus accrued and unpaid interest, if any, to the redemption date, subject to not less than 30 nor more than 60 days notice.

(2) At any time prior to 18 May 2013, the Senior Notes issuer may at its option redeem the Senior Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Senior Notes redeemed, plus the make-whole premium as of, and accrued and unpaid interest, if any, to the redemption date, subject to not less than 30 nor more than 60 days notice.

(3) At any time on or after 18 May 2013, the Senior Notes issuer may redeem the Senior Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below, plus accrued and unpaid interest, if any, on the Senior Notes redeemed, to the redemption date, if redeemed during the 12-month period commencing on 18 May of any year set forth below:

Period	Redemption price
2013	105.8750%
2014 and thereafter	102.9375%

The Senior Notes Due 2015 were initially measured at fair value. In the absence of quoted market price in an active market, the fair value measurements are derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). During the year ended 30 June 2012, a decrease in fair value of USD3,891,000 (2011: USD558,000) was recognised in the investment revaluation reserves.

During the year ended 30 June 2011, the Group has disposed of 2,000,000 units of the Senior Notes Due 2015 and a realised gain of USD84,000 was recognised. There was no such disposal during the current year.

The fair value of the Senior Notes Due 2015 as at 30 June 2012 and 2011 are determined using the Hull-White term structure model with the following assumptions:

	2012	2011
Discount rate	**45.08%**	14.80%
Time to maturity	**2.88 years**	3.88 years
Mean Reverting rate	**0.03260**	0.03008
Volatility	**0.0055**	0.01143

15. Trade and Other Receivables

	2012 USD'000	2011 USD'000
Trade receivables (Note a)	–	13
Other receivables (Note b)	56,111	24,521
	56,111	24,534
Less: Other receivable classified as non-current assets (Note b)	(45,595)	(21,889)
Trade and other receivables classified as current assets	10,516	2,645

Notes:

(a) There are no trade receivables as at 30 June 2012. As at 30 June 2011, trade receivables of USD13,000 were all aged within 60 days. The Group normally allowed an average credit period of 60 days to its trade customers from provision of financial information services.

Before accepting any new customer from provision of financial information services, the Group will assess the potential customer's credit quality and define its credit limit. Credit sales are made to customers with appropriate credit history. Credit limits attributed to customers are reviewed regularly.

(b) As at 30 June 2012, an amount of USD45,595,000 (2011: USD21,889,000) VAT paid by an Indonesian subsidiary of the Group in connection with its purchase of equipment and services from suppliers in relation to the construction of the mining site, included in other receivable, was classified as non-current. During the current year, the Indonesian tax authority had approved the VAT recoverable for the amount of IDR38,229,261,631 (equivalent to USD4,046,281) incurred during the year from 2006 to 2008 by its Indonesian subsidiary. The Group is in the process of obtaining the relevant approval for refund of VAT recoverable for the year from 2009 up to present, the relevant approval has not yet obtained as at 30 June 2012 and as at the date these consolidated financial statements are authorised for issue.

16. Held for Trading Investments

	2012 USD'000	2011 USD'000
Equity securities listed in Hong Kong, at fair value	1,808	3,199

The entire balance of the held for trading investments are Hong Kong listed equity securities held by the Group as at the end of the reporting periods. The fair value is determined based on the closing price per share quoted on the Stock Exchange as at the end of the respective reporting periods.

17. Pledged Bank Deposits and Bank Balances and Cash

As at the end of the reporting period, there was approximately USD82,000 (2011: USD92,000) pledged to a bank to secure the cutting tree permit granted to a subsidiary. The pledged deposits carry no interest for both years.

Bank balances carry interest at market rates which range from 0.001% to 4.4% (2011: 0.0002% to 4.42%) per annum.

18. Other Payables

	2012 USD'000	2011 USD'000
Other payables	72,343	49,435
Less: Other payables classified as non-current liabilities	(1,493)	–
Other payables classified as current liabilities	70,850	49,435

As at the end of reporting periods, there is no trade creditor.

The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

Included in other payables is an amount of USD65,246,000 (2011: USD46,520,000) relating to payables by an Indonesian subsidiary of the Group to its consultants and contractors in connection with the construction of the mining site of the Martabe Project.

19. Derivative Financial Liabilities

	2012 USD'000	2011 USD'000
Foreign currency forward contracts	1,204	–

On 7 February 2012, the Group had entered into 12 foreign exchange forward contracts with one of the local bank in Jakarta for a monthly purchase of IDR for a notional amount of IDR27,150,000,000 (equivalent to USD3,000,000) at a rate of USD1 to IDR9,050 each month for the period from February 2012 to January 2013. At the end of the reporting period, there are 7 foreign exchange forward contracts remain outstanding and the terms of all the foreign exchange contracts have been negotiated to match the expectation of the IDR payments.

At the end of the reporting period, the director of the Company considered those outstanding foreign exchange forward contracts were designated as highly effective hedging instruments in order to manage the Group's foreign currency exposure in relation to those highly probable IDR payments.

During the current year, a fair value loss of USD1,204,000 (2011: nil) had been recognised in other comprehensive income and accumulated in the cash flow hedges reserve and are expected to be reclassified to profit or loss when the payment are expected to occur in next coming twelve months after the end of the reporting period.

20. Borrowings

During the current reporting period, the Group raised bank borrowings of USD85,000,000 (2011: nil). The effective rate of interest during the year was 4.97% per annum (30 June 2011: nil) based on the London Interbank Offered Rate plus 4.50%. Borrowing cost of approximately USD1,065,000 (2011: nil) was capitalised in the property, plant and equipment during the year ended 30 June 2012. Details of which was set out in note 12.

The bank borrowings net of capitalised borrowing costs are repayable as follows:

	2012 USD'000	2011 USD'000
Within one year	**33,568**	–
More than one year, but not exceeding two years	**48,568**	–
Total borrowings	**82,136**	–
Less: Amounts classified as current liabilities	**(33,568)**	–
Amounts classified as non-current liabilities	**48,568**	–

Certain equity interests in the Group's subsidiaries representing the Indonesian subsidiary and certain investment holding companies were charged to banks as security for the banking facility including the above borrowings granted to the Group at the end of the reporting period.

21. Deferred Tax Liability

The following is the major deferred tax liability recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation USD'000
At 1 July 2010	22
Credit to profit or loss	(22)
At 30 June 2011 and 30 June 2012	–

At the end of the reporting period, the Group has unused tax losses of USD75,012,000 (2011: USD68,533,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profits streams. The tax losses may be carried forward indefinitely.

22. Provision for Mine Rehabilitation Cost

In accordance with relevant rules and regulations in Indonesia, the Indonesian subsidiary of the Group accrued for the cost of land rehabilitation and mine closure for the Group's gold and silver mine. The provision for rehabilitation cost has been determined by the directors based on their best estimates in accordance with the Indonesian rules and regulations.

	USD'000
At 1 July 2010	1,390
Additions	1,238
At 30 June 2011 and 1 July 2011	2,628
Additions	7,987
At 30 June 2012	10,615

Provision for mine rehabilitation cost of USD7,987,000 (2011: USD1,238,000) was capitalised as part of mine property and development assets (included in property, plant and equipment) during the year ended 30 June 2012.

23. Share Capital

	Number of shares	Value USD'000
Authorised:		
Ordinary shares of HKD0.01 each		
At 1 July 2010, 30 June 2011 and 30 June 2012	60,000,000,000	76,923
Issued and fully paid:		
Ordinary shares of HKD0.01 each		
At 1 July 2010 and 30 June 2011	14,066,831,950	18,147
Issue of shares (Note a)	2,813,364,000	3,610
At 30 June 2012	16,880,195,950	21,757

Notes:

(a) On 3 August 2011, 2,813,364,000 shares of HKD0.01 each were issued and allotted at a price of HKD0.60 per share pursuant to the placing agreement with the placing agent dated 27 July 2011. Details of the share placement were announced on 28 July 2011 and 3 August 2011.

All the shares issued by the Company during the year ended 30 June 2012 rank pari passu with the then existing ordinary shares in all respects.

24. Share-Based Payment Transactions

The Company's share option scheme was adopted pursuant to a resolution passed on 30 July 2004 (the "2004 Scheme"), for the purpose of providing incentives or rewards to directors, employees, invested entities, suppliers and customers of the Group and entities that provide research, development or technological support or other services to the Group, any shareholders of any members of the Group or any invested entities or any holders of any securities issued by any members of the Group or any invested entities. The 2004 scheme will expire on 29 July 2014. Under the 2004 Scheme, the Board of Directors of the Company may grant options to eligible employees, including executive directors of the Company or its subsidiaries, to subscribe for shares in the Company.

The maximum number of shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2004 Scheme or any other share option scheme adopted by the Company must not in aggregate exceed 30% of its issued share capital from time to time. The total number of shares which may be issued upon exercise of all options to be granted under the 2004 Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the shares in issue unless it is approved by shareholders in a general meeting of the Company. The maximum number of shares issuable under the options to each eligible participant in any 12-month period is limited to 1% of the shares in issue unless it is approved by shareholders in a general meeting of the Company. Any grant of options under the 2004 Scheme to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by independent non-executive directors (excluding any independent non-executive director who is the grantee of the options). Any share options granted to a substantial shareholder or an independent non-executive director of the Company or to any of their respective associates, in excess of 0.1% of the shares in issue and with an aggregate value (based on the closing price of the shares at the date of grant) in excess of HKD5,000,000 (approximately USD641,000) in any 12-month period, are subject to shareholders' approval in a general meeting of the Company.

24. Share-Based Payment Transactions (continued)

As at 30 June 2012, the number of shares of the Company in respect of which options had remained outstanding under the 2004 Scheme of the Company was 1,034,487,355 (2011: 943,237,355), representing 6.1% (2011: 6.7%) of the shares of the Company in issue at that date.

Total consideration received during the year ended 30 June 2012 from eligible participants for taking up the options granted during the year then ended was USD6 (2011: USD8).

Options granted must be taken up within 28 days of the date of grant, upon payment of HKD1 as the consideration for accepting the grant. The exercise period of the share options granted under the 2004 Scheme shall be determined by the Board of Directors when such options are granted, provided that such period shall not end more than 10 years from the date of grant. The exercise price is determined by the Board of Directors of the Company, and will not be less than the highest of the closing price of the Company's shares at the date of grant, the average closing price of the Company's shares for the five trading days immediately preceding the date of grant and the nominal value of the Company's shares.

As part of the remuneration package to the five key managements, the Company also entered into share option agreements (the "Share Option Agreements") with the key managements on 10 May 2009 and 8 June 2009 upon signing of the Service Contracts whereby the Company agrees (subject to Shareholders' approval) to grant share options to each of the key managements upon the terms and conditions as set out therein. Details of the terms and conditions of the share option agreements are set out in the Company circular dated 18 June 2009.

The following table discloses the movements of the Company's share options for both years:

Share options granted under 2004 Scheme

Category of participants	Date of grant	Exercise period (Note)	Exercise price per share HKD	Outstanding at 1.7.2010	Granted during the year	Exercised during the year	Forfeited during the year	Outstanding at 1.7.2011	Granted during the year	Exercised during the year	Forfeited during the year	Lapsed during the year	Outstanding at 30.6.2012
Directors	20.10.2009	20.10.2009-19.10.2014	0.48	11,862,171	–	–	–	11,862,171	–	–	–	–	11,862,171
	23.11.2009	23.11.2009-22.11.2014	0.55	257,137,829	–	–	–	257,137,829	–	–	–	–	257,137,829
	1.12.2010	1.12.2010-30.11.2015	0.70	–	412,000,000	–	–	412,000,000	–	–	–	–	412,000,000
	3.3.2011	3.3.2011-2.3.2016	0.70	–	100,000,000	–	–	100,000,000	–	–	–	–	100,000,000
Employees	20.10.2009	20.10.2009-19.10.2014	0.48	25,546,266	–	–	(20,168,105)	5,378,161	–	–	–	–	5,378,161
	23.11.2009	23.11.2009-22.11.2014	0.55	19,200,000	–	–	(5,350,000)	13,850,000	–	–	(1,000,000)	–	12,850,000
	4.12.2009	4.12.2009-3.12.2014	0.55	28,000,000	–	–	–	28,000,000	–	–	–	–	28,000,000
	13.5.2010	13.5.2010-12.5.2015	0.55	5,000,000	–	–	–	5,000,000	–	–	–	–	5,000,000
	1.12.2010	1.12.2010-30.11.2015	0.70	–	28,109,194	–	(6,000,000)	22,109,194	–	–	(1,000,000)	–	21,109,194
	1.12.2010	1.12.2010-30.11.2015	0.60	–	59,900,000	–	(6,500,000)	53,400,000	–	–	(1,750,000)	(12,500,000)	39,150,000
	2.3.2011	2.3.2011-1.3.2016	0.70	–	27,500,000	–	–	27,500,000	–	–	–	–	27,500,000
	8.7.2011	8.7.2011-7.7.2016	0.77	–	–	–	–	–	47,750,000	–	(7,500,000)	–	40,250,000
	3.1.2012	3.1.2012-2.1.2017	0.60	–	–	–	–	–	52,250,000	–	(1,000,000)	–	51,250,000
	3.1.2012	3.1.2012-2.1.2017	0.60	–	–	–	–	–	12,500,000	–	–	–	12,500,000
	10.1.2012	10.1.2012-9.1.2017	0.60	–	–	–	–	–	3,500,000	–	–	–	3,500,000
Others	23.11.2009	23.11.2009-22.11.2014	0.55	4,000,000	–	–	–	4,000,000	–	–	–	–	4,000,000
	1.12.2010	1.12.2010-30.11.2015	0.60	–	3,000,000	–	–	3,000,000	–	–	–	–	3,000,000
				350,746,266	630,509,194	–	(38,018,105)	943,237,355	116,000,000	–	(12,250,000)	(12,500,000)	1,034,487,355
Exercisable at the end of the year				–				–					–
Weighted average exercise price (HKD)				0.54	0.69	–	0.55	0.64	0.67	–	0.71	0.60	0.64

Note: The share option is exercisable only upon fulfillment of the vesting conditions set out below.

24. Share-Based Payment Transactions (continued)

Share options granted under Share Option Agreement

Category of participants	Date of grant	Exercise period (Note)	Exercise price per share HKD	Outstanding at 1.7.2010	Granted during the year	Exercised during the year	Forfeited during the year	Outstanding at 1.7.2011	Granted during the year	Exercised during the year	Forfeited during the year	Outstanding at 30.6.2012
Directors	15.7.2009	24.7.2009-23.7.2014	0.3850	403,362,100	–	–	–	403,362,100	–	–	–	403,362,100
Employees	15.7.2009	3.8.2009-2.8.2014	0.4025	66,689,197	–	–	(39,798,391)	26,890,806	–	–	–	26,890,806
				470,051,297	–	–	(39,798,391)	430,252,906	–	–	–	430,252,906
Exercisable at the end of the year				–				–				–
Weighted average exercise price (HKD)				0.3875	–	–	–	0.3861	–	–	–	0.3861

Note: The share option is exercisable only upon fulfillment of the vesting conditions set out below.

During the year ended 30 June 2012, three lots of share options were granted on 8 July 2011, 3 January 2012 and 10 January 2012 respectively, under the 2004 Scheme, and are detailed as follows:

Grant date	8 July 2011	
	No. of share options granted	Estimated fair value of share options granted (per option)
– Lot 1	23,875,000	HKD0.2347
– Lot 2	11,937,500	HKD0.2510
– Lot 3	11,937,500	HKD0.2690
	47,750,000	

Grant date	3 January 2012	
	No. of share options granted	Estimated fair value of share options granted (per option)
Tranche A		
– Lot 1	26,125,000	HKD0.1276
– Lot 2	13,062,500	HKD0.1465
– Lot 3	13,062,500	HKD0.1685
	52,250,000	
Tranche B	12,500,000	HKD0.1137
	64,750,000	

Grant date	10 January 2012	
	No. of share options granted	Estimated fair value of share options granted (per option)
– Lot 1	1,750,000	HKD0.1154
– Lot 2	875,000	HKD0.1292
– Lot 3	875,000	HKD0.1548
	3,500,000	

24. Share-Based Payment Transactions (continued)

All the share options granted on 8 July 2011 are valid upon fulfillment of vesting conditions and up to a maximum period of 5 years from the date of grant. The share options will vest upon the occurrence of: (1) as to 50% of the share options, 90 days after the first gold production by the Martabe Project; (2) as to 25% of the share options, upon the process plant of the Martabe Project being in operation and having reached its designed capacity of not less than a monthly average of gold production of 90% of the board approved production output for that year over a period of any six consecutive months after the first gold production at the Martabe Project; and (3) as to the remaining 25%, upon the process plant of the Martabe Project being in operation and having reached its designed capacity of not less than a monthly average of gold production of 90% of the board approved production output for that year over a period of any twelve consecutive months after the first gold production at the Martabe Project. No share options shall be vested at any time prior to the expiry of twelve months from the date of the grant of the share options.

All the share options granted on 3 January 2012 are valid upon fulfillment of vesting conditions and up to a maximum period of 5 years from the date of grant. Tranche A share options will vest upon the occurrence of: (1) as to 50% of the share options, 180 days after the first gold production by the Martabe Project; (2) as to 25% of the share options, upon the process plant of the Martabe Project being in operation and having reached its designed capacity of not less than a monthly cumulated average of gold production of 90% of the board approved production output for that year over a period of any six consecutive months after the first gold production at the Martabe Project; and (3) as to the remaining 25%, upon the process plant of the Martabe Project being in operation and having reached its designed capacity of not less than a monthly cumulated average of gold production of 90% of the board approved production output for that year over a period of any twelve consecutive months after the first gold production at the Martabe Project. No share options shall be vested at any time prior to the expiry of nine months from the date of the grant of the share options. Tranche B share options will vest upon the completion and the first gold production of the Martabe Project on the condition that the first gold production of the Martabe Project must be on or before 30 April 2012.

All the share options granted on 10 January 2012 are valid upon fulfillment of vesting conditions and up to a maximum period of 5 years from the date of grant. The share options will vest upon the occurrence of: (1) as to 50% of the share options, 180 days after the first gold production by the Martabe Project; (2) as to 25% of the share options, upon the process plant of the Martabe Project being in operation and having reached its designed capacity of not less than a monthly cumulated average of gold production of 90% of the board approved production output for that year over a period of any six consecutive months after the first gold production at the Martabe Project; and (3) as to the remaining 25%, upon the process plant of the Martabe Project being in operation and having reached its designed capacity of not less than a monthly cumulated average of gold production of 90% of the board approved production output for that year over a period of any twelve consecutive months after the first gold production at the Martabe Project. No share options shall be vested at any time prior to the expiry of nine months from the date of the grant of the share options.

Fair values of the options was determined at the dates of grant using the Black-Scholes option pricing model on respective grant date by Roma Appraisals Limited, independent professional valuers. Share-based payment was recognised over the vesting period based on the management's estimation of the timing when the vesting conditions disclosed above are met.

Subsequent to the end of the reporting period, the Company announced the first gold production is commenced on 24 July 2012. The total fair value of the share options granted during the year ended 30 June 2012 is USD2,718,000 (2011: USD15,460,000). For the year ended 30 June 2012, the Group recognised the share-based expenses of USD11,292,000 (2011: USD10,029,000) in relation to these share options.

24. Share-Based Payment Transactions (continued)

The following assumptions were used to calculate the fair values of share options:

Grant date Lot	8 July 2011 1	8 July 2011 2	8 July 2011 3
Weighted average share price on date of grant	HKD0.649	HKD0.649	HKD0.649
Exercise price	HKD0.770	HKD0.770	HKD0.770
Expected life	3.0 years	3.3 years	3.5 years
Expected volatility	61.82%	62.52%	64.18%
Dividend yield	0%	0%	0%
Risk-free interest rate	0.711%	0.833%	0.937%

Grant date Tranche/Lot	3 January 2012 A1	3 January 2012 A2	3 January 2012 A3	3 January 2012 B
Weighted average share price on date of grant	HKD0.439	HKD0.439	HKD0.439	HKD0.439
Exercise price	HKD0.600	HKD0.600	HKD0.600	HKD0.600
Expected life	2.9 years	3.0 years	3.3 years	2.6 years
Expected volatility	58.68%	63.42%	68.17%	56.59%
Dividend yield	0%	0%	0%	0%
Risk-free interest rate	0.496%	0.527%	0.581%	0.452%

Grant date Lot	10 January 2012 1	10 January 2012 2	10 January 2012 3	3 March 2011 1	3 March 2011 2	3 March 2011 3
Weighted average share price on date of grant	HKD0.417	HKD0.417	HKD0.417	HKD0.547	HKD0.547	HKD0.547
Exercise price	HKD0.600	HKD0.600	HKD0.600	HKD0.700	HKD0.700	HKD0.700
Expected life	2.9 years	3.0 years	3.3 years	3.0 years	3.5 years	3.7 years
Expected volatility	58.64%	61.88%	68.23%	66.53%	67.82%	65.95%
Dividend yield	0%	0%	0%	0%	0%	0%
Risk-free interest rate	0.487%	0.513%	0.567%	1.099%	1.283%	1.393%

24. Share-Based Payment Transactions (continued)

The following assumptions were used to calculate the fair values of share options: (continued)

Grant date Tranche/Lot	1 December 2010 A	1 December 2010 B	1 December 2010 C	2 March 2011 1	2 March 2011 2	2 March 2011 3
Weighted average share price on date of grant	HKD0.512	HKD0.512	HKD0.512	HKD0.546	HKD0.546	HKD0.546
Exercise price	HKD0.700	HKD0.600	HKD0.600	HKD0.700	HKD0.700	HKD0.700
Expected life	3.0 years	3.0 years	3.0 years	3.0 years	3.5 years	3.7 years
Expected volatility	68.35%	68.35%	68.35%	66.51%	67.81%	65.94%
Dividend yield	0%	0%	0%	0%	0%	0%
Risk-free interest rate	0.828%	0.828%	0.828%	1.062%	1.250%	1.361%

Grant date	15 July 2009	15 July 2009	20 October 2009	23 November 2009	4 December 2009	13 May 2010
Weighted average share price on date of grant	HKD0.411	HKD0.411	HKD0.484	HKD0.534	HKD0.510	HKD0.463
Exercise price	HKD0.385	HKD0.403	HKD0.480	HKD0.550	HKD0.550	HKD0.550
Expected life	3.0 years	3.0 years	3.0 years	3.0 years	3.0 years	3.0 years
Expected volatility	71.69%	71.69%	71.51%	71.22%	71.45%	69.84%
Dividend yield	0%	0%	0%	0%	0%	0%
Risk-free interest rate	1.037%	1.037%	0.908%	0.720%	0.722%	1.064%

The Black-Scholes option pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

Expected volatility was determined by using the volatility of a set of companies in the mining industry. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioral considerations. At each reporting date, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates, if any, is recognised in profit and loss, with a corresponding adjustment to the share options reserve.

25. Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of cash and cash equivalents, and equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated losses.

The directors of the Company review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues, share buy-backs or raising of new debt.

26. Financial Instruments

26a. Categories of financial instruments

	2012 *USD'000*	2011 *USD'000*
FINANCIAL ASSETS		
Financial assets classified as loans and receivables (including cash and cash equivalents)	**117,991**	159,436
Available-for-sale financial assets	**5,438**	9,329
Held for trading investments	**1,808**	3,199
FINANCIAL LIABILITIES		
Derivative financial liabilities	**1,204**	–
Amortised cost	**121,056**	44,188

26b. Financial risk management objectives and policies

The Group's major financial instruments include held for trading investments, trade and other receivables, available-for-sale investment, pledged bank deposits, bank balances and cash, derivative financial liabilities, other payables and borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances and borrowings, fair value interest risk in relation to fixed-rate investment in Senor Note Due 2015.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

The exposures of the Group to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The cash flow interest rate risk of the Group is mainly concentrated on the fluctuation of London Interbank Offer Rate arising from the borrowings.

26. Financial Instruments (continued)

26b. Financial risk management objectives and policies (continued)

Market risk (continued)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to cash flow interest rate risk for borrowings. The analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. An increase or decrease of 100 basis points (2011: nil) is used when reporting the interest rate risk internally and represents management's assessment of the reasonably possible change in interest rates.

At the end of the reporting period, if interest rates had been increased/decreased by 100 basis points (2011: nil) and all other variables were held constant, the Group's loss before tax would increase/decrease by approximately USD850,000 for the year ended 30 June 2012 (2011: nil).

The sensitivity analyses below have been determined based on the exposure to fair value for its investments in fixed-rate Senior Notes Due 2015 as at 30 June 2012. If the interest rate used to assess the fair value had been 2% higher/lower and all other variables were held constant, the Group's investment revaluation reserve as at 30 June 2012 would decrease by USD170,000 (2011: USD458,000)/increase by USD178,000 (2011: USD475,000).

(ii) Other price risk – Investments in equity securities

The Group is exposed to equity price risk through the Group's held for trading investments. Management manages this exposure by maintaining a portfolio of investments with different risks. The Group's listed equity price risk is mainly concentrated on equity instruments quoted on the Hong Kong Stock Exchange.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

If the prices of the respective equity securities had been 10% (2011: 10%) higher/lower:

- the Group's post-tax loss for the year would decrease/increase by USD151,000 (2011: USD267,000) as a result of the changes in fair value of held for trading investments.

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to discharge their obligations in relation to each class of recognised financial assets are the amounts stated in the consolidated statement of financial position. In order to minimise the credit risk, management of the Group has determined credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debtor at the end of each reporting periods to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are financial institutions with good reputation.

The Group has concentrations of credit risk comprising deposits placed at a financial institutions for the Group's bank balances of USD54,731,000 (2011:USD118,450,000), which represents approximately 84% (2011: 87%) of the Group's total bank balances and cash, and investments in the Senior Notes Due 2015 of USD5,438,000 (2011: USD9,329,000) issued by a single counter party. Management considered the credit risk on such balances held at financial institutions and the counter party is limited because the financial institutions are with good reputation and the single counter party which has its shares listed on the Hong Kong Stock Exchange is in good financial position.

26. Financial Instruments (continued)

26b. Financial risk management objectives and policies (continued)

Currency risk

Most of the Group's financial assets and liabilities are denominated in USD which is the same as the functional currency. In addition, the Group has certain financial assets and financial liabilities denominated in IDR and Australian Dollar ("AUD").

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follow:

	2012 *USD'000*	2011 *USD'000*
ASSETS		
AUD	**3,224**	4,202
IDR	**54,839**	22,517
LIABILITIES		
AUD	**7,879**	6,012
IDR	**12,169**	7,498

The Group use foreign exchange forward contracts to eliminate the currency exposures.

The Group had entered into foreign exchange forward contracts with one of the local bank in Jakarta for a monthly purchase of IDR for a notional amount of IDR27,150,000,000 each month for the period from February 2012 to January 2013. At the end of the reporting period, there are 7 foreign exchange forward contracts remain outstanding and the terms of all the foreign exchange contracts have been negotiated to match the expectation of the IDR payments.

Sensitivity analysis

The Group's foreign currency risk is mainly concentrated on the fluctuation among AUD and IDR against USD. The following table details the Group's sensitivity to a 7% (2011:7%) increase and decrease in the USD against the foreign currencies. 7% (2011: 7%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges, and adjusts their translation at the year ended for a 7% (2011: 7%) change in foreign currency rates. A positive/(negative) number indicates and increase/decrease in loss before taxation for the year and a positive/(negative) number indicates and increase/decrease cash flow hedges reserve where the USD strengthens against the relevant foreign currencies. For a 7% (2011: 7%) weakening of the USD against the relevant foreign currencies, there would be an equal and opposite impact on loss before taxation and Cash flow hedges reserve.

	Loss before taxation		Cash flow hedges reserve	
	2012 *USD'000*	2011 *USD'000*	**2012 *USD'000***	2011 *USD'000*
AUD	**(326)**	(127)	**–**	–
IDR	**2,987**	1,051	**(84)**	–
	2,661	924	**(84)**	–

26. Financial Instruments (continued)

26b. Financial risk management objectives and policies (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the operations of the Group and to maintain a balance between continuity of funding and flexibility through the use of borrowings and share placements.

The Group used bank borrowings and share placements as part of the source of funds and managing its liquidity risk. As at 30 June 2012, the Group has available unutilised bank loan facilities of approximately USD15,000,000 (30 June 2011: nil). Details of which are set out in note 20. During the reporting period, the directors of the Company had issued 2,813,364,000 new ordinary shares of the Company by share placement with the net proceeds of approximately USD213 million from the placement received. Subsequently to the end of the reporting period, the directors of the Company had further issued 2,041,287,000 new ordinary shares of the Company by share placement with the net proceeds of approximately USD99 million from the placement received accordingly. Details of the share placements were set out in note 23 and note 33 respectively.

The following tables detail the remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted gross inflows and outflows on those derivatives that require gross settlement. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual maturities as the management consider that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives. There were no such derivative financial liabilities as at 30 June 2011.

Liquidity tables

	Weighted average effective interest rate %	On demand or less than 1 month USD'000	1-3 months USD'000	3 months to 1 year USD'000	More than 1 year USD'000	Total undiscounted cash flows USD'000	Carrying amount at 30 June USD'000
2012							
Non-derivative financial liabilities							
Other payables	**–**	**36,056**	**–**	**–**	**–**	**36,056**	**36,056**
Borrowings	**4.97**	**370**	**741**	**37,773**	**51,552**	**90,436**	**85,000**
		36,426	**741**	**37,773**	**51,552**	**126,492**	**121,056**
Derivative financial liabilities							
Foreign exchange forward contracts							
– inflow		**(2,874)**	**(5,748)**	**(11,494)**	**–**	**(20,116)**	**(19,796)**
– outflow		**3,000**	**6,000**	**12,000**	**–**	**21,000**	**21,000**
		126	**252**	**506**	**–**	**884**	**1,204**
2011							
Non-derivative financial liabilities							
Other payables	–	44,188	–	–	–	44,188	44,188

26. Financial Instruments (continued)

26c. Fair value

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of held for trading investments with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices;
- the fair value of available-for-sale investment is determined in accordance with the Hull-White term structure model; and
- the fair value of other financial assets and financial liabilities (excluding held for trading investments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 *USD'000*	Level 2 *USD'000*	Level 3 *USD'000*	Total *USD'000*
2012				
FINANCIAL ASSETS				
Listed debt securities (classified as available-for-sale investment)	**–**	**–**	**5,438**	**5,438**
Held for trading investments	**1,808**	**–**	**–**	**1,808**
	1,808	**–**	**5,438**	**7,246**
FINANCIAL LIABILITY				
Derivative financial liabilities	**–**	**1,204**	**–**	**1,204**
2011				
FINANCIAL ASSETS				
Listed debt securities (classified as available-for-sale investment)	–	–	9,329	9,329
Held for trading investments	3,199	–	–	3,199
	3,199	–	9,329	12,528

26. Financial Instruments (continued)

26c. Fair value (continued)

Reconciliation of Level 3 fair value measurements of financial asset

	Listed debts securities (classified as available-for-sale investment) *USD'000*
At 1 July 2010	11,985
Gain/(loss) recognised in	
– profit or loss	84
– other comprehensive income (Note)	(558)
Disposal	(2,069)
Reclassification adjustment upon disposal of an available-for-sale investment	(84)
Exchange realignment	(29)
At 30 June 2011	9,329
Loss recognised in other comprehensive income (Note)	(3,891)
At 30 June 2012	5,438

Note: All the above losses included in other comprehensive income for the years related to the debt investments held at the end of the reporting period and are reported as changes of "investment revaluation reserves".

27. Operating Leases

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2012 ***USD'000***	2011 *USD'000*
Within one year	**465**	519
In the second to fifth year inclusive	**53**	484
	518	1,003

Operating lease payments represented rentals payables by the Group for certain of its office premises and warehouse. Leases are negotiated for terms ranging from one to four years.

28. Capital Commitments

At the end of the reporting periods, the Group had the following capital commitments:

	2012 USD'000	2011 USD'000
Capital expenditure contracted for but not provided for in the consolidated financial statements in respect of acquisition of property, plant and equipment	**31,330**	145,578
Capital expenditure authorised but not contracted for in respect of acquisition of property, plant and equipment	**66,229**	143,403

29. Related Party Disclosures

Key management personnel compensation

	2012 USD'000	2011 USD'000
Short-term benefits	**2,571**	3,178
Share-based payments (Note)	**7,800**	9,000
Post-employment benefits	**12**	12
	10,383	12,190

Note: Share-based payments represent the portion of the total fair value at the grant date of share options issued under the 2004 Scheme and the Share Option Agreements which has been charged to the consolidated income statement during the year ended 30 June 2012. The total fair value of the share option granted during the year was nil (2011: USD9,833,000).

30. Retirement Benefits Schemes

The Group participates in a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for all its employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. Under the rules of MPF Scheme, the employer and its employees are each required to make contributions to MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to MPF Scheme is to make the required contributions under the MPF Scheme. No forfeited contributions are available to reduce the contributions payable in future years.

The employees in the Group's subsidiary in Indonesia are members of the state-managed retirement benefit scheme (the "Indonesia State-managed Retirement Benefit Scheme") operated by the Indonesian government. The subsidiary is required to contribute a certain percentage of payroll costs to the retirement benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make specified contributions.

During the year, the total amount contributed by the Group to the MPF Scheme charged to the consolidated income statement, was USD52,000 (2011: USD56,000). The Group also contributed USD201,000 (2011: USD86,000) to the Indonesia State-managed Retirement Benefit Scheme operated by the Indonesian government and the amount was capitalised as mine property and development assets (included in property, plant and equipment).

31. Statement of Financial Position of the Company

As at 30 June 2012

	Note	2012 USD'000	2011 USD'000
ASSETS			
Property, plant and equipment		**85**	355
Investments in subsidiaries		**–**	–
Other receivables		**340**	250
Amounts due from subsidiaries		**794,164**	501,423
Bank balances and cash		**10,954**	112,298
		805,543	614,326
LIABILITIES			
Other payables		**1,082**	1,213
Amounts due to subsidiaries		**–**	19,974
		1,082	21,187
		804,461	593,139
CAPITAL AND RESERVES			
Share capital		**21,757**	18,147
Reserves	a	**782,704**	574,992
Total equity		**804,461**	593,139

Note:

(a) Reserves

	Share premium USD'000	Capital redemption reserve USD'000	Contribution surplus USD'000	Share options reserve USD'000	Exchange reserve USD'000	Accumulated losses USD'000	Total USD'000
At 1 July 2010	563,657	212	23,618	10,267	(2,531)	(12,527)	582,696
Loss for the year	–	–	–	–	–	(17,892)	(17,892)
Exchange realignment	–	–	–	–	159	–	159
Total comprehensive income/ (expenses) for the year	–	–	–	–	159	(17,892)	(17,733)
Recognition of equity-settled share-based payment	–	–	–	10,029	–	–	10,029
At 30 June 2011 and 1 July 2011	563,657	212	23,618	20,296	(2,372)	(30,419)	574,992
Loss for the year	–	–	–	–	–	(16,172)	(16,172)
Exchange realignment	–	–	–	–	3,049	–	3,049
Total comprehensive income/ (expenses) for the year	–	–	–	–	3,049	(16,172)	(13,123)
Issue of shares	213,000	–	–	–	–	–	213,000
Transaction costs attributable to issue of shares	(3,457)	–	–	–	–	–	(3,457)
Recognition of equity-settled share-based payment	–	–	–	11,292	–	–	11,292
At 30 June 2012	773,200	212	23,618	31,588	677	(46,591)	782,704

The contributed surplus of the Company includes (i) the difference between the consolidated shareholders' funds of the subsidiaries at the date at which they were acquired by the Company, and the nominal amount of the Company's shares issued for the acquisition at the time of the group reorganisation prior to the listing of the Company's shares in 1994; (ii) the surplus arising from the group reorganisation in 1998; and (iii) the surplus arising from Capital Reorganisation in June 2009.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

(a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
(b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

In the opinion of the directors, no reserves was available for distribution to shareholders at 30 June 2012 (2011: nil).

32. Principal Subsidiaries

Particulars of the principal subsidiaries at 30 June 2012 and 2011 are as follows:

Name of subsidiary	Place of incorporation/ operation	Class of shares/ equity held	Nominal value of issued and fully paid share capital/ registered capital	Effective percentage of equity interests held by the Company				Principal activities
				Directly		Indirectly		
				2012 %	2011 %	**2012 %**	2011 %	
Agincourt Resources (Singapore) Pte Limited	Singapore	Ordinary	USD803	**–**	–	**100**	100	Investment holding
Giant Win Limited	Hong Kong	Ordinary	HKD1	**–**	–	**100**	100	Operating fund management
G-Resources Martabe Pty Limited	Australia	Ordinary	AUD1	**–**	–	**100**	100	Investment holding
PT Agincourt Resources	Indonesia	Ordinary	USD5,000,000	**–**	–	**100**	100	Exploration and mining of gold and other minerals
Star Cyberpower Management Limited	Hong Kong	Ordinary	HKD10,000	**100**	100	**–**	–	Provision of management services and trading of electronic goods and accessories
Star Financial Limited	Hong Kong	Ordinary	HKD200	**–**	–	**100**	100	Provision of financial information services
Winner Force Limited	Hong Kong	Ordinary	HKD1	**–**	–	**100**	100	General administration
Win Genius Investments Limited	Hong Kong	Ordinary	HKD1	**–**	–	**100**	100	Securities investment

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries of the Group had any debt securities outstanding at the end of the reporting period or at any time during the year.

33. Events after the Reporting Period

On 17 August 2012, the Company entered into a placing agreement with placing agents for placing 2,041,287,000 new ordinary shares of the Company at a price of HKD0.38 per placing share (the "Placing"). The Placing was completed and shares were issued to on 24 August 2012 and the net proceeds of approximately USD99 million from the Placing was received accordingly. Details of the Placing were announced on 17 August 2012 and 24 August 2012. The Company intends to use the net proceeds from the Placing to fund the Group's capital expenditure and for working capital, primarily arising from a slower than scheduled production ramp up, and for exploration. Taking into account the proceeds, directors determined that it is appropriate that the consolidated financial statements are prepared on a going concern basis.

In July 2012, the Group effected the transfer of 5% interest in its subsidiary PT Agincourt Resources ("PTAR") to the Provincial Government of North Sumatra ("PGNS") and Government of South Tapanuli Regency ("GSTR"). The transfer was in accordance with the terms of a memorandum of intent (the "MOI") signed by Agincourt Resources (Singapore) Pte Ltd, PT Artha Nugraha Agung ("PTANA"), PGNS, GSTR and a shareholder of PTANA on 12 June 2008. The MOI provided for the transfer of 5% interest of PTAR at nil consideration to PGNS and GSTR prior to the commencement of production at Martabe.

Five-year Financial Summary

(a) Results

For the year ended 30 June

	2008 USD'000 (Restated)	2009 USD'000 (Restated)	2010 USD'000 (Restated)	2011 USD'000 (Restated)	**2012** **USD'000**
Revenue					
– Continuing operations	873	3,213	198	–	**–**
– Discontinued operation	1,008	799	549	535	**388**
	1,881	4,012	747	535	**388**
Loss before taxation	(26,163)	(19,613)	(45,288)	(21,419)	**(19,244)**
Taxation	(22)	3	–	22	**–**
(Loss)/profit for the year from discontinued operation	136	(1,533)	(9)	(8)	**(42)**
Loss before non-controlling interests	(26,049)	(21,143)	(45,297)	(21,405)	**(19,286)**
Loss attributable to non-controlling interests	22	–	–	–	**–**
Loss attributable to owners of the Company	(26,027)	(21,143)	(45,297)	(21,405)	**(19,286)**

(b) Assets and Liabilities

As at 30 June

	2008 USD'000	2009 USD'000	2010 USD'000	2011 USD'000	**2012** **USD'000**
Total assets	66,551	64,726	620,220	642,261	**959,115**
Total liabilities	(7,149)	(582)	(18,126)	(52,063)	**(166,298)**
	59,402	64,144	602,094	590,198	**792,817**
Equity attributable to owners of the Company	59,402	64,144	602,094	590,198	**792,817**
Non-controlling interests	–	–	–	–	**–**
	59,402	64,144	602,094	590,198	**792,817**

Investor Relations

Investor Communication

We are committed to maintaining a continuing dialogue with institutional investors, fund managers and analysts as a mean of developing their understanding of our strategy, the latest development of our Martabe Project, our management and plans. Our Investor Relations Department is headed by our Vice-Chairman, Mr Owen Hegarty. We conduct regular overseas road shows, and attend most of the major mining conferences. In the road shows or mining conferences attended, there were meetings with investors where issues on different aspects of our operation and the Martabe Project were discussed within the boundary of information already publicly disclosed. We also arranged site visits to Martabe for analysts and investors to enable them to have a more detailed understanding of our Martabe Project. The Investor Relations Department provides regular reports to the Board on investor relations activities conducted and comments and feedbacks from investors and analysts.

The Company also publishes information on its business activities through its website, http://www.g-resources.com.

Questions about the Company's activities may be directed to **information@g-resources.com.**

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Corporate Information

Board of Directors

Executive Directors

Mr Chiu Tao, *Chairman*
Mr Owen L Hegarty, *Vice-Chairman*
Mr Peter Geoffrey Albert, *Chief Executive Officer*
Mr Ma Xiao, *Deputy Chief Executive Officer*
Mr Wah Wang Kei, Jackie
Mr Hui Richard Rui
Mr Kwan Kam Hung, Jimmy

Non-Executive Director

Mr Tsui Ching Hung

Independent Non-Executive Directors

Mr Or Ching Fai, *Vice-Chairman*
Ms Ma Yin Fan
Mr Leung Hoi Ying

Investment and Management Committee

Mr Chiu Tao, *Chairman*
Mr Owen L Hegarty
Mr Peter Geoffrey Albert
Mr Ma Xiao
Mr Hui Richard Rui

Audit Committee

Mr Or Ching Fai, *Chairman*
Ms Ma Yin Fan
Mr Leung Hoi Ying

Remuneration Committee

Mr Or Ching Fai, *Chairman*
Ms Ma Yin Fan
Mr Leung Hoi Ying

Nomination Committee

Mr Chiu Tao, *Chairman*
Mr Or Ching Fai
Ms Ma Yin Fan

Company Secretary

Mr Wah Wang Kei, Jackie

Chief Financial Officer

Mr Arthur Ellis

Auditor

Deloitte Touche Tohmatsu

Legal Advisors

Hong Kong: Freshfields Bruckhaus Deringer,
Tung & Co.,
Mayer Brown JSM
Bermuda: Appleby
Indonesia: Brigitta I. Rahayoe and Partners,
Hadiputranto, Hadinoto & Partners,
Christian Teo & Associates

Principal Bankers

Hang Seng Bank Limited
BNP Paribas
Sumitomo Mitsui Banking Corporation
Commonwealth Bank of Australia

Share Registrars

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