G-RESOURCES

DELIVERING PROMISED GROWTH

Annual Report 2013

CORPORATE PHILOSOPHY

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

OUR COMPANY

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 8.2 million ounces of gold and 75.3 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.

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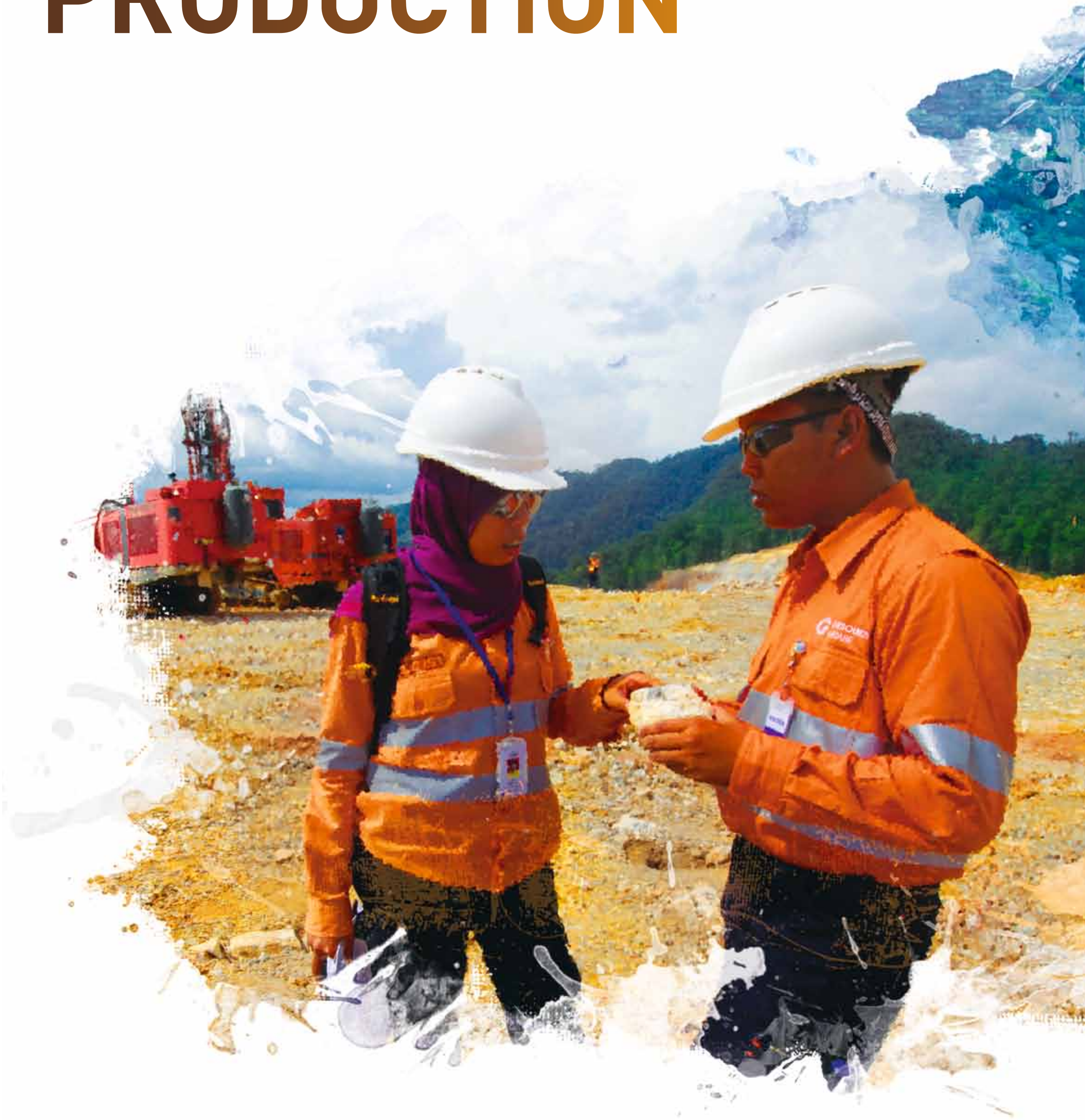
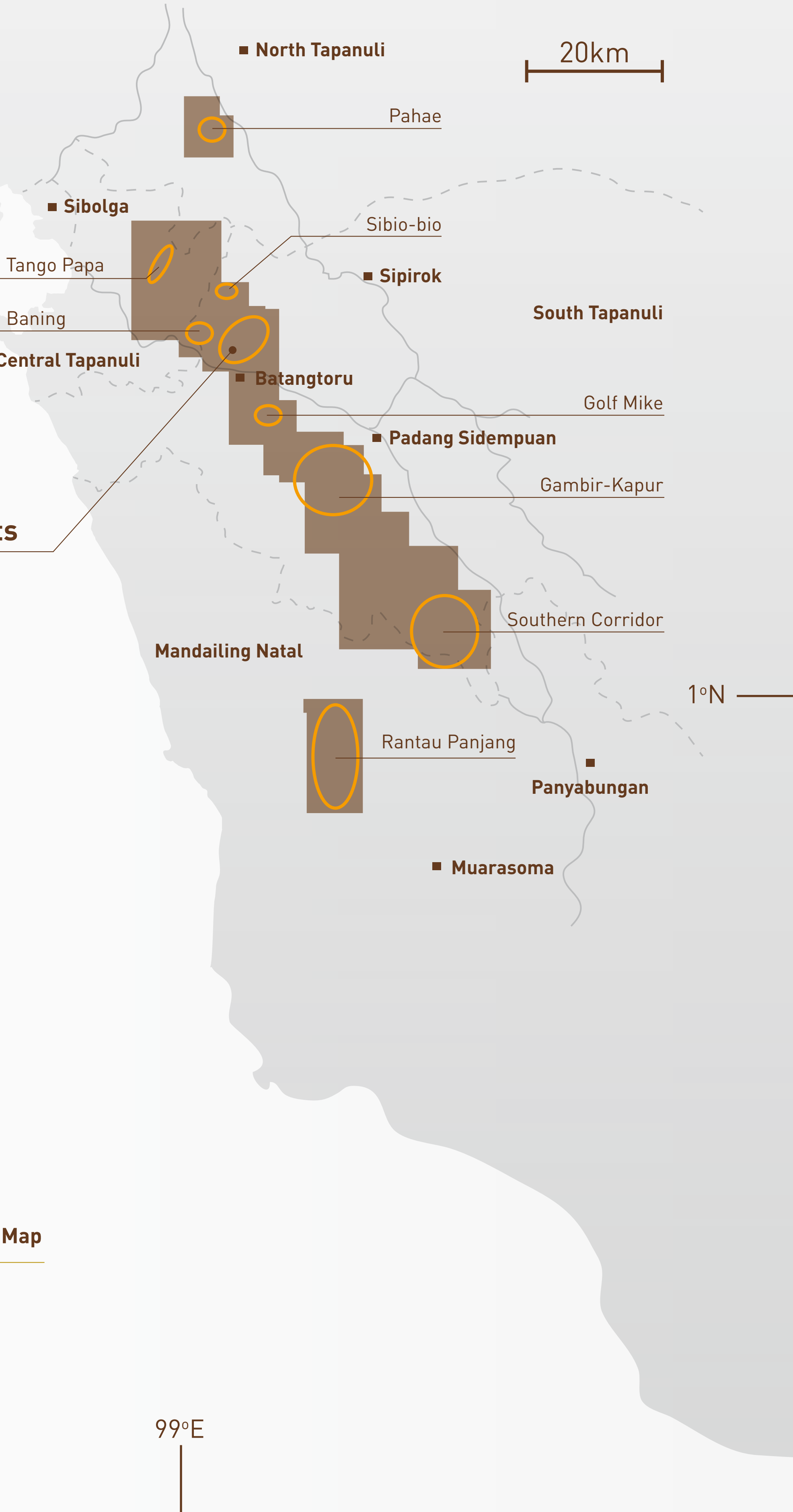
INCREASING PRODUCTION



WHERE WE OPERATE: CONTRACT OF WORK



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

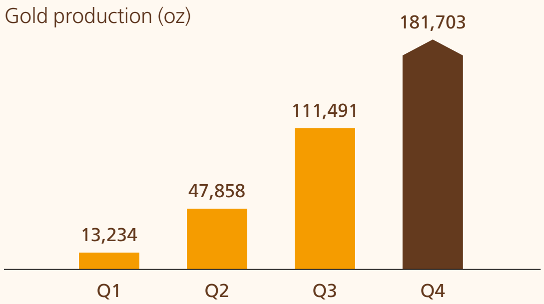
Contract of Work Exploration Project Map

Legend: Exploration targets / prospects
Road
Regional outline

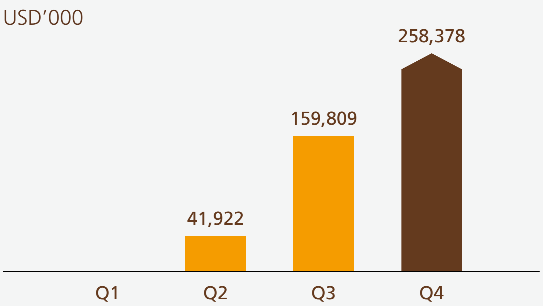
KEY PERFORMANCE INDICATORS

Gold Production – Cumulative

181,703oz



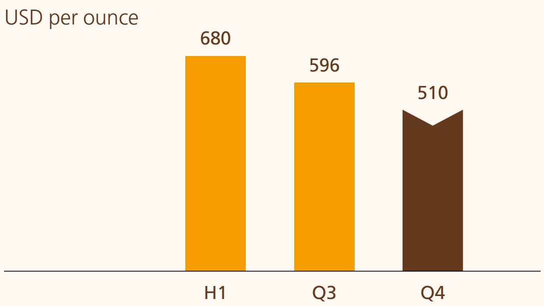
Total Revenue – Cumulative



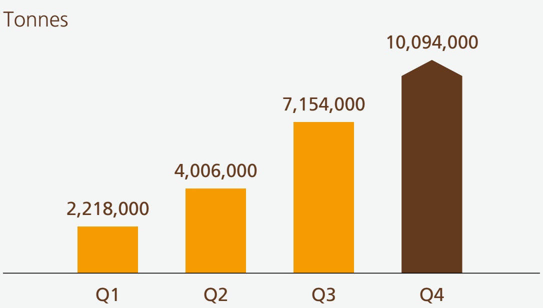
USD 258,378,000

NAGIS – Cash Cost

USD 510 per ounce



Tonnes Mined – Cumulative



10,094,000 tonnes

Notes:
Q1 – for the quarter ended 30 September 2012
Q2 – for the quarter ended 31 December 2012
Q3 – for the quarter ended 31 March 2013
Q4 – for the quarter ended 30 June 2013
H1 – for the period from 1 July 2012 to 31 December 2012
NAGIS – North American Gold Institute Standard

OUR BUSINESS MODEL

GREAT VALUES

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

EXPLORATION

8.2M ounces of gold / **75.3M** ounces of silver

68 diamond drill holes were completed for a total of 15,341 metres of core. As a result of additional drilling and geological interpretation, the Martabe Resources has increased by 150,000 ounces of gold since the last Resource Estimate in 2012; the gross additional increase after mining depletion during the year is approximately 350,000 ounces of gold.

Total Resources are now 8.2 million ounces of gold and 75.3 million ounces of silver.

PRODUCTION FORECAST

280,000
ounces of gold

During the year, the Martabe Mine was commissioned, ramped-up and operated at greater than design output.

Forecast production for the 2013 calendar year is 280,000 ounces of gold.

Mining operations have demonstrated capability to deliver ore to the process plant through a full year and through all seasons.

In 2012/13, recoveries of gold and silver in the process plant at approximately 91.2% and 80.9% respectively have far exceeded expectations.

GOVERNMENT

30 YEAR
operations and production permit

In July 2012, the Company formally signed documentation to provide a 5% ownership of the mine to the Provincial and Regency Governments.

All licences have been provided by the relevant government bodies, including the 30 year Operations and Production Permit, Gold and Silver Export Permits, Water Discharge Permit, Tailings Permits and many others.

Relationships with all relevant government bodies are very strong.

COMMUNITY

LOCAL PROGRAMMES
well received

In September and October 2012, a section of the local community had misunderstood the mine's intentions and controls with respect to clean water discharge. After a period of consultation, the misunderstanding was rectified with the community continuing to support mining operations. Since that time, the engagement with, and support of, the community has been extremely good. A number of local programmes have been initiated in consultation with the community which have been well received.

A new community consultative committee has been created which is yielding significant relationship benefits.

CHAIRMAN'S STATEMENT

I am pleased and proud to deliver to you the first profit making annual results of G-Resources Group Limited since our acquisition of the Martabe Project in 2009.

Dear shareholders,

I am pleased and proud to deliver to you the first profit making annual results of G-Resources Group Limited ("G-Resources") since our acquisition of the Martabe Project in 2009.

2012/13 was another defining year for G-Resources. We successfully completed construction and commissioning of the Martabe Project and turned the Martabe Project into the Martabe Mine. We poured first gold and silver bullion at the Martabe Mine on 24 July 2012. In 2012/13, we successfully turned G-Resources from an exploration and development company into a profit making mining enterprise. For the year ended 30 June 2013 ("this Financial Year"), we recorded our first Net Profit of USD29,280,000.

I must say we could not have made all these achievements without the patient support, trust and confidence of our shareholders. During construction of the Martabe Project, we faced a number of challenges, both technical and commercial, but with the support of the Government of Indonesia, the local community and our loyal shareholders, we overcame all those challenges and we have successfully brought the Martabe Mine into operation.

The Martabe Mine, at full capacity, is designed to produce 250,000 ounces of gold per annum. In this Financial Year, which includes the commissioning and ramp up period, we produced over 180,000 ounces of gold and almost 850,000 ounces of silver. For this calendar year 2013, we are now projecting a production of 280,000 ounces of gold, more than 10% greater than the design capacity. The credit for these excellent production numbers must go to the professional and dedicated operations team led by our CEO, Mr Peter Albert. I would like to take this opportunity to publicly thank our department heads, senior managers and all of our staff for their contribution and effort. Without this seasoned management team led by Mr Albert, we would not have been able to ramp up our production so rapidly and outperform.

I am also grateful for the support of the Governments within Indonesia at the Central, Provincial and District levels and also the local community. The Martabe Mine has been recognised as one of the businesses able to contribute to Indonesia's strategic plan to become one of the top ten world economies by 2025. We shall try our best to meet this expectation.

As the Chairman of G-Resources, I am very proud of our Martabe Mine, a rare, high quality world class mining asset. It is located in North Sumatra, Indonesia, a highly mineralised region with great prospects for further discoveries of gold and other precious and base metals. Our Contract of Work ("CoW") covers 1,639 km^2 and our exploration team has identified a number of exciting prospects in our CoW area.

The potential of the Martabe Mine can be seen from the success of our near mine exploration work. In this Financial Year, after depletion post mining, we have successfully added 143,000 ounces of gold to our Reserves when compared with the reserves as at 30 June 2012. In fact, since our acquisition of the Martabe Project in 2009, we have already added more than 980,000 ounces of gold to our reserves, representing an increase of 44.2%.

However, as a single project company, our business is not without risk. Between April and June 2013, we have seen gold prices drop from around USD1,600 per ounce to approximately USD1,200 per ounce. At the time of writing this report, the price has recovered marginally but we continue to see volatility in gold, in world currency and financial markets.

It is with this in mind that we decided to do a Rights Issue to raise further working capital for the Company. We will allocate our capital cautiously. The first priority in 2013/14 remains cost control. We cannot predict the gold and silver price movements, but we will consider every opportunity to ensure our competitiveness and profitability in a lower metal price environment.

Longer term, we still believe that continuing strong and growing demand for gold, not matched by growing supplies of gold from new or expanded mines, will lead to a buoyant market for gold, and higher prices than at present. However, in the short term we can continue to expect volatility, especially when the global economy is still under the shadow of U.S. tapering of quantitative easing.

On the other hand, we see that the recent volatility in the mining industry may offer us a range of opportunities and we will look to deliver greater value to our shareholders as we build on the tremendous asset that is the Martabe Mine.

The Martabe Mine has now entered the ranks of one of the world's best and lowest cost gold producers. Through a continued focus on lowering production costs, delivering more production ounces and increasing our Resources and Reserves, we intend to sustain and cement this position for the longer term benefit of all of our stakeholders.

I can commit that all of our staff at G-Resources will continue to work with professionalism and dedication in order to create the best value and return for our shareholders.

Lastly, I would like to thank again all our staff and contractors for their support and contribution to G-Resources.

Chiu Tao
Chairman
Hong Kong, 24 September 2013

CEO'S REPORT

The Martabe Mine has exceeded all production expectations in 2013 with revised guidance for the calendar year of 280,000 ounces of gold.

Dear shareholders,

For G-Resources and our loyal shareholders the year ending 30 June 2013 was the inaugural operating year for the Company. The previous fifteen years at the Martabe Mine had been dedicated to exploration, feasibility studies and building the project. On 24 July 2012, first gold and silver was produced at Martabe and in the subsequent eleven months the mine and process plant was commissioned and ramped up to full design capacity. In this first production year 2012/13, over 180,000 ounces of gold and almost 850,000 ounces of silver were produced. The operational performance of the mine has been better than expected with a head grade of 2.54 grammes per tonne of gold and a much better than anticipated gold recovery of 91.2% over the year. Gold production has consistently exceeded plan although silver production, due to lower than anticipated head grade at the top of the ore body, has been lower than the plan. The performance has been sufficiently outstanding to enable revised guidance to be provided for calendar year 2013 from the previous 250,000 ounces to 280,000 ounces of gold.

The rapid ramp up of the operations and acceleration to design levels and beyond is a testament to the highly skilled management team at Martabe led by Tim Duffy, the Executive General Manager Operations and Linda Siahaan, the Deputy President Director responsible for External Affairs.

As the mine has settled into a more routine operating phase the costs have stabilised and the strong fundamentals of Martabe have yielded an increasingly cost competitive position. In April 2013, the prices of gold and silver dropped dramatically and the team at G-Resources responded immediately to consider what actions could be taken to curtail, suspend, defer and/or optimise costs. We called this our margin improvement plan ("MIP"), i.e. more ounces for less dollars. Even though Martabe has been operating for a relatively short period, the operations team generated many good ideas and the results were almost instantaneous, with cost savings in the fourth quarter of the year reducing by about USD90/ounce as compared to the third quarter.

Traditionally gold mines have reported costs as the dollars required to produce an ounce of gold at the mine and excluded such items as resource development, sustaining capital, head office and other non-mine site support costs. This cost base has been termed the North American Gold Institute Standard ("NAGIS"). In June 2013, the World Gold Council ("WGC") proposed a number of other cost parameters to be used by the gold mining industry commencing from January 2014. Like many other of the larger companies, G-Resources elected to immediately report against one of these parameters, the so called

"all-in sustaining cost" ("AISC"). The AISC includes resource development, sustaining capital, all Indonesian in-country costs and an allocation of head office costs. The NAGIS cost for Martabe for the second six months of the 2013 year was USD551 per ounce of gold poured and the AISC for the same period was USD904 per ounce of gold sold. Both of these cost parameters compare very favourably with the world averages which are reported to be respectively approximately USD750 and USD1,250 per ounce. This places Martabe well in the lowest cost quartile of global gold producers.

The Martabe deposits are outstanding in their quality, i.e. grade, near the surface, good recovery, simple process route for recovery of gold and silver, etc. Notwithstanding, the performance of the mine is dependent on all business areas working as a team to achieve optimum outcomes, for example providing meals for 2,500 people per day, arranging travel for more than 500 persons regularly flying in and out, paying the bills etc, etc. The External Relations functions are particularly important and a cornerstone of our success to date. In Government Relations we have continued to forge and cement our relationships with all the relevant government departments and successfully achieved all of our required operating licences, including the 30 year Operations and Production Permit. For Community Relations, there was a difficult period in September and October 2012 when it was necessary to shut down the mine for a period of six weeks whilst we consulted with a section of the community that had misunderstood and been misinformed about the mine's water management plans, but since that time the relationships with the community and all of the fifteen villages located relatively close to the mine have grown from strength to strength. Community Relations is a part of the business where the landscape continuously changes and "relaxation" is never an option – the team has done extraordinarily well to grow and nurture the Social Licence to its current level.

At Martabe we are absolutely committed to the training and development of our workforce; we are committed to a culturally sensitive leadership style; we are committed to excellence in everything we do; and we are committed to engagement and listening by, and with, everybody in the team. In no other area does this get demonstrated more clearly than in the safety performance at the mine site. In the full year 2013, there was not one single accident at Martabe that caused a worker to be absent from work. This is a remarkable achievement at any mine site, but at a new mine with a new workforce, this is even more remarkable.

Resource development programmes at Martabe continued to add to the Resources base and even though depletion occurred as a result of operations producing in excess of 180,000 ounces of gold, there was still a net increase of 150,000 ounces of gold to the Resource base. Likewise Reserves in 2013 also had a net increase of 140,000 ounces of gold despite the mining depletion.

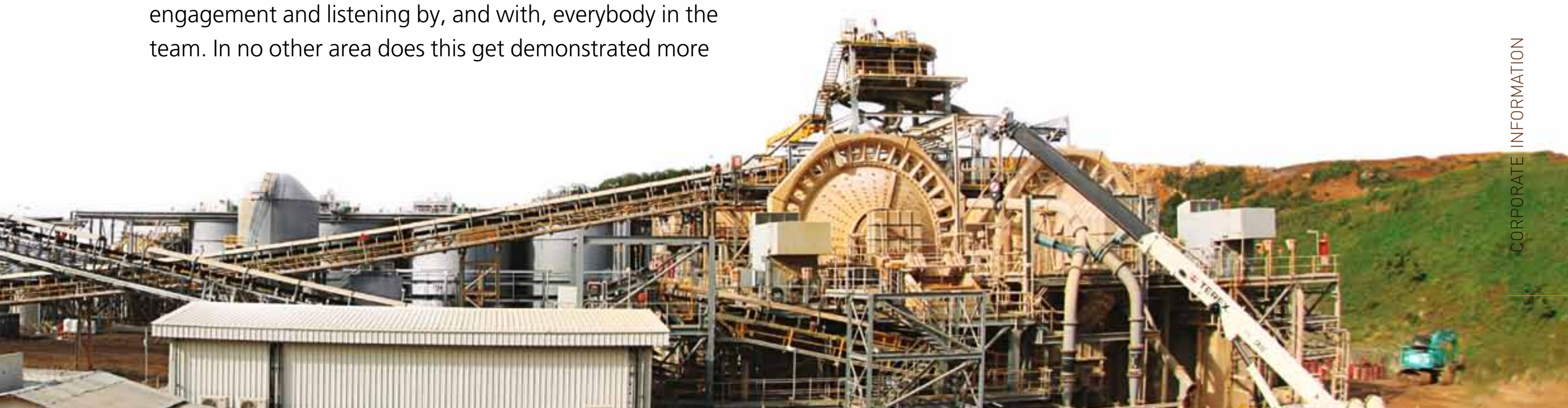
Regional exploration programmes continued to generate additional geological information on the tenement area with additional work targeted and planned for the future.

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 tasks 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.

In only its first year of operation, G-Resources has demonstrated its outstanding qualities and has taken its place amongst the top tier of Asian mines.

Peter Geoffrey Albert
Chief Executive Officer
Hong Kong, 24 September 2013



OUTSTANDING SAFETY PERFORMANCE

PROJECT OVERVIEW: MARTABE

The mine produced more than 180,000 ounces of gold and nearly 850,000 ounces of silver. For the calendar year 2013 the mine is forecasting production of 280,000 ounces of gold and 1.7 million ounces of silver.

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
Annual Production Target	250,000 ounces gold and 2-3 million ounces silver over life of mine
Workforce	Approximately 2,300 employees and contractors in September 2013

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, with significant further potential on the large tenement area. The mine has been in production for over one year and after an initial commissioning and ramp-up stage, is now operating at full capacity, i.e. in excess of 250,000 ounces of gold per annum.

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 as well as the 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 8.2 million ounces ("Moz") of gold and 75.3 Moz of silver. The Purnama deposit comprises of an open pit mine with a low strip ratio of 0.8:1, a conventional processing plant with 4.5 Mtpa capacity, a permanent village, haulage roads, a high voltage switchyard, an onsite workshop and warehousing, and a tailings storage facility with associated water catchment and diversion systems.

In the first year of operations, including the commissioning and ramp-up phases, the mine produced more than 180,000 ounces of gold and nearly 850,000 ounces of silver. For the calendar year 2013, the mine is forecasting production of 280,000 ounces of gold and 1.7 million ounces of silver.

Aerial view of Purnama and the Process Plant (right) and Tailings Storage Facility (left).

Costs at Martabe have continued to decrease as the mine has moved from commissioning into ramp-up and then into steady state operations. Cash costs[1] at the mine for the six months from January to June 2013 were USD551 per ounce. The World Gold Council ("WGC") has recently issued new guidelines for reporting costs which are recommended to come into effect from 1 January 2014, one of these guidelines is the "all-in sustaining costs" ("AISC"), and for the same six month period, the AISC for Martabe was USD904 per ounce[2]. These costs compare very favourably with other gold mine operations around the world, with the average being approximately USD750 per ounce for North American Gold Institute Standard ("NAGIS") and USD1,250 per ounce for AISC.

Key Milestones

The Martabe operation has been built to the best international standards and the rapid commissioning and ramp up of the operations has been a testament to the quality of the facilities as well as the quality of the ore body.

Through the commitment of many parties – including shareholders, contractors, the local community and the various government entities – the Company has successfully accomplished more than one year of operations since first gold pour on 24 July 2012.

Many key milestones were achieved over the past year, all contributing to Martabe exceeding all production expectations.

1 Cash costs are calculated according to the Gold Institute Standard, commonly referred to as NAGIS and include all site based costs on a per ounce poured basis.
2 World Gold Council AISC guideline is an extension of NAGIS costs and includes off-site administration and support services, sustaining capital costs and resource development (near mine exploration) costs, calculated on a per ounce sold basis.

Geologists Ibu Latipa Henim (front) and Ibu Siti Khodijah (back) analysing rock samples.

Key Milestones Achieved

850,000 ounces of silver produced at Martabe	Jul-13
180,000 ounces of gold produced at Martabe	Jun-13
Zero Lost Time Injuries in first year operations	Jun-13
Formation of new Community Consultative Committee	May-13
30 year Operations and Production Permit issued	Mar-13
Water Discharge Permit to local river	Feb-13
Negotiated solution with community to discharge water to the local river	Oct-12
First gold poured	Jul-12

Operations

The Martabe Mine has now entered a phase of continuous improvement. In the last year, the mine and process plant rapidly reached design capacity and the operations team is now focused on incremental improvements, debottlenecking to achieve optimum output and identifying future opportunities for further improvement. The decrease in both gold and silver prices in April 2013 resulted in an immediate focus on potential margin improvements, i.e. more ounces for less dollars, and this has already achieved significant outcomes, with guidance for calendar year 2013 increased to 280,000 ounces of gold from 250,000 ounces of gold and costs reducing significantly in the second quarter of 2013.

The mine employs approximately 2,300 employees and contractors. Management's commitment is to have 70%

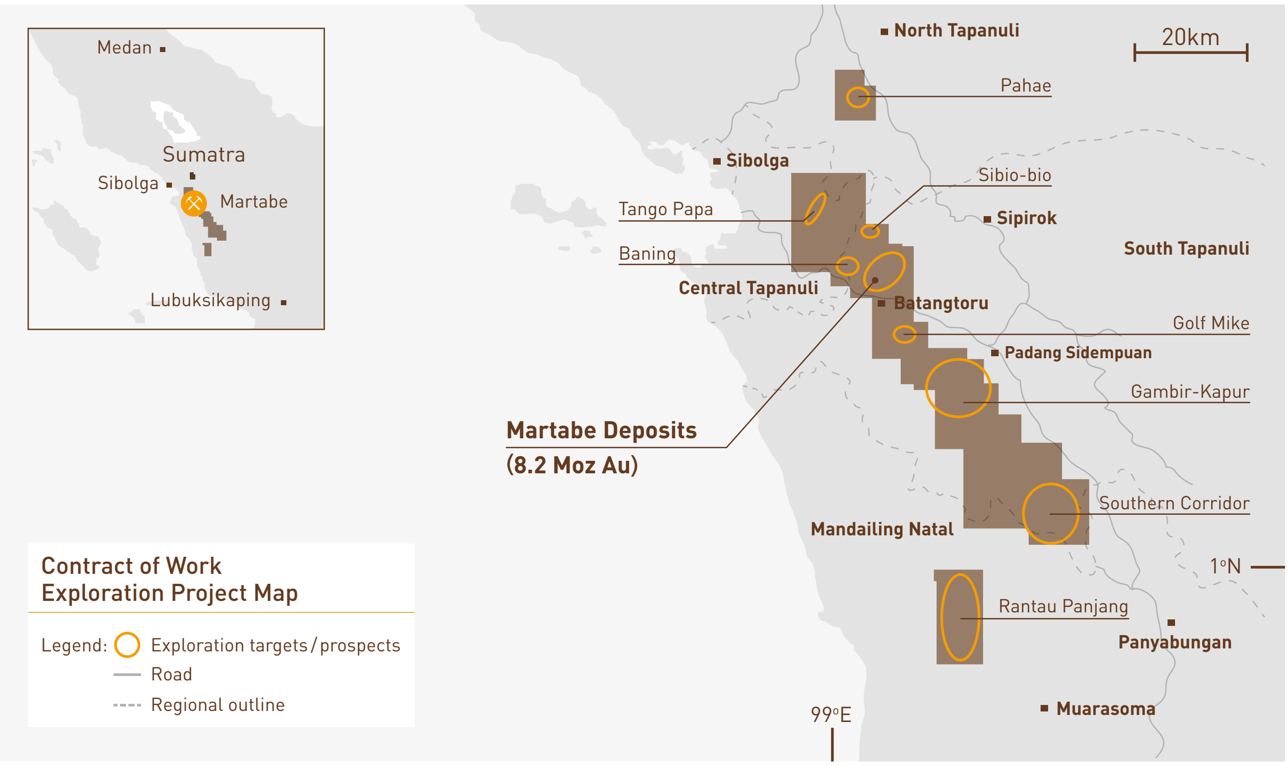


Figure 1. Martabe location, showing deposit and regional prospect locations within the CoW.

of the workforce engaged from the local villages with current levels already reaching more than 65%. The mine also has a gender programme focusing on employment opportunities and careers for women; to date there are more than 300 women employed in more than 30 career disciplines.

The training and development of the operations team has been highly successful as demonstrated by the good production results. However, perhaps the greatest signal demonstrating the success of the leadership and the commitment to training and development activities, is the outstanding safety record achieved at Martabe in its first year of operation. In the 12 months to June 2013, the mine did not experience a single Lost Time Injury – this is an outstanding result, especially for a new mine and workforce in an industrial or mining environment.

Mining

Total ore and waste tonnes mined during the year met plan. There was a higher overall strip ratio of approximately 2:1 as compared to life of mine expectation for Purnama of around 0.8:1 as a result of additional waste material being mined in one section of the Purnama pit to open up and expose ore for future mining. The Purnama ridge was lowered by up to 65 metres to an RL415 in some places, from RL480 at the start of the year. A reverse circulation drill provided samples from grade control drilling for ore and grade definition. A total of 900,000 tonnes of ore at 1.4 g/t gold and 11.6 g/t silver was stockpiled at the end of June 2013.

During the year, a basalt rock quarry was established to provide sufficient rock for ongoing construction of the tailings storage facility ("TSF"). Progress on the continued construction of the dam has been good with more than one year tailings storage capacity having been maintained at all times since mine start up. In July 2013, a revised design, utilising all mine waste to build the dam, was presented to the Indonesian authorities. This design offers a number of advantages; it reduces the requirement for dedicated waste stockpiles and therefore minimises the environmental footprint, maximises the use of mine generated waste and reduces cost.

Processing

The second half of 2012 was primarily dedicated to commissioning and ramp up activities and by December, the process plant was producing at design capacity. In the first half of 2013, the process plant operated at better than design output leading to a revised forecast in July for 2013 of 280,000 ounces of gold from the previous 250,000 ounces. This improved production was largely as a result of good grades and good recoveries. Achieving milled ore throughput proved problematic in the earlier months, with a number of mechanical and electrical challenges holding back the full potential of the milling circuit. By end of June 2013, most of these had been resolved and the mill was achieving greater than design tonnages for significant periods of time.

For the six months from January to June 2013, the following mill production was achieved:

	January to June 2013
Tonnes Mined Ore	1,786,000
Tonnes Mined Waste	4,302,000
Tonnes Milled	1,774,000
Gold Head Grade, g/t	2.62
Silver Head Grade, g/t	13.84
Gold Recovery, %	90.45
Silver Recovery, %	81.5
Gold Poured, ounces	133,845
Silver Poured, ounces	626,703

Costs and Finance

The Martabe Mine 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 Purnama deposit that results in a low strip ratio of 0.8:1, 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.

Along with the natural advantages of a low cost structure, the management and operations team at Martabe are diligent in controlling costs. Although the mine produced more ounces of gold than planned during the second quarter of 2013, in April 2013, the world market prices of gold and silver dropped substantially, impacting revenue. As a result of the reducing revenue stream, the Company rapidly accelerated a number of continuous improvement activities as well as seeking to reduce or defer expenditure wherever possible.

At end of June 2013, the Company had USD59.7M in cash and marketable securities. USD36M was repaid over the year on the revolving credit facility and USD50.0M was outstanding at the end of June 2013. Bullion sales data for the year ending 30 June 2013 was as follows:

	July 2012 to June 2013
Gold Sold Ounces	161,865
Silver Sold Ounces	753,130
Gold Sold Average Price, USD/oz	1,571
Silver Sold Average Price, USD/oz	27
Receipts from Sales, USD in millions	274
Capitalised Sales, USD in millions	16

In the first six months of operation during commissioning and ramp-up, costs were higher than normal as anticipated. In the second six months costs have come down dramatically. NAGIS cash costs for the period January to June 2013 were USD551/oz and WGC AISC costs USD904/oz for the same period.

Martabe Exploration and Mineral Resource and Reserve Statement (As at 30 June 2013)

1. Exploration Overview

The Martabe CoW occurs within the Java-Sumatra portion of the Sunda-Banda 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 2012-2013 exploration programme was successful and achieved the following notable outcomes:

- Discovered extensions to the Purnama and Uluala Hulu deposits, and commenced drilling.
- Surface exploration and drill testing of multiple epithermal gold-silver and porphyry copper targets on the CoW.
- A significant increase in confidence in Purnama and Barani Resource categories as a result of further in-fill drilling and revised estimation.
- Total Resources are now 8.2 Moz of gold and 75.3 Moz of silver. This is an increase in gold Resources of 150,000 oz of gold and a decrease of 1.7 Moz of silver.
- Total Reserves are now 3.2 Moz of gold and 33.4 Moz of silver. This is an increase in gold Reserves of 143,000 oz of gold and a decrease of 299,000 oz of silver.

Overall, 68 diamond drill holes for 15,341 metres were completed between 1 July 2012 and 30 June 2013.

2. Martabe Resource Development

The total G-Resources JORC Compliant Mineral Resources, as at 30 June 2013, are 207.6 Mt at 1.2 g/t gold and 11 g/t silver, for total metal content of 8.2 Moz of gold and 75.3 Moz of silver.

The Mineral Resources are provided in the Table 1 below.

Significant changes from the previously stated Mineral Resources are:

- New Mineral Resources were estimated for the Purnama and Barani deposits.
- The Purnama and Purnama Timur deposits were combined into the one Mineral Resource.
- Additional drilling and more advanced geological interpretation resulted in the conversion of 29 Mt at 1.1 g/t gold and 12 g/t silver from Inferred to Indicated categories. This is an increase of 230% to Indicated tonnes.
- An additional 150,000 oz of gold (+2%) was added to the total Mineral Resources, due to additional Resources indentified during delineation drilling.
- The silver content in the Mineral Resource dropped by 1.7 Moz (-2%). This was due to 1.4 Moz mining depletion and a slightly more conservative estimate of the geological controls to silver mineralisation.
- Inclusive of mining depletion, 350,000 oz of gold were added to and 300,000 oz of silver were removed from the estimated Mineral Resources.

Since acquisition of the Martabe Project in July 2009, G-Resources has added an estimated 2.3 Moz of gold and 13.8 Moz of silver resources to the Martabe deposits, representing an increase of 38% in gold resources and 22% in silver resources.

Refer to the announcement dated 23 September 2013 for JORC compliance details of the 2013 G-Resources Mineral Resources.

3. Martabe Reserve Development

The total G-Resources JORC Compliant Ore Reserves, as at 30 June 2013, are 51.4 Mt at 1.9 g/t gold and 20.2 g/t silver for a total metal content of 3.2 Moz of gold and 33.4 Moz of silver.

The Ore Reserves are provided in the Table 2 below.

Significant changes from the previously stated Ore Reserves (30 June 2012) include:

- Depletion due to mining and processing operations of approximately 200,000 oz of gold and 1.4 Moz of silver.
- Inclusive of mining depletion, 360,000 oz of gold and 1.06 Moz of silver were added to the estimated Ore Reserves.
- A revision of the Purnama open pit design to incorporate the additional resources identified from additional drilling.
- Removal of the Barani North deposit from reported Mineral Resources and Ore Reserves due to an economical and practical trade-off with the planned increase in height in the tailing facility.
- The Purnama Pit on its own has yielded a very positive reduction in waste material to Ore Reserve ratio (strip ratio) of 1.4:1 to 0.8:1.

The net result of these changes show an increase in the estimated Ore Reserves of 6.5 Mt (14%) at a decreased grade of 0.2 g/t gold (-8%) for a 143,000 oz Au (5%) increase in gold metal content. For the same tonnes, the silver grade estimate decreased by 3.1 g/t Ag (-13%) for a net decrease in silver metal content of 299,000 oz silver (-1%).

Refer to the announcement dated 23 September 2013 for JORC compliance details of the 2013 G-Resources Group Ore Reserves.

4. Martabe Project Development

A metallurgical test work programme targeting "sulphide" refractory mineralisation was commenced to follow up on work first reported in October 2010. Six diamond drill holes were completed into high grade zones outside the Purnama Ore Reserve pit shell. Best results from this drilling were 49 m @ 13.7 g/t Au, 43.8 g/t Ag, and 43 m @ 2.6 g/t Au, 21.8 g/t Ag, as reported on 19 February 2013.

Samples were tested for flotation response at an accredited Indonesian metallurgical laboratory. Results show flotation recovery of 80% for both gold and silver, with a mass concentration upgrade of 5:1, which will have a substantial positive downstream impact on the size of the process plant required to treat the concentrated material.

5. Martabe District Exploration

Exploration continued close to the Martabe deposits in 2012-2013. Exploration focused on discovering extensions to known deposits, and increasing the resource classifications of existing deposits.

Significant high grade drilling results were achieved, including:

- At the Uluala Hulu prospect 49.7 m @ 4.4 g/t gold, 44 g/t silver, and 43.3 m @ 2.6 g/t gold, 15 g/t silver.
- At the Purnama South prospect 57 m @ 1.2 g/t gold, 17 g/t silver and 34.5 m @ 2.13 g/t gold, 26 g/t silver.

Refer to Announcements dated 26 August 2013 and 19 February 2013 for details.

Mine and exploration geologists mapping lithology, alteration and structures at Purnama.

6. Regional Exploration

A major exploration programme was undertaken at the Southern Corridor, Golf Mike, Tango Papa and Pahae prospects. Activities included the completion of field mapping and sampling, induced polarisation (IP) geophysics surveys, and detailed alteration mapping using portable spectral analysers. Drilling was completed at Southern Corridor, Golf Mike and Tango Papa prospects.

Significant results included:

- Recognition of a significant zone of alteration and anomalous gold values at surface at the Pahae prospect.
- Recognition of potential buried porphyry copper-gold targets at the Golf Mike and Tango Papa prospects.

TABLE 1: G-RESOURCES JORC COMPLIANT MINERAL RESOURCES AS AT 30 JUNE 2013

Deposit	Category	Tonnes	Gold Grade	Silver Grade	Contained Metal	
					Gold	Silver
		(Mt)	(g/t Au)	(g/t Ag)	(Moz)	(Moz)
Purnama	Measured	5.0	2.4	39	0.4	6.3
	Indicated	67.6	1.6	19	3.5	41.4
	Inferred	31.4	0.9	11	1.0	11.4
	Total	**104.0**	**1.4**	**18**	**4.8**	**59.1**
Mine Stockpiles	Measured	0.8	1.4	12	0.03	0.4
	Total	**0.8**	**1.4**	**12**	**0.03**	**0.4**
Ramba Joring	Measured	–	–	–	–	–
	Indicated	33.7	1.0	4	1.1	4.5
	Inferred	4.6	0.8	4	0.1	0.5
	Total	**38.3**	**1.0**	**4**	**1.2**	**5.0**
Barani	Measured	–	–	–	–	–
	Indicated	15.6	1.4	2	0.7	1.0
	Inferred	0.4	0.9	2	0.1	0.1
	Total	**16.0**	**1.4**	**2**	**0.8**	**1.1**
Tor Uluala	Measured	–	–	–	–	–
	Indicated	–	–	–	–	–
	Inferred	31.5	0.9	8	0.9	7.8
	Total	**31.5**	**0.9**	**8**	**0.9**	**7.8**
Horas	Measured	–	–	–	–	–
	Indicated	–	–	–	–	–
	Inferred	15.7	0.8	2	0.4	0.9
	Total	**15.7**	**0.8**	**2**	**0.4**	**0.9**
Uluala Hulu	Measured	–	–	–	–	–
	Indicated	0.8	2.3	31	0.1	0.8
	Inferred	0.5	1.5	12	0.03	0.2
	Total	**1.3**	**2.0**	**24**	**0.1**	**1.0**
Combined	**Total**	**207.6**	**1.2**	**11**	**8.2**	**75.3**

Mineral Resources are inclusive of Ore Reserves.

Note on Cut-off grade:
With the exception of Tor Uluala, all resources are reported using a cut off grade of 0.5 g/t gold. Tor Uluala is reported using a 0.5 g/t Au equivalent cut off grade, using the formula Gold equivalent = gold g/t + silver/60 g/t for each estimated resource model block.

Note on Mine depletion:
This Mineral Resource Statement accounts for depletion due to mining operations until 30 June 2013.

Competent Person Statement:
The information in the report to which this statement is attached that relates to Mineral Resources is based on information compiled by Mr Shawn Crispin, a Competent Person who is a member and Certified Professional of the Australasian Institute of Mining and Metallurgy. Mr Crispin is a full time employee of G-Resources.

Mr Crispin has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Crispin consents to the inclusion of the matters based on his information in the form and context in which it appears.

TABLE 2: G-RESOURCES JORC COMPLIANT ORE RESERVES AS AT 30 JUNE 2013

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	2.5	41.5	400	5,900
	Probable Reserves	37.4	1.9	21.8	2,300	26,200
Barani	Probable Reserves	3.5	2.0	2.6	200	300
Ramba Joring	Probable Reserves	5.2	1.8	4.4	300	700
Purnama stockpile	Probable Reserves	0.8	1.4	11.6	–	300
Subtotals	Proved Reserves	4.4	2.5	41.5	400	5,900
	Probable Reserves	47.0	1.9	18.2	2,800	27,500
Total Ore Reserves		**51.4**	**1.9**	**20.2**	**3,200**	**33,400**

Calculations are rounded to the nearest 100,000 tonnes; 0.1 g/t Au and Ag grade; 100,000 ounces Au and Ag metal. Errors of rounding may occur. Minor calculated differences between the 2012 and 2013 Reserve statements are due to rounding errors.

Ore Reserves are estimated using a gold price of USD1,433/oz and silver price of USD26.90/oz.

Competent Person's Statement – Open Pit Ore Reserves:
The information in this report that relates to Open Pit Ore Reserves is based on information compiled by Quinton de Klerk of Cube Consulting, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr de Klerk has sufficient experience which is relevant to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr de Klerk consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

SUSTAINABLE COMMUNITY RELATIONS

SUSTAINABILITY

OUR APPROACH TO 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. 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 operate.

The Company's commitment to sustainability is directed towards three core outcomes – safe operations, environmental protection, and community development. Progress in managing these outcomes over the past year is described below:

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.

To reduce the risk of accidents to a very low level requires a disciplined and consistent approach, addressing both workplace conditions and worker behavior. The Martabe Gold Mine Safety Management System comprises a hierarchy of controls on the risk of accidents, ranging from simple immediate controls that all workers can apply, to a comprehensive permit to work system.

Several important safety management initiatives were implemented in the past year with the aim of progressively reducing the risk of accidents:

Golden Rules

The Martabe Gold Mine Golden Rules are simple safety rules designed to protect workers from the most common causes of accidents in the mining industry. In July 2012 an awareness programme for the Golden Rules was commenced and by October 2012 more than 1,100 workers had received training in the Golden Rules. To assist in communicating these rules, a Golden Rules "comic book" has been widely distributed. These rules have now become mandatory for the workforce and are referenced in our new Collective Labour Agreement.

Employees working at the onsite nursery as part of the revegetation programme.

Take 5

"Take 5" is the simplest safety procedure in use at the Martabe Gold Mine. As the name suggests, it should take less than five minutes to conduct a "Take 5". It comprises a simple checklist that every worker should complete before starting a job, and is designed to assist a worker to identify hazards and the required controls for the job to be done safely. Take 5 training commenced in November 2012 and by June 2013 over 990 people had been trained in the process.

ASA Programme

The Active Safety Agreement process ("ASA") is a management technique designed to show leadership commitment to safety and to address unsafe behavior through positively motivating the workforce. An ASA requires the practitioner firstly to observe a person at work, and then engage the person in an open and unthreatening conversation, in which the subject is encouraged to identify the risks and the appropriate controls. In March 2012, thirty-four members of the management team were trained in this technique.

Various other improvements were implemented in safety management at the site including better utilisation of the INX incident management database and training in incident investigation for the management team.

The safety effort was supported with equivalent efforts by various contractors, in particular the two mining contractors, PT Leighton and NUSA Konstruksi Enjiniring TBK ("NKE"). Both companies have consistently focused on safety performance during the year and have worked closely with PT Agincourt Resources ("PTAR") management to address incidents and hazards as they have become known. In many cases these companies have been running equivalent safety programmes to those run by PTAR, for example the PT Leighton Strive for Life programme.

The results of these efforts yielded an excellent safety record for the site in 2012/13. The site was fortunate in experiencing more than one year (372 days) without a lost time injury in the period from June 2012 to July 2013.

Although the results for last year were very positive, PTAR Management is aware that significant work remains in order to fully address safety risk at the site. In the coming year PTAR Management will continue to develop its Safety Management System and work at establishing a culture that values the safety of employees as highly as any other business outcome.

Environment

Successful management of environmental aspects is a critical contributor to the success of the Martabe Gold Mine. Environmental management efforts since operations commenced were focused on a range of important issues:

- Environmental monitoring.
- Statutory reporting.
- Safe tailings disposal.
- Safe treatment and discharge of excess mine water.
- Communication of environmental performance to stakeholders.
- Revegetation.
- Development of waste rock management strategy.
- Runoff water management.
- Waste & chemical management.
- Closure planning.

Environmental Monitoring

The environmental approvals for the Martabe Gold Mine prescribe a range of environmental sampling requirements for the site, including fauna and flora, water and air. The results of this monitoring are reported to Government every three months. Surface water monitoring is particularly important in measuring immediate impacts on the environment, and during the year 2,491 water samples were collected and sent to external laboratories for analysis. It is rewarding to report that during the year all monitoring obligations were met and there were no material non-compliances with Government regulations.

As a means of providing an independent assessment of the operation's environmental performance, the University of North Sumatra has been commissioned to commence a "River Health" monitoring programme. Under this programme waterways downstream of the mine site are assessed twice per year by an independent University team. The first of these assessments was conducted in October 2012. This monitoring programme will be implemented for the life of the mine and the data is available for stakeholder review.

Water Management

The Martabe Gold Mine is located in a high rainfall area and large volumes of rainfall runoff are collected in the sites Tailings Storage Facility ("TSF") following storms. Management of the site's operational water balance requires that excess water be discharged into the nearby Batangtoru River. To ensure that this is done in full compliance with Indonesian regulations and with no environmental impact, this water is first treated in a purpose-built Water Polishing Plant ("WPP").

As part of the permitting process for discharge from the WPP, the Company supported an innovative joint water sampling event on 22 November 2012 that involved both government and the local community. A group of stakeholder representatives supervised the collection of water samples from the discharge point into the Batangtoru River as well as from locations in the river upstream and downstream of the discharge point. These samples were escorted to separate independent laboratories in Jakarta by the stakeholder group as a means of allowing the community to be fully involved in the permitting process. The results from this sampling event provided verification to all parties that the water being discharged was clean and compliant with Indonesian regulations.

This discharge from the WPP is fully permitted and G-Resources has supported the establishment by Governor's Decree of an independent body to monitor mine discharge, comprising representation from Government, local community, the University of North Sumatra and mine environmental staff.

Employee monitoring the Water Polishing Plant process.

Waste Rock Management

Over the past year, the management team continued to improve its understanding of the best way in which to construct the TSF and waste rock dumps in order to minimise any potential for acid mine drainage. In the latter half of 2012, specialist consultants implemented a sophisticated modelling study to define interim waste rock placement specifications, and will continue these studies over the coming year. The aim is to have a documented and fully-verified waste rock management plan by 2014.

Site Rehabilitation

It is the Company's commitment that all areas disturbed by mining activities will be rehabilitated to a safe and productive condition. Generally this will involve restoration of a forest ecosystem similar to that originally found at the site. As yet there are no significant areas of disturbed land available for final site rehabilitation, however disturbed areas such as road cuttings and embankments are stabilised using a mixture of rapid growing legume species to minimise the potential for erosion. In the past year over 28 hectares were stabilised using this technique, and 5,600 seedlings were planted by hand.

Closure Planning

Although many years away from mine closure, G-Resources understands that planning for mine closure should be an element of all mine development work. The site management team submitted a preliminary mine closure plan to Government in June 2012 and made a final technical presentation to Government in March 2013. Approval for this document is expected in early 2014.

Community

Successful management of the relationship with local communities is critical to the future of the Martabe Gold Mine. As in previous years, last year we focused on several key areas: communication, local business development, health and education, infrastructure and community services.

Communication

In terms of communication, there were many formal and informal forums throughout the year in which members of the local community could express their views and concerns to the PTAR management team.

An important means of communicating an understanding of mine operations has been guided tours. During the year, more than 1,200 local people were able to see first-hand operations at the mine, including tours by women's groups, village officials, youths, traditional leaders and religious figures. This has been particularly important for explaining the operation of the WPP. Over 1,000 local employees also attended water management awareness sessions.

In June 2013, in order to facilitate effective communications with local communities, PTAR Management assisted in the establishment of the *Lembaga Konsultasi Masyarakat Martabe* ("LKMM"). This institution comprises 21 elected representatives from 15 local villages, including youth and women's group representatives. Regular meetings are held in order to communicate information about mine development and engage in open discussion and consultation across all areas of interest.

Local Business Development

Martabe Gold Mine community development initiatives over the past year included:

- A horticulture study tour for 17 agriculture extension officers.
- Distribution of agricultural equipment and supplies to local rice farmers, including hand tractors, threshing machines and hand sprayers, as well as seed and fertiliser.
- Aquaculture training for 80 local farmers and a donation of 136,000 fingerlings to various farmer groups as a means of developing the local aquaculture industry.

- Support for the establishment of six local businesses to service the mine camp, from ground maintenance to running the recreation hall, with 42 local jobs created.
- Support for a youth organisation in the creation of a florist business.
- Support for the creation of a village based enterprise for supplying erosion control barriers made from straw as erosion protection controls for the mine.

In order to provide ongoing support for established local businesses, the site maintains a policy of local purchase of goods and services whenever quality and cost requirements can be met. This policy has resulted in a significant level of local procurement, amounting to over USD4.8 million in the past year.

Health and Education

Partnership with local Government Community Health Centers, known as PUSKESMAS, has been a successful approach by which the Company has assisted with community health issues. Initiatives during the past year have included:

- Healthcare programme for mothers and children. Now in its fifth year, under this programme, the Company provides support in the form of equipment, food supplements, and training for village health volunteers. This programme has directly benefited more than 2,000 children under the age of 5 years and 200 mothers across 24 villages.
- Healthcare programmes for older people. This programme is intended to enhance the quality of life for older people. PTAR provides supplementary foods and milk, health information and free blood testing for those that have symptoms of disease such as diabetes.
- Health Campaign for Children. In cooperation with the Indonesian Doctor Association and Public Health Specialist Association of South Tapanuli, the Company implemented a hand washing and teeth brushing campaign for 202 children from 10 local schools.

Last year, the Company provided support for local education in partnership with Government and school committees by various means, including construction and renovation of classrooms and provision of clean water supplies. The Company also supports local literacy by the establishment of small libraries known as "reading gardens" in local villages. There are now eight of these facilities, which as well as providing access to children's books, support development activities such as traditional dance, drawing and origami.

Restore Sight. Give Back Life to the Living!

To support the realisation of "Healthy Eyes 2020" programme which is part of the Millennium Development Goals, G-Resources organised a high-profile programme in the form of free eye examinations and cataract surgery for under-privileged families with the theme, "Open Your Eyes to See the Beautiful World". In the past two years G-Resources has collaborated with organisations such as A New Vision, Tilganga Eye Center Nepal and Bukit Barisan Regional Military Command I. One of the goals is to increase the number of cataract surgeries from the previous two operations per week in 2002 to 12 operations per week in 2010 and then up to 20 operations per week in 2020. In 2011, 1,011 patients were successfully operated upon and in 2012, this number increased to 1,293 patients. All operations achieved a 100% success rate, with the youngest patient being an eight month old baby and the oldest patient 108 years old.

Prior to the cataract surgeries, G-Resources also rolled out socialisation and training on cataracts and eye health care in some Regencies in North Sumatra. These activities were intended for public health centre personnel and various segments of community with the goal of growing awareness of cataract blindness. Only through education and socialisation of eye health care and an understanding that cataract healing can only be achieved through surgery can an increase in treatment rates be achieved.

In 2011 G-Resources contributed a total of USD40,000 to the cataract surgery programme and in 2012 this was further increased to USD75,000. G-Resources intends to continue to participate in and support this programme in the future. Through free cataract surgery for underprivileged people, G-Resources has contributed to improving the lives and the potential contribution of individuals to regional sustainable development, especially in North Sumatra Province.

Infrastructure

Public infrastructure improvements was one of the priority community development programmes last year as the benefits are typically available to a wide cross-section of the community. These works were generally implemented by village work groups, with materials and equipment provided by PTAR and included:

- Clean water programme. Under this programme, 31 wells were constructed and 12,700 m of pipes was installed to provide better access to clean water in four villages. Additionally, 52 public toilets and washing facilities were renovated across 10 villages.
- Road improvement programme. This included 1,168 m of road development and improvement of five bridges across four villages.
- Restoration and construction of mosques.
- Improvement of a football field and renovation of a Government office.

Significant public improvement works were also implemented by contractor companies working at the site, notably by PT Leighton.

Community Services

In addition to being directly involved in various community development programmes, PTAR provided donations and sponsorship for activities organised by various stakeholders. Most of those related to national day celebrations, religious events, inaugurations and sporting events. It should be noted that various contractor companies working in partnership with PTAR at the Martabe Gold Mine are also engaged in supporting the community through donations and sponsorship, notably PT Leighton and NKE.

In coordination with the National Narcotics Body (Badan Narkotika Nasional) PTAR supported a one day drugs education seminar in April 2013, attended by 250 participants.

Senior Field Officer Mr Edwin Nasution attending the prime rice harvest in Kampung Sipette, Hapesong Baru Village.

Martabe Gold Mine and the Equator Principles

The Equator Principles were developed by the International Finance Corporation in 2003 and provide a framework for financial institutions to assess the environmental and social impacts and risks of the projects that they fund. The Equator Principles also provide a useful framework for mining operations to self-assess their approach to sustainability. Conformance of the Martabe Gold Mine with the Equator Principles has been assessed several times by external consultants since 2011. Consultants Coffey Environments Australia has provided two assessments, one in 2011 and the latest in July 2013, and ENV Indonesia also provided an assessment in July 2013. The findings are summarised as follows:

- The Coffey assessment reported an improvement in overall conformance with the Equator Principles from 55% in 2011 to 81% in 2012.
- ENV Indonesia reported that "ENV is of the opinion that the Martabe Gold Project is in material compliance with EP requirements".

The management of the Martabe Gold Mine is progressively implementing an *Equator Principles Compliance Plan* that will address any remaining gaps and look forward to a continuing very high level of conformance over the coming 12 months.

DELIVERING DISCIPLINED GROWTH


Operator

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

(From left)
Mr Peter Geoffrey Albert
Mr Owen L Hegarty
Mr Chiu Tao
Mr Or Ching Fai

Executive Directors

Chiu Tao, aged 57

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 65

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 founder and chief executive officer of Oxiana Limited Group 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 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 was also awarded the "Mining Personality of the Year", at the 2013 Mines and Money Hong Kong Asia Mining Awards Gala dinner.

Mr Hegarty was the executive director and vice chairman of CST. He is currently a non-executive director of Fortescue Metals Group Limited, Tigers Realm Coal Limited and Highfield Resources Limited (whose shares are all listed on the Australian Stock Exchange ("ASX")); chairman of Tigers Realm Minerals Pty Ltd and EMR Capital Pty Ltd and a Director of the Australasian Institute of Mining and Metallurgy ("AusIMM"); Mr Hegarty is also a member of a number of Government and industry advisory groups.

Peter Geoffrey Albert, aged 55

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 AusIMM and a Chartered Engineer.

For his achievements and leadership in the mining industry, and voted by his peers, Mr Albert was awarded the "Mining CEO of the Year", at the 2012 Asia Mining Congress. Mr Albert was also awarded the "Mining Executive of the Year", at the 2013 Asia Mining Congress.

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 48

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 46

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. He was also an executive director of CST and China New Energy Power Group Limited, whose shares are listed on the main board of the Stock Exchange ("China New Energy Power").

Hui Richard Rui, aged 45

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"). He is also a member of AusIMM.

Independent Non-Executive Directors

Or Ching Fai, aged 63

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 Limited, 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 and Television Broadcasts Limited (whose shares are all listed on the main board of the Stock Exchange); Chairman and an 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 49

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, China New Energy Power and CST.

Leung Hoi Ying, aged 62

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 China New Energy Power.

Senior Management

Arthur Ellis, aged 52

was appointed as 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 47

was appointed as the General Manager of Operations of the Company on 8 June 2009 and subsequently appointed as Executive General Manager of PT Agincourt Resources ("PTAR") on 1 January 2013. 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 52

was appointed as the Director Government Relations for G-Resources' Indonesian subsidiary, PTAR on 31 March 2011 and subsequently appointed as the Director External Relations of PTAR on 1 October 2011. From 1 January 2013, Ms Siahaan has been appointed as the Deputy President Director of PTAR reporting directly to the G-Resources's CEO. 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 45

was appointed as Senior Manager, Resource Development and Exploration on 6 November 2010. He was promoted to the position of Chief Geologist of PTAR on 1 January 2013. 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 Group produced a strong financial result in the second half of the year after completing its commissioning and testing activities and successfully ramping up activities in the second half.

Operational Review

Mining

Total ore and waste tonnes mined during the year met plan. There was a higher overall strip ratio of approximately 2:1 as compared to life of mine expectation for Purnama of around 0.8:1 as a result of additional waste material being mined in one section of the Purnama pit to open up and expose ore for future mining. The Purnama ridge was lowered by up to 65 metres to an RL415 in some places, from RL480 at the start of the year. A reverse circulation drill provided samples from grade control drilling for ore and grade definition. A total of 900,000 tonnes of ore at 1.4 g/t gold and 11.6 g/t silver was stockpiled at the end of June 2013.

During the year, a basalt rock quarry was established to provide sufficient rock for ongoing construction of the tailings storage facility ("TSF"). Progress on the continued construction of the dam has been good with more than one year tailings storage capacity having been maintained at all times since mine start up. In July 2013, a revised design, utilising all mine waste to build the dam, was presented to the Indonesian authorities. This design offers a number of advantages; it reduces the requirement for dedicated waste stockpiles and therefore minimises the environmental footprint, maximises the use of mine generated waste and reduces cost.

Processing

The second half of 2012 was primarily dedicated to commissioning and ramp up activities and by December, the process plant was producing at design capacity. In the first half of 2013, the process plant operated at better than design output leading to a revised forecast in July for 2013 of 280,000 ounces of gold from the previous 250,000 ounces. This improved production was largely as a result of good grades and good recoveries. Achieving milled ore throughput proved problematic in the earlier months, with a number of mechanical and electrical challenges holding back the full potential of the milling circuit. By end June 2013, most of these had been resolved and the mill was achieving greater than design tonnages for significant periods of time.

For the twelve months from July 2012 to June 2013, the following mill production was achieved:

	July to December 2012	January to June 2013	Year End June 2013
Tonnes Mined Ore	1,171,000	1,786,000	2,957,000
Tonnes Mined Waste	2,835,000	4,302,000	7,137,000
Tonnes Milled	753,000	1,774,000	2,527,000
Gold Head Grade, g/t	2.35	2.62	2.54
Silver Head Grade, g/t	12.68	13.84	13.50
Gold Recovery, %	93.4	90.45	91.24
Silver Recovery, %	78.8	81.5	80.88
Gold Poured, ounces	47,858	133,845	181,703
Silver Poured, ounces	218,361	626,703	845,064

Business Review and Results

The construction of the Martabe Gold Mine was completed in the current year and gold was first poured in July 2012. Below is a summary of the financial statement for the year ended 30 June 2013.

	2013 **USD'000**	2012 USD'000
PROFIT OR LOSS		
Revenue*	**258,378**	–
Cost of sales	**(148,488)**	–
Gross Profit	**109,890**	–
Administrative expenses	**(38,430)**	(19,841)
Loss attributable to temporary suspension of production	**(7,244)**	–
EBITDA	**117,900**	(18,894)
Profit/(loss) before taxation	**58,888**	(19,244)
Taxation	**(29,608)**	–
Profit/(loss) for the year	**29,280**	(19,244)

* *Exclude bullion sale proceeds of USD16 million from test production*

The Group produced a strong financial result in the second half of the year after completing its commissioning and testing activities and successfully ramping up activities in the second half. In the year, the Group generated revenue of USD258.4 million (2012: nil) from the sale of gold and silver at an average price of USD1,561.70 per ounce and USD26.9 per ounce respectively. The Group earned a gross profit of USD109.9 million (2012: nil) and its EBITDA was USD117.9 million (2012: negative USD18.9 million) for the year. The improvement in its financial results over the previous year was due to contributions from its Martabe Gold Mine as it entered production.

Administrative expenses increased to USD38.4 million (2012: USD19.8 million) as the Group began commercial production of gold and silver bullion in the current year. Production activities of Martabe Gold Mine were curtailed for six weeks in September 2012 whilst consultations were undertaken with the local community and government due to some concerns about the discharge of clean water to the local river; during this period the Group incurred a write off of USD7.2 million (2012: nil).

G-Resources generated profits before taxation of USD58.9 million (2012: loss of USD19.2 million) for the year.

The cash cost for the mine calculated according to the Gold Institute Standard for the year was USD585 per ounce of gold poured. With the ramp up of production towards design capacity, the relatively high cash costs in the first six months of the year was expected with the second half of the year progressively improving and approaching normal operating conditions. The mine's cash costs in the first half of the year were also negatively impacted by the interruption in production in September 2012 (which was shortly after Martabe achieved commercial production). The Company cash cost for the 3 months to the end of June 2013 was USD510 and the Company will continue to target improvements in its cash cost.

	July to December 2012 *USD*	January to June 2013 *USD*	Total *USD*
Cash cost per ounce poured	680	551	585

The World Gold Council ("WGC") has proposed a new reporting guideline, to be formally adopted from 1 January 2014, introducing an "all-in sustaining costs" ("AISC") guideline as well as other cost reporting parameters.

The cash costs include all site based costs to produce gold less by-product credits – calculated on a per ounce poured basis. The AISC is essentially an extension of the cash costs and includes off-site administrative and support services, sustaining capital costs and resources development (near mine exploration) costs – calculated on a per ounce sold basis. The AISC for the 6 months to the end of June 2013 were USD904 with a reduction in costs to USD846 for April to June 2013.

	2013 ***USD'000***	2012 *USD'000*
FINANCIAL POSITION		
Current Assets		
Bank balances and cash	**51,133**	65,338
Inventories	**44,022**	–
Others	**13,459**	12,406
Non-current Assets	**985,886**	881,371
Total Assets	**1,094,500**	959,115
Total Debts	**(48,521)**	(82,136)
Other Liabilities	**(101,572)**	(84,162)
Net Assets	**944,407**	792,817

Total assets were USD1,094.5 million (30 June 2012: USD959.1 million) an increase of USD135.4 million as the Group invested in both non-current and current assets. Non-current assets were USD985.9 million (30 June 2012: USD881.4 million) an increase of USD104.5 million as the Group completed the construction of Martabe Gold Mine. Current assets were USD108.6 million (30 June 2012: USD77.7 million) an increase of USD30.9 million which was mainly due to increases in inventory which consist of consumables, gold and silver bullion at various stages of refining and transit to sale.

Total liabilities were USD150.1 million (30 June 2012: USD166.3 million) a decrease of USD16.2 million as the Group's bank borrowing of USD33.6 million and trade and other payables of USD13.5 million were repaid and offset by an increase in tax payable of USD13.8 million and deferred tax liability of USD15.8 million.

Net Asset Value

As at 30 June 2013, the Group's total net assets amounted to approximately USD944.4 million, representing an increase of USD151.6 million as compared to approximately USD792.8 million as at 30 June 2012. The increase in net assets was mainly due to the profit for the year of USD29.3 million and net proceeds from the share placement of USD99.0 million in August 2012.

Cash Flow, Liquidity and Financial Resources

	2013 USD'000	2012 USD'000
CASH FLOW SUMMARY		
Net cash from/(used in) Operating Activities	**94,128**	(42,311)
Net cash used in Investing Activities	**(170,201)**	(323,847)
Net cash from Financing Activities	**58,323**	293,655
Net decrease in cash and cash equivalents	**(17,750)**	(72,503)
Cash and cash equivalents at the beginning of the year	**65,338**	135,627
Effect of foreign exchange rate changes	**3,545**	2,214
Cash and cash equivalents at the end of the year	**51,133**	65,338

The Group's cash balance at the end of June 2013 was USD51.1 million (30 June 2012: USD65.3 million). The Group's cash from operating activities for 2013 were USD94.1 million as Martabe commenced production and sale of gold and silver in the year. Cash used in investing activities were USD170.2 million as USD167.1 million was invested in property, plant and equipment (which included USD6.0 million in near mine exploration and evaluation), USD4.7 million for regional exploration and USD1.5 million from interest received.

There were net cash inflows from financing activities of USD58.3 million as USD36.0 million was used to partially repay the syndicated revolving credit facility and offset by receipts of USD99.0 million from share placement in the year.

The Group has a secured revolving credit facility with a syndicate of four banks, BNP Paribas, Commonwealth Bank of Australia, Hang Seng Bank Limited and Sumitomo Mitsui Banking Corporation ("Facility") for the purpose of financing the Martabe Gold Mine. The Facility is fully drawn. It was arranged on a floating rate basis. The maturity profile of the Group's borrowing net of capitalised transaction costs is set out as follows:

	2013 USD'000	2012 USD'000
Within one year	**48,521**	33,568
More than one year, but not exceeding two years	**–**	48,568
Total borrowings	**48,521**	82,136

The Group's gearing ratio as a percentage of the Group's total borrowing over shareholders' equity was 5% as at 30 June 2013 (30 June 2012: 10%).

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 United States dollars ("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 has exposure to foreign currency risk that is denominated in AUD and IDR.

In 2012, the Group entered into foreign currency forward 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 currency exchange rates during the latter stages of the mine's construction. These foreign currency forward contracts were fully utilised in 2012 and 2013. No derivatives were entered into in 2013. Management will continue to monitor the Group's foreign currency exposure and consider other hedging policy should the need arise.

Business Outlook

The Company achieved first gold pour in July 2012, commercial production in September 2012 and successfully ramped up to design capacity by the end of the financial year. Martabe has a great ore body, good grade, low mining cost, simple processing, and an experienced and capable management team.

With the benefit of a year's operations and successful ramp up, revised production guidance for calendar year 2013 is 280,000 ounces of gold, at an anticipated cash cost of USD512 per ounce of gold. Production from the Martabe Mine for the eight months ended 31 August 2013 has already exceeded 182,000 ounces of gold and 910,000 ounces of silver.

Between April and June 2013, spot gold prices dropped from around USD1,600 per ounce to approximately USD1,200 per ounce and spot silver prices fell from approximately USD27 per ounce to USD19 per ounce. These fall in spot prices prompted many miners to review and cut their gold production, operating costs, capital expenditure and exploration expenditure. Spot gold and silver prices have since partially recovered but there remains high volatility in spot gold price. To enhance the Company's working capital, a Rights Issue on the basis of 2 rights shares may be subscribed for every 5 existing shares at HKD0.16 per share was announced on 28 August 2013. The Company will continue to closely monitor cost and changes in the operating environment, it will continue to seek operational improvements in costs and production and optimise its resources to enhance and create value to Shareholders.

The Group will continue its near mine exploration programme at Martabe and regional exploration programme 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 Work.

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 2013, the Group had 18 employees in Hong Kong, 678 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 2013.

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 2013 are set out in note 37 to the financial statements.

Results and Dividend

The results of the Group for the year ended 30 June 2013 are set out in the consolidated statement of profit or loss on page 65 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 118 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 68 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 27 and 29 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 15 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 (resigned on 31 December 2012)

Non-Executive Director
Tsui Ching Hung (resigned on 31 December 2012)

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 Wah Wang Kei, Jackie, Ms Ma Yin Fan and Mr Leung Hoi Ying will retire by rotation at the forthcoming annual general meeting. Each of Mr Wah Wang Kei, Jackie, Ms Ma Yin Fan and Mr Leung Hoi Ying, being eligible, have offered themselves for re-election.

Directors' Service Contracts

Mr Wah Wang Kei, Jackie, Ms Ma Yin Fan and Mr Leung Hoi Ying 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 2013. 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

As at 30 June 2013, 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	1.47%	
Owen L Hegarty ("Mr Hegarty")	1,002,000	175,179,000	322,181,050	498,362,050	2.63%	1
Or Ching Fai	9,999,000	–	109,000,000	118,999,000	0.62%	
Peter Geoffrey Albert ("Mr Albert")	33,213,000	–	301,681,050	334,894,050	1.76%	2
Ma Xiao	–	–	50,000,000	50,000,000	0.26%	
Wah Wang Kei, Jackie	1,272,000	–	50,000,000	51,272,000	0.27%	
Hui Richard Rui	–	–	50,000,000	50,000,000	0.26%	
Arthur Ellis	210,000	–	38,000,000	38,210,000	0.20%	

* *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 2013.

Share Option

Particulars of the share option scheme of the Company are set out in note 29 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 2013:

Name or Category of participants	Date of grant	Exercisable period	*Notes*	Exercise price *HKD*	Outstanding as at 01.07.2012
(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
Total for Directors					**759,500,000**
(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	27,850,000
	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	27,609,194
	01.12.2010	01.12.2010-30.11.2015	2	0.6000	26,650,000
	01.12.2010	01.12.2010-30.11.2015		0.6000	12,500,000
	02.03.2011	02.03.2011-01.03.2016	2	0.7000	27,500,000
	08.07.2011	08.07.2011-07.07.2016	3	0.7700	40,250,000
	03.01.2012	03.01.2012-02.01.2017	4	0.6000	51,250,000
	03.01.2012	03.01.2012-02.01.2017		0.6000	12,500,000
	10.01.2012	10.01.2012-09.01.2017	4	0.6000	3,500,000
Total for Employees					**267,987,355**
(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					**1,034,487,355**

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 thirty 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%, 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

Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year	Outstanding as at 30.06.2013	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
–	**–**	**–**	**–**	**759,500,000**		
–	–	–	–	5,378,161	0.4750	0.2288
–	–	(5,000,000)	–	22,850,000	0.5400	0.2412
–	–	–	–	28,000,000	0.5200	0.2289
–	–	–	–	5,000,000	0.4750	0.1929
–	–	(500,000)	–	27,109,194	0.5200	0.1814
–	–	(2,250,000)	–	24,400,000	0.5200	0.2021
–	–	(12,500,000)	–	–	0.5200	0.2021
–	–	(500,000)	–	27,000,000	0.5400	0.2174
–	–	(20,750,000)	–	19,500,000	0.6400	0.2474
–	–	(12,750,000)	–	38,500,000	0.4400	0.1426
–	–	–	(12,500,000)	–	0.4400	0.1137
–	–	–	–	3,500,000	0.4400	0.1287
–	**–**	**(54,250,000)**	**(12,500,000)**	**201,237,355**		
–	–	–	–	4,000,000	0.5400	0.2412
–	–	–	–	3,000,000	0.5200	0.2021
–	**–**	**–**	**–**	**7,000,000**		
–	**–**	**(54,250,000)**	**(12,500,000)**	**967,737,355**		

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.

4. 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.
5. Mr Kwan Kam Hung, Jimmy resigned as director of the Company on 31 December 2012. Mr Kwan held the following options:

Date of grant	Exercisable period	*Notes*	Exercise price *HKD*	Outstanding as at 01.07.2012	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year	Outstanding as at 30.06.2013	Market value per share at date of grant of options *HKD*	Option value per share *HKD*
a. 23.11.2009	23.11.2009-22.11.2014	1	0.5500	15,000,000	–	–	–	–	15,000,000	0.5400	0.2412
b. 01.12.2010	01.12.2010-30.11.2015	2	0.7000	6,500,000	–	–	–	–	6,500,000	0.5200	0.1814

These options are now included in the options granted to Employees.

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 01.07.2012	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year	Outstanding as at 30.06.2013	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 thirty 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.

Valuation of Share Options

The valuation of share options is set out in note 29 to the financial statements.

Retirement Benefit Scheme

Details of the Group's retirement benefit scheme for the year ended 30 June 2013 are set out in note 35 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 2013, 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	3,115,231,571 (L)	16.46%	2
Skytop Technology Limited ("Skytop")	Beneficial owner	3,115,231,571 (L)	16.46%	2
BlackRock, Inc.	Interest of a controlled corporation	1,442,804,000 (L)	7.62%	3
McGoldrick Mark	Interest of a controlled corporation	1,305,419,050 (L)	6.90%	
Mount Kellett Capital Management GP LLC	Investment manager	1,305,419,050 (L)	6.90%	

Notes:

1. "L" denotes long position.
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 1,442,804,000 ordinary shares of the Company.

   These interests comprised the respective direct interests held by:

	Number of shares (in Long Position)
BlackRock Holdco 6 LLC	100,538,000
BlackRock Delaware Holdings, Inc.	100,538,000
BlackRock Institutional Trust Company, N.A.	77,429,000
BlackRock Fund Advisors	23,109,000
BlackRock Advisors, LLC.	306,000
BlackRock International Holdings Inc.	1,341,960,000
BlackRock Japan Co. Ltd.	28,998,000
BlackRock Investment Management (Australia) Limited	3,237,000
BlackRock Asset Management Australia Limited	90,000
BlackRock Asset Management North Asia Limited	470,000
BlackRock Advisors (UK) Limited	294,000
BlackRock (Luxembourg) S.A.	760,000,000
BlackRock Asset Management Ireland Limited	9,094,000
BlackRock Fund Managers Limited	393,228,000
BlackRock Investment Management (Korea) Limited	1,228,000
BlackRock International Limited	15,646,000

   BlackRock, Inc. is deemed to be interested in 1,442,804,000 shares held by various of its indirectly wholly owned subsidiaries.

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 2013.

Major Customers and Suppliers

The aggregate percentage of turnover attributable to one customer of 100% of the Group's total turnover for the year. Purchases from the five largest suppliers accounted for approximately 73% of the total purchase for the year, and purchases from the largest supplier included therein amounted to approximately 35%.

At no time during the year, none of the Directors, their associate 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 29 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 52 to 61 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 2013 have been reviewed by the audit committee.

Auditors

The consolidated financial statements of the Group for the year ended 30 June 2013 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, 24 September 2013

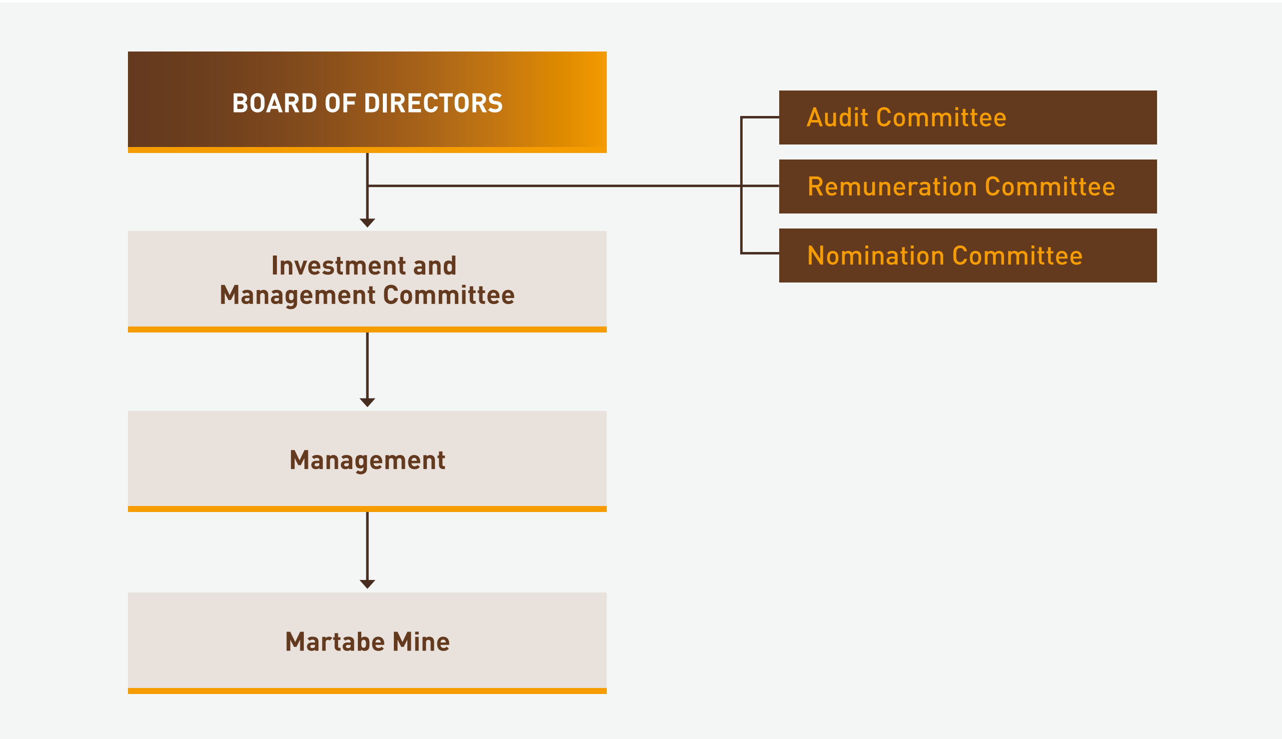
CORPORATE GOVERNANCE REPORT

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' interests 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 Corporate Governance Code and Corporate Governance Report (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 2013.

Organisation Chart of the Group and Various Board Committees



OVERVIEW
PROJECT OVERVIEW: MARTABE
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Board of Directors

As at 30 June 2013, the board of directors (the "Board") of the Company comprised six executive directors 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

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 Board is characterised by significant diversity, whether considered in term of gender, nationality, professional background and skills. The Board has adopted the Board Diversity Policy at the Board meeting held on 18 June 2013. The Nomination Committee is responsible for reviewing and assessing Board composition and its effectiveness on an annual basis.

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 this 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 Board Diversity Policy as required by the Code	• reviewed the Code
• established Policies and Procedures on disclosure of inside information under Part XIVA of the Securities and Futures Ordinance	• 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, Remuneration Committee and Nomination Committee	

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 2013, 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 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 the matters contained in code provision of the Code in Appendix 14
• 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 judgments 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 2013 annual report and accounts, and 2012/2013 interim report and accounts	• meeting, discussion and reviewed 2013 annual accounting and financial reporting issues
• reviewed management letter, tax issues, compliance and salient features of 2013 annual accounts and 2012/2013 interim accounts presented by Deloitte Touche Tohmatsu, the external auditor ("DTT")	• meeting, discussion and reviewed the reports, on internal control system and its effectiveness for the year ended 30 June 2013
• reviewed the enhancements to the 2013 audit planning process	• reviewed the terms of reference of the Audit Committee
• approved the audit and non-audit services provided by DTT	• reviewed and monitored the external auditor's independence and objectivity and the effectiveness of the audit process
• reviewed DTT's fees proposal for the 2013 audit	

Remuneration Committee

As at 30 June 2013, 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 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	• reviewed the terms of reference of the Remuneration Committee
• conducted an annual review of the remuneration packages for executive and non-executive directors	

Nomination Committee

As at 30 June 2013, 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 Nomination Committee also reviews and assesses Board composition and its effectiveness on an annual basis.

The terms of reference of the Nomination Committee have been reviewed with reference to the Code. 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	• 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
• identify individuals suitably qualified to become Board Members and select or make recommendations to the Board on the selection of individuals nominated for directorships	• assess the independence of independent non-executive directors

Summary of work during the year	
• monitored the implementation of Board Diversity Policy as required by the Code	• reviewed the terms of reference of the Nomination Committee
• reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board	• proposed the Directors for re-election at annual general meeting
• assessed the independence of INED	

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 2013, the Company Secretary undertook 20 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 five 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 2013 are set out in the following table:

	Meeting Attended/Held				
Name of Directors	Board of Directors	Audit Committee	Remuneration Committee	Nomination Committee	2012 AGM[5]
EXECUTIVE DIRECTORS					
Chiu Tao[1,4]	4/5	–	–	1/1	1/1
Owen L Hegarty[1]	4/5	–	–	–	1/1
Peter Geoffrey Albert[1]	4/5	–	–	–	1/1
Ma Xiao[1]	5/5	–	–	–	1/1
Hui Richard Rui[1]	4/5	–	–	–	1/1
Wah Wang Kei, Jackie	4/5	–	–	–	1/1
Kwan Kam Hung, Jimmy[6]	2/5	–	–	–	1/1
NON-EXECUTIVE DIRECTOR					
Tsui Ching Hung[6]	2/5	–	–	–	0/1
INDEPENDENT NON-EXECUTIVE DIRECTORS					
Or Ching Fai[2,3,4]	4/5	2/2	1/1	1/1	1/1
Ma Yin Fan[2,3,4]	5/5	2/2	1/1	1/1	1/1
Leung Hoi Ying[2,3]	3/5	2/2	1/1	–	0/1

Notes:
1. Investment and Management Committee members
2. Audit Committee members
3. Remuneration Committee members
4. Nomination Committee members
5. The 2012 AGM was held on 15 December 2012
6. Both Mr Kwan Kam Hung, Jimmy and Mr Tsui Ching Hung resigned as director of the Company on 31 December 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 2013, 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 64 of this annual report.

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

Nature of services	2013 *USD'000*
Audit services	**208**
Non-audit services in relation to tax advisory	**2**
	210

Supply and Access to Information

The financial plans, including budgets and forecasts, are regularly discussed at Board meetings. Monthly reports to all Directors (including non-executive directors) are issued, covering financial and operating highlights.

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 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 Mine operating 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 2013 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 2013

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.

During the financial year, the Company arranged and funded a seminar on 18 June 2013 on compliance with legal and regulatory requirements to the Directors. The seminar covered a broad range of topics including disclosure obligations under Chapter 13 of the Listing Rules, disclosure of inside information under Part XIVA of the Securities and Futures Ordinance ("SFO"), disclosure of interests under Part XV of the SFO and Listing Rules update on Board diversity. All Directors have attended the seminar.

	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 (resigned on 31 December 2012)	✓	–
NON-EXECUTIVE DIRECTOR		
Tsui Ching Hung (resigned on 31 December 2012)	✓	–
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

The Company had letter of appointment with each of the non-executive directors (including Mr Or Ching Fai, 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 expiring on 31 March 2014.

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 Mine and the Company. We also published regular updates on exploration drilling results and new Resource and Reserve Statements of our Martabe Mine 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 Mine. Shareholders can find from the website all key corporate information and information on our Martabe Mine 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 Mine
- Shareholders Communication Policy
- Whistleblowing 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 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.

TRANSPARENT FINANCIAL MANAGEMENT


BOX 04

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 65 to 117, which comprise the consolidated statement of financial position as at 30 June 2013, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other 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 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 2013, and of the Group's profit 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
24 September 2013

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2013

	Notes	2013 USD'000	2012 USD'000
Continuing operations			
Revenue	6	**258,378**	–
Cost of sales		**(148,488)**	–
Gross profit		**109,890**	–
Other income		**1,530**	1,996
Loss attributable to temporary suspension of production	7	**(7,244)**	–
Administrative expenses		**(38,430)**	(19,841)
Fair value changes of held for trading investments		**90**	(1,399)
Finance cost	8	**(6,948)**	–
Profit/(loss) before taxation		**58,888**	(19,244)
Taxation	9	**(29,608)**	–
Profit/(loss) for the year from continuing operations		**29,280**	(19,244)
Discontinued operation			
Loss for the year from discontinued operation	10	**–**	(42)
Profit/(loss) for the year	11	**29,280**	(19,286)
Profit/(loss) for the year attributable to:			
Owners of the Company		**26,444**	(19,286)
Non-controlling interests		**2,836**	–
		29,280	(19,286)
Earnings/(loss) per share			
From continuing and discontinued operations			
– Basic and diluted (US cent)	14	**0.14**	(0.12)
From continuing operations			
– Basic and diluted (US cent)	14	**0.14**	(0.12)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2013

	2013 USD'000	2012 USD'000
Profit/(loss) for the year	**29,280**	(19,286)
Other comprehensive (expenses)/income:		
Items that will not be reclassified subsequently to profit or loss:		
Exchange differences arising on translation	**(83)**	2,555
	(83)	2,555
Items that may be reclassified subsequently to profit or loss:		
Fair value gain/(loss) on:		
Available-for-sale investment	**1,300**	(3,891)
Hedging instruments designated in cash flow hedges	**1,204**	(1,204)
	2,504	(5,095)
Other comprehensive income/(expenses) for the year	**2,421**	(2,540)
Total comprehensive income/(expenses) for the year	**31,701**	(21,826)
Total comprehensive income/(expenses) for the year attributable to:		
Owners of the Company	**28,865**	(21,826)
Non-controlling interests	**2,836**	–
	31,701	(21,826)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2013

	Notes	2013 USD'000	2012 USD'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**897,174**	825,000
Exploration and evaluation assets	16	**10,051**	5,338
Available-for-sale investment	17	**6,738**	5,438
Other receivable	18	**68,093**	45,595
Inventories	19	**3,830**	–
		985,886	881,371
CURRENT ASSETS			
Inventories	19	**44,022**	–
Other receivables	18	**11,561**	10,516
Held for trading investments	20	**1,898**	1,808
Pledged bank deposits	21	**–**	82
Bank balances and cash	21	**51,133**	65,338
		108,614	77,744
CURRENT LIABILITIES			
Trade and other payables	22	**57,355**	70,850
Derivative financial liabilities	23	**–**	1,204
Borrowings	24	**48,521**	33,568
Tax payable		**13,831**	–
		119,707	105,622
NET CURRENT LIABILITIES		**(11,093)**	(27,878)
TOTAL ASSETS LESS CURRENT LIABILITIES		**974,793**	853,493
NON-CURRENT LIABILITIES			
Other payables	22	**2,439**	1,493
Deferred tax liabilities	25	**15,777**	–
Provision for mine rehabilitation cost	26	**12,170**	10,615
Borrowings	24	**–**	48,568
		30,386	60,676
		944,407	792,817
CAPITAL AND RESERVES			
Share capital	27	**24,390**	21,757
Reserves		**900,916**	771,060
Equity attributable to owners of the Company		**925,306**	792,817
Non-controlling interests		**19,101**	–
TOTAL EQUITY		**944,407**	792,817

The consolidated financial statements on pages 65 to 117 were approved and authorised for issue by the Board of Directors on 24 September 2013 and are signed on its behalf by:

Peter Geoffrey Albert
Director

Hui Richard Rui
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2013

	Attributable to owners of the Company											
	Share capital	Share premium	Capital redemption reserve	Contributed surplus	Share options reserve	Cash flow hedges reserve	Exchange reserve	Investment revaluation reserve	Accumulated losses	Total	Non-controlling interests	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
At 1 July 2011	18,147	563,657	212	11,658	20,296	–	(1,771)	(596)	(21,405)	590,198	–	590,198
Loss for the year	–	–	–	–	–	–	–	–	(19,286)	(19,286)	–	(19,286)
Fair value loss on:												
Available-for-sale investment	–	–	–	–	–	–	–	(3,891)	–	(3,891)	–	(3,891)
Hedging instruments designated in cash flow hedges	–	–	–	–	–	(1,204)	–	–	–	(1,204)	–	(1,204)
Exchange difference arising on translation	–	–	–	–	–	–	2,555	–	–	2,555	–	2,555
Total comprehensive (expenses)/ income for the year	–	–	–	–	–	(1,204)	2,555	(3,891)	(19,286)	(21,826)	–	(21,826)
Issue of shares	3,610	213,000	–	–	–	–	–	–	–	216,610	–	216,610
Transaction costs attributable to issue of shares	–	(3,457)	–	–	–	–	–	–	–	(3,457)	–	(3,457)
Recognition of equity-settled share-based payment	–	–	–	–	11,292	–	–	–	–	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**	**–**	**792,817**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**26,444**	**26,444**	**2,836**	**29,280**
Fair value gain on:												
Available-for-sale investment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,300**	**–**	**1,300**	**–**	**1,300**
Hedging instruments designated in cash flow hedges	**–**	**–**	**–**	**–**	**–**	**1,204**	**–**	**–**	**–**	**1,204**	**–**	**1,204**
Exchange difference arising on translation	**–**	**–**	**–**	**–**	**–**	**–**	**(83)**	**–**	**–**	**(83)**	**–**	**(83)**
Total comprehensive income/ (expenses) for the year	**–**	**–**	**–**	**–**	**–**	**1,204**	**(83)**	**1,300**	**26,444**	**28,865**	**2,836**	**31,701**
Issue of shares	**2,633**	**97,379**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**100,012**	**–**	**100,012**
Transaction costs attributable to issue of shares	**–**	**(1,014)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,014)**	**–**	**(1,014)**
Transfer of interest in a subsidiary without losing control (Note 28)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**12,265**	**12,265**
Capital injection in a subsidiary from non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**4,000**	**4,000**
Reversal of equity-settled share-based payment	**–**	**–**	**–**	**–**	**(364)**	**–**	**–**	**–**	**364**	**–**	**–**	**–**
Recognition of equity-settled share-based payment	**–**	**–**	**–**	**–**	**4,626**	**–**	**–**	**–**	**–**	**4,626**	**–**	**4,626**
At 30 June 2013	**24,390**	**869,565**	**212**	**11,658**	**35,850**	**–**	**701**	**(3,187)**	**(13,883)**	**925,306**	**19,101**	**944,407**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2013

	2013 USD'000	2012 USD'000
OPERATING ACTIVITIES		
Profit/(loss) before taxation	**58,888**	(19,286)
Adjustments for:		
Interest income	**(1,514)**	(1,996)
Amortisation and depreciation	**52,064**	389
Share-based payment expenses	**4,626**	11,292
Fair value changes of held for trading investments	**(90)**	1,399
Loss on disposal of property, plant and equipment	**–**	27
Allowance for other receivables	**–**	746
Provision for impairment of inventories	**723**	–
Finance cost	**6,948**	–
Operating cash flows before movements in working capital	**121,645**	(7,429)
Increase in inventories	**(38,428)**	–
Increase in other receivable (non-current portion)	**(27,969)**	(25,880)
Decrease/(increase) in other receivables	**2,955**	(8,667)
Increase/(decrease) in trade and other payables	**35,925**	(335)
Net cash from/(used in) Operating Activities	**94,128**	(42,311)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(167,083)**	(322,457)
Additions of exploration and evaluation assets	**(4,713)**	(3,396)
Interest received	**1,514**	1,996
Withdrawal of pledged bank deposits	**81**	10
Net cash used in Investing Activities	**(170,201)**	(323,847)
FINANCING ACTIVITIES		
Finance costs paid	**(5,675)**	(799)
Net proceeds from issue of shares	**98,998**	213,153
Bank borrowings raised, net of transaction costs	**1,000**	81,301
Repayments of bank borrowings	**(36,000)**	–
Net cash from Financing Activities	**58,323**	293,655
Net decrease in cash and cash equivalents	**(17,750)**	(72,503)
Cash and cash equivalents at beginning of the year	**65,338**	135,627
Effect of foreign exchange rate changes	**3,545**	2,214
Cash and cash equivalents at end of the year, represented by Bank Balances and Cash	**51,133**	65,338

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2013

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 37.

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"). The management adopted USD as presentation currency as the management controls and monitors the performance and financial position of the Group based on USD. 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

Adoption of new and revised HKFRSs

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"). In addition, the Group has early adopted HK(IFRIC) – Int 20 "Stripping Costs in the Production Phase of a Surface Mine".

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HKAS 12 (Amendments)	Deferred Tax – Recovery of Underlying Assets
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

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.

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.

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

New and revised HKFRSs issued but not yet effective

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 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 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities[3]
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 19 (as revised in 2011)	Employee Benefits[1]
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[3]
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-financial Asset[3]
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting[3]
HK(IFRIC) – Int 21	Levies[3]

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 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.

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

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.

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2012) and HKAS 28 (as revised in 2012).

Key requirements of the relevant standards are described below.

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and HK (SIC) – Int 12 Consolidation – Special Purpose Entities. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

The directors anticipate that these five standards will be adopted in the Group's consolidation financial statements for the annual periods beginning on 1 July 2013. The directors of the Company anticipate that the application of these new standards and amendments will have no material impact on the Group's consolidated financial statements.

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 Financial Instruments: Disclosures will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods on or after 1 January 2013 with earlier application permitted. The directors anticipate that the application of the new standard will have no material impact on the consolidated financial statements, however, it will result in more extensive disclosure in the consolidation financial statements.

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.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss 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, subsequent costs to develop the mine to the production phase, costs which are necessarily incurred during commissioning of the plant and net of proceeds from the sale of test production.

Mine property and development assets are reclassified to mining properties when the mine starts commercial production.

Mining properties represent the accumulated mine property and development assets and other costs, including construction cost of the mining site infrastructure, incurred in relation to areas of interest in which commercial production of minerals has commenced.

Buildings are situated on the land which is located in Indonesia. The land is included in mining properties.

When further development expenditure is incurred in respect of an area of interest in production, such expenditure is capitalised as part of the cost of that mining property only if future economic benefits are probable. Otherwise such expenditure is classified as part of the cost of production and expensed in profit and loss.

The amortisation of mining properties and plant and equipment related to production commences when the mine starts commercial production and is provided 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.

The estimated reserves and life of mine are reassessed at least annually. Where there is a change in the reserves, depreciation and amortisation rates are adjusted prospectively from that reporting period.

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 phase of a surface mine are capitalised as part of the mining properties and are subsequently amortised over the life of the mine on a unit of production basis.

To the extent that stripping costs incurred in the production phase of a surface mine ("production stripping costs") provide improved access to ore, such costs are recognised as a non-current asset ("stripping activity asset") when certain criteria are met. The costs of normal ongoing operational stripping activities are accounted as inventories. The stripping activity asset is accounted for as an addition to, or as an enhancement of mining properties and classified as tangible assets according to the nature of the mining properties of which it forms part.

The stripping activity asset is then depreciated on a unit of production basis over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity.

3. Significant Accounting Policies (continued)

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.

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).

Changes in the Group's ownership interest in an existing subsidiary

Change in the Group's ownership interests in an existing subsidiary that do not result in the Group losing control over the subsidiary is accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the change in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Non-controlling interests

Non-controlling interests that are present ownership interests and entitle their holdings to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

ALLOCATION OF TOTAL COMPREHENSIVE INCOME TO NON-CONTROLLING INTERESTS

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3. Significant Accounting Policies (continued)

Inventories

Inventories comprise raw materials, work in progress and finished goods. Work in progress inventories mainly comprise ore stockpiles and other partly processed materials.

Inventories are stated at the lower of cost and net realisable value. Cost is determined primarily on a weighted average cost basis.

Cost for inventories comprises labour costs, material costs and contractor expenses which are directly attributable to the extraction and processing of ore; and a systematic allocation of the amortisation and depreciation of mining properties and of property, plant and equipment used in the extraction and processing of ore; and production overheads. Cost for purchased materials is determined after deducting discounts.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Stockpiles represent ore that has been extracted and is awaiting further processing. If there is significant uncertainty as to when the stockpiled ore will be processed it is expensed as incurred. Where the future processing of this ore can be predicted with reasonable certainty, it is valued at the lower of cost and net realisable value.

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 each 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 schemes by the Group at rates specified in the rules of the schemes.

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 before taxation as reported in the consolidated statement of profit or loss 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.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. Significant Accounting Policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated 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. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way 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 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 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 when 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 less than a week, 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 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 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 investment revaluation reserve.

3. Significant Accounting Policies (continued)

Financial instruments (continued)

FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

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

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 (including all fees and points 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 liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. 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 when 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 statement of profit or loss 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.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. 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. When 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 by the mine 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 mining properties. 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 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, 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 original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, 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 the consolidated financial statements.

VALUE ADDED TAX RECOVERABLE (INCLUDED IN OTHER RECEIVABLE (NON-CURRENT PORTION))

Included in other receivable (non-current portion) is USD68,093,000 (2012: USD45,595,000) value added tax ("VAT") paid by an Indonesian subsidiary of the Group in connection with its purchase of equipment and services from suppliers for the operation and construction of the mine site. 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. Up to 30 June 2013, the Indonesian tax authority had approved the VAT of Indonesia Rupiah ("IDR") 59,497,427,568 (equivalent to USD5,960,472) incurred during the years from 2006 to 2009 by the Indonesian subsidiary. The Indonesian subsidiary is in the process of obtaining the approval for refund of VAT paid for the year from 2010 up to present, the relevant approval has not yet obtained as at 30 June 2013 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, MINING PROPERTIES, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

In determining whether there is an impairment of the mine property and development assets, mining properties, plant and equipment and construction in progress of the Group's gold and silver mine located in the Regency of South Tapanuli, Northern Sumartra, Indonesia (the "Martabe Gold Mine"), management will consider whether there is any objective evidence that indicates the carrying value of these assets are less than the recoverable value. As at 30 June 2013, the carrying amount of mining properties, plant and equipment and construction in progress are USD567,096,000 (2012: nil), USD238,031,000 (2012: USD21,000) and USD72,279,000 (2012: USD492,005,000) respectively. As at 30 June 2012, the carrying amount of mine property and development assets is USD332,590,000 (2013: nil).

ESTIMATED IMPAIRMENT ON EXPLORATION AND EVALUATION ASSETS

In determining whether there is an impairment of the exploration and evaluation assets of the Martabe Gold Mine, 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 assets is unlikely to be recovered in full from successful development or by sale. As at 30 June 2013, the carrying amount of exploration and evaluation assets is USD10,051,000 (2012: USD5,338,000).

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 Gold Mine area estimated by the management and 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 Gold Mine and is subject to any significant changes to the production plan. As at 30 June 2013, the balance of provision for mine rehabilitation cost was USD12,170,000 (2012: USD10,615,000).

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.

For the operating segment regarding the provision of financial information services was discontinued during the year ended 30 June 2012 and details are set out in note 10.

(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 2013

	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	**–**	**258,378**	**258,378**	**–**	**258,378**
Segment results	**1,274**	**68,443**	**69,717**	**–**	**69,717**
Unallocated corporate expenses			**(10,967)**	**–**	**(10,967)**
Unallocated income			**138**	**–**	**138**
Profit before taxation			**58,888**	**–**	**58,888**

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)

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 2013

	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	**8,747**	**1,085,414**	**–**	**1,094,161**
Unallocated corporate assets				**339**
Total assets				**1,094,500**
LIABILITIES				
Segment liabilities	**2**	**149,472**	**–**	**149,474**
Unallocated corporate liabilities				**619**
Total liabilities				**150,093**

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

For the purposes of monitoring segment performances and allocating resources between segments:

- All assets are allocated to operating segment other than certain properties, plant and equipment and other receivables.
- All liabilities are allocated to operating segment other than certain other payables.

5. Segment Information (continued)

(c) Other segment information

At 30 June 2013

	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)	–	146,140	–	7	146,147
Depreciation					
Cost of sales	–	47,408	–	–	47,408
Administrative expenses	–	4,548	–	108	4,656

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					
Administrative expenses	–	–	39	350	389
Loss on disposal of property, plant and equipment	–	–	27	–	27

Note: Non-current assets excluded available-for-sale investment, other receivable (non-current portion) and inventories (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	
	2013	2012
	USD'000	*USD'000*
Hong Kong	**6**	107
Indonesia	**911,049**	830,231
	911,055	830,338

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

For the year ended 30 June 2013, the Group's revenue arose from the production of gold and silver in Indonesia from the mining business segment. For the year ended 30 June 2012, the Group's revenue was from Hong Kong, which was discontinued operation in that year.

(e) Information about major customers

For the year ended 30 June 2013, revenue was derived from a single customer under a sales agreement at spot price less fixed sales commission. For the year ended 30 June 2012, no revenue from an individual customer contributed over 10% of the total revenue, which was included in discontinued operation, of the Group.

6. Revenue

Revenue represents revenue arising on sale of gold and silver for the year.

	2013	2012
	USD'000	*USD'000*
Gold	**239,484**	–
Silver	**18,894**	–
	258,378	–

Bullion sale from test production were credited to property, plant and equipment until commercial production was achieved in September 2012.

7. Loss Attributable to Temporary Suspension of Production

Production at Martabe Gold Mine was suspended for six weeks starting mid-September 2012 due to interruption of construction of certain pipelines for the mine. Accordingly, the cost incurred during the six weeks period to maintain the mine operation of USD7,244,000 (2012: nil) is recognised as loss attributable to temporary suspension of production.

8. Finance Cost

	2013 USD'000	2012 USD'000
Continuing operations		
Interest expense on bank borrowing wholly repayable within five years	4,327	799
Loan facility expenses	2,638	266
Discount unwinding on provision	660	–
Total borrowing costs	7,625	1,065
Less: amounts capitalised	(677)	(1,065)
	6,948	–

Borrowing cost of approximately USD677,000 (2012: USD1,065,000) incurred during the year ended 30 June 2013 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).

9. Taxation

	Continuing operations		Discontinued operation		Consolidated	
	2013 USD'000	2012 USD'000	2013 USD'000	2012 USD'000	2013 USD'000	2012 USD'000
Current tax						
Hong Kong	–	–	–	–	–	–
Indonesia	13,831	–	–	–	13,831	–
	13,831	–	–	–	13,831	–
Deferred tax (note 25)						
Undistributed profits of subsidiary	5,143	–	–	–	5,143	–
Accelerated tax depreciation	10,634	–	–	–	10,634	–
	15,777	–	–	–	15,777	–
Taxation for the year	29,608	–	–	–	29,608	–

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 corporate income tax rate of the Indonesian subsidiary is 25%.

No provision for Hong Kong Profits Tax or taxation in other jurisdictions besides Indonesia 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 they had sufficient tax loss to cover assessable profits in both years.

Pursuant to the relevant laws and regulations in Indonesia, dividend withholding tax is imposed at a rate of 7.5% on dividend declared in respect of profits earned by Indonesian subsidiary that are received by non-Indonesian resident entities. Dividend withholding tax of approximately USD5,143,000 (2012: nil) was recognised as deferred tax expense in the current reporting period.

9. Taxation (continued)

The taxation for the year can be reconciled to the profit/(loss) before taxation per the consolidated statement of profit or loss as follows:

	2013 USD'000	2012 USD'000
Profit/(loss) before taxation		
– Continuing operations	**58,888**	(19,244)
– Discontinued operation	**–**	(42)
	58,888	(19,286)
Tax at Indonesian Corporate Income Tax rate of 25% (2012: Hong Kong Profit Tax rate of 16.5%)	**14,722**	(3,183)
Tax effect of expenses not deductible for tax purpose	**5,791**	2,510
Tax effect of income not taxable for tax purpose	**(221)**	(329)
Tax effect of tax losses not recognised	**1,289**	1,073
Utilisation of tax losses previously not recognised	**(16)**	(4)
Effect of different tax rates of group companies operating in other jurisdictions	**2,900**	(67)
Deferred tax for undistributed profits of subsidiary	**5,143**	–
Taxation for the year	**29,608**	–

The domestic tax rate, which is Indonesian corporate income tax rate (2012: Hong Kong profit tax rate) in the jurisdiction where the operation of the Group is substantially based, is used.

Details of the Group's deferred tax are set out in note 25.

10. 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 the previous year.

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

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

The results of the provision of financial information services for the period from 1 July 2011 to the date of cessation of operation, which have been included in the consolidated statement of profit or loss, was as follows:

	2012 *USD'000*
Turnover	388
Cost of sales	(289)
Other income	14
Administrative expenses	(155)
Loss for the year	(42)

In the previous 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*
Net cash used in operating activities	(91)
Net cash from financing activities	48
Net cash outflow	(43)

11. Profit/(Loss) for the Year

	Continuing operations		Discontinued operation		Consolidated	
	2013 USD'000	2012 USD'000	**2013 USD'000**	2012 USD'000	**2013 USD'000**	2012 USD'000
Profit/(loss) for the year has been arrived at after charging/(crediting):						
Staff costs						
– Directors' emoluments (Note 12(a))	**7,688**	11,110	**–**	–	**7,688**	11,110
– Other staff costs	**19,490**	1,407	**–**	53	**19,490**	1,460
– Contributions to retirement benefits schemes, excluding directors	**416**	40	**–**	2	**416**	42
– Share-based payment expenses, excluding directors	**888**	2,426	**–**	–	**888**	2,426
Total staff costs	**28,482**	14,983	**–**	55	**28,482**	15,038
Auditors' remuneration	**208**	178	**–**	–	**208**	178
Amortisation and depreciation of property, plant and equipment, included in						
– Cost of sales	**47,408**	–	**–**	–	**47,408**	–
– Administrative expenses	**4,656**	350	**–**	39	**4,656**	389
Operating lease payments in respect of office premises and warehouse	**427**	410	**–**	21	**427**	431
Loss on disposal of property, plant and equipment	**–**	–	**–**	27	**–**	27
Exchange loss, net	**4,167**	863	**–**	–	**4,167**	863
Provision for impairment of inventories	**723**	–	**–**	–	**723**	–
Allowance for other receivables	**–**	746	**–**	–	**–**	746
Royalties expense	**1,197**	–	**–**	–	**1,197**	–
Interest income	**(1,514)**	(1,996)	**–**	–	**(1,514)**	(1,996)
Gain on disposal of held for trading investments	**(14)**	–	**–**	–	**(14)**	–

12. Directors', Chief Executive's 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 2013

	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	–	–	–	–	–	918	918
Owen L Hegarty	–	601	100	1	–	810	1,512
Peter Geoffrey Albert (Note a)	–	607	1,398	2	89	721	2,817
Ma Xiao	–	241	110	2	77	141	571
Wah Wang Kei, Jackie	–	301	49	2	–	141	493
Hui Richard Rui	–	217	35	2	–	141	395
Kwan Kam Hung, Jimmy (Note b)	–	–	–	–	–	51	51
NON-EXECUTIVE DIRECTOR:							
Tsui Ching Hung (Note c)	–	–	–	–	–	–	–
INDEPENDENT NON-EXECUTIVE DIRECTORS:							
Or Ching Fai	90	–	–	–	–	815	905
Ma Yin Fan	13	–	–	–	–	–	13
Leung Hoi Ying	13	–	–	–	–	–	13
	116	1,967	1,692	9	166	3,738	7,688

Notes:

(a) Mr Peter Geoffrey Albert is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

(b) Mr Kwan Kam Hung, Jimmy resigned as executive director on 31 December 2012 and remained as employee of the Company.

(c) Mr Tsui Ching Hung resigned as non-executive director on 31 December 2012 and remained as a consultant of the Company.

12. Directors', Chief Executive's and Employees' Emoluments (continued)

(a) Directors' Emoluments (continued)

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

Bonuses which are discretionary are determined with reference to individual performance. Mr Chiu Tao suspended his salary with effect from October 2010 until the gold production in Martabe gold mine begins and reaches certain level. Mr Chiu has not drawn any salary for the year ended 30 June 2013. No other 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.

12. Directors', Chief Executive's and Employees' Emoluments (continued)

(b) Employees' Emoluments

(i) Of the five individuals with the highest emoluments in the Group, three (2012: three) were executive directors and one (2012: one) was independent non-executive director of the Company whose emoluments are included in the disclosures above. The remaining one (2012: one) individual was one of the senior management and the emoluments were as follows:

	2013	2012
	USD'000	*USD'000*
Salaries and other benefits	**524**	516
Retirement benefits scheme contributions	**–**	–
Share-based payment expenses	**69**	187
Discretionary bonus	**167**	176
	760	879

The emoluments were within the following bands:

	Number of Employees	
	2013	2012
HKD5,500,001 (USD709,156) to HKD6,000,000 (USD773,625)	**1**	–
HKD6,500,001 (USD838,093) to HKD7,000,000 (USD902,562)	**–**	1
	1	1

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

	Number of Employees	
	2013	2012
HKD3,000,001 (USD386,812) to HKD3,500,000 (USD451,281)	**–**	1
HKD3,500,001 (USD451,281) to HKD4,000,000 (USD515,750)	**–**	1
HKD4,500,001 (USD580,219) to HKD5,000,000 (USD644,687)	**2**	–
HKD5,500,001 (USD709,156) to HKD6,000,000 (USD773,625)	**1**	1
HKD6,500,001 (USD838,093) to HKD7,000,000 (USD902,562)	**–**	1
	3	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, and Shawn David Crispin. Graeme Walsh was senior management for the year ended 30 June 2012 and he resigned in July 2012. One of the senior management is one of the five individuals with the highest emoluments in the Group.

(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.

13. Dividend

No dividend was paid or declared during the year ended 30 June 2013, nor has any dividend been declared or proposed since the end of the reporting period (2012: nil).

14. Earnings/(Loss) Per Share

For continuing and discontinued operations

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

	2013 *USD'000*	2012 *USD'000*
Profit/(loss) for the year attributable to owners of the Company, for the purposes of basic and diluted earnings/(loss) per share	**26,444**	(19,286)

	Number of shares	
	2013	2012
Weighted average number of ordinary shares for the purposes of basic and diluted earnings/(loss) per share	**18,619,484,325**	16,626,531,983

The computation of diluted earnings/(loss) per share does not assume the exercise of the Group's outstanding share option as the exercise price of those options is higher than the average market price for shares for the years ended 30 June 2013 and 2012.

From continuing operations

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

	2013 *USD'000*	2012 *USD'000*
Profit/(loss) for the year attributable to the owners of the Company	**26,444**	(19,286)
Less: Loss for the year from discontinued operation	**–**	42
Profit/(loss) for the year attributable to the owners of the Company from continuing operations	**26,444**	(19,244)

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

From discontinued operation

For the year ended 30 June 2012, basic and diluted loss per share for the discontinued operation is US0.00025 cents per share, based on the loss for the year from the discontinued operation of USD42,000 and the denominators detailed above for the basic and diluted loss per share.

15. Property, Plant and Equipment

	Buildings USD'000	Plant and equipment USD'000	Mine property & development assets USD'000	Mining properties 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 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 and 1 July 2012	390	107	332,590	–	492,005	265	535	239	826,131
Exchange realignments	–	–	–	(10)	–	–	–	(1)	(11)
Additions	–	–	47,782	21,695	71,950	–	7	–	141,434
Transfer to/(from) mine property & development assets	–	–	(380,372)	380,372	–	–	–	–	–
Transfer to/(from) construction in progress	16,155	255,248	–	211,452	(491,676)	–	7,765	1,056	–
Disposals	–	–	–	–	–	–	(21)	–	(21)
On disposals of subsidiaries	–	–	–	–	–	–	(3)	(238)	(241)
At 30 June 2013	16,545	255,355	–	613,509	72,279	265	8,283	1,056	967,292
ACCUMULATED DEPRECIATION									
At 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 and 1 July 2012	135	86	–	–	–	200	491	219	1,131
Exchange realignments	–	–	–	(1)	–	–	–	–	(1)
Provided for the year	3,082	17,238	–	46,414	–	65	1,740	709	69,248
Eliminated on disposals	–	–	–	–	–	–	(21)	–	(21)
On disposal of subsidiaries	–	–	–	–	–	–	(1)	(238)	(239)
At 30 June 2013	3,217	17,324	–	46,413	–	265	2,209	690	70,118
CARRYING VALUES									
At 30 June 2013	13,328	238,031	–	567,096	72,279	–	6,074	366	897,174
At 30 June 2012	255	21	332,590	–	492,005	65	44	20	825,000

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15. Property, Plant and Equipment (continued)

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

Depreciation on the mining properties and plant and equipment related to production are provided using the unit of production method ("UOP") based on the actual production volume over the total estimated proved and probable reserves of the gold and silver mine. These estimations are prepared by appropriately qualified party who is independent of the Group.

The effective annualised depreciation rate of mining properties and plant and equipment related to production is approximately 7%.

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	12.5% to 25%
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% to 25%

Note: Depreciation expense of USD7,037,000 (2012: USD150,000) incurred during the year ended 30 June 2013 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). Depreciation of USD57,555,000 (2012: nil) incurred during the year ended 30 June 2013 were capitalised as inventories of which USD47,408,000 (2012: nil) were subsequently charged to profit or loss as cost of sales during the year.

16. Exploration and Evaluation Assets

	USD'000
At 1 July 2011	1,942
Additions	3,396
At 30 June 2012 and 1 July 2012	5,338
Additions	4,713
At 30 June 2013	10,051

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 drilling, assaying costs, 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 of economically recoverable reserves could not be reasonably assessed.

17. Available-For-Sale Investment

	2013 **USD'000**	2012 USD'000
Listed debt securities, at fair value		
Senior Note Due 2015	**6,738**	5,438

The available-for-sale investment represents the Group's investment in senior notes with principal amount of USD10,000,000 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.

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 Due 2015 issuer may redeem up to 35% of the aggregate principal amount of the Senior Notes Due 2015 at a redemption price equal to 111.75% of the principal amount of the Senior Notes Due 2015 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 Due 2015 issuer may at its option redeem the Senior Notes Due 2015, in whole or in part, at a redemption price equal to 100% of the principal amount of the Senior Notes Due 2015 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 Due 2015 issuer may redeem the Senior Notes Due 2015, 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 Due 2015 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 2013, an increase in fair value of USD1,300,000 (2012: decrease in fair value of USD3,891,000) was recognised in the investment revaluation reserve.

The fair value of the Senior Notes Due 2015 as at 30 June 2013 and 2012 are determined using the Hull-White term structure model with the following assumptions:

	2013	2012
Discount rate	**42.50%**	45.08%
Time to maturity	**1.88 years**	2.88 years
Mean Reverting rate	**0.01887**	0.03260
Volatility	**0.01222**	0.0055

18. Other Receivables

	2013 USD'000	2012 USD'000
Other receivables, net of allowance (Note a)	**79,654**	56,111
Less: Other receivable classified as non-current assets (Note a)	**(68,093)**	(45,595)
Other receivables classified as current assets (Note c)	**11,561**	10,516

Notes:

(a) As at 30 June 2013, an amount of USD68,093,000 (2012: USD45,595,000) VAT paid by an Indonesian subsidiary of the Group in connection with its purchase of equipment and services from suppliers for the operation and construction of the mine site were classified as non-current based on the expected time span. Up to 30 June 2013, the Indonesian tax authority had approved the VAT recoverable for the amount of IDR59,497,427,568 (equivalent to USD5,960,472) incurred during the year from 2006 to 2009 by the Indonesian subsidiary. The Indonesian subsidiary is in the process of obtaining the approval from the relevant Indonesian tax authority for refund of VAT paid for the year from 2010 up to present, the relevant approval has not yet obtained as at 30 June 2013 and as at the date these consolidated financial statements are authorised for issue.

(b) There are no trade receivables as at 30 June 2013 and 30 June 2012. The Group allows a credit period of less than a week for its trade customer.

(c) An amount of USD4,000,000 (2012: nil),which is the consideration of capital injection into PT Agincourt Resources ("PTAR"), due from PT Artha Nugraha Agung ("PTANA") was included in other receivables. The balance will be settled by PTANA through reduction of its share of dividend declared by PTAR.

19. Inventories

	2013 USD'000	2012 USD'000
Raw materials	**19,855**	–
Stockpiles	**6,014**	–
Work in progress	**21,983**	–
	47,852	–
Less: inventories classified as non-current assets		
Stockpiles	**(3,830)**	–
Inventories classified as current assets	**44,022**	–

The portion of the stockpile that is to be processed more than twelve months from the reporting date is classified as non-current inventories.

20. Held for Trading Investments

	2013 USD'000	2012 USD'000
Equity securities listed in Hong Kong, at fair value	**1,898**	1,808

All 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 Hong Kong Stock Exchange as at the end of the respective reporting periods.

21. Pledged Bank Deposits and Bank Balances and Cash

As at 30 June 2012, there was approximately USD82,000 (2013: nil) pledged to a bank to secure the cutting tree permit granted to a subsidiary. The pledged deposits carry no interest for year ended 30 June 2012.

Bank balances carry interest at market rates which range from 0.001% to 6% (2012: 0.001% to 4.4%) per annum.

22. Trade and Other Payables

	2013	2012
	USD'000	*USD'000*
Trade payables (Note a)	**14,203**	–
Other payables (Note b)	**45,591**	72,343
Trade and other payables	**59,794**	72,343
Less: Other payables classified as non-current liabilities	**(2,439)**	(1,493)
Trade and other payables classified as current liabilities	**57,355**	70,850

Notes:

(a) The following is an analysis of trade payables by age, presented based on the invoice date.

	2013	2012
	USD'000	*USD'000*
0-60 days	**9,502**	–
61-90 days	**4,184**	–
> 90 days	**517**	–
	14,203	–

(b) Included in other payables are USD23,929,000 and USD21,044,000 (2012: nil and USD65,246,000) relating to payables by an Indonesian subsidiary of the Group for the operation of the Martabe Gold Mine and to its consultants and contractors in connection with the construction of the Martabe Gold Mine, respectively.

23. Derivative Financial Liabilities

	2013	2012
	USD'000	*USD'000*
Foreign currency forward contracts	**–**	1,204

On 7 February 2012, the Group had entered into 12 foreign currency forward contracts with one of the local banks in Jakarta for a monthly purchase of IDR for an aggregate 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. As at 30 June 2012, 7 (2013: nil) foreign currency forward contracts remain outstanding and the terms of all the foreign currency forward contracts have been negotiated to match the expectation of the IDR payments.

As at 30 June 2012, the directors of the Company considered those outstanding foreign currency 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.

For the year ended 30 June 2013, USD1,204,000 were reclassified from the cash flow hedges reserve into the profit or loss as the forecast payments that were hedged occurred. For the year ended 30 June 2012, fair value loss of USD1,204,000 had been recognised in other comprehensive income and accumulated in the cash flow hedges reserve .

24. Borrowings

During the current reporting period, the Group raised bank borrowings of USD1,000,000 (2012: USD85,000,000). The effective rate of interest of the Group's borrowings during the year was at a range of 4.77% to 4.78% per annum (30 June 2012: 4.97%) based on the London Interbank Offered Rate plus 4.50%. Borrowing cost of approximately USD677,000 (2012: USD1,065,000) was capitalised in the property, plant and equipment during the year ended 30 June 2013. Details of which was set out in note 8.

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

	2013 **USD'000**	2012 USD'000
Within one year	**48,521**	33,568
More than one year, but not exceeding two years	**–**	48,568
Total borrowings	**48,521**	82,136
Less: Amounts classified as current liabilities	**(48,521)**	(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. The fiduciary security covered moveable assets and insurance claims.

25. Deferred Tax Liabilities

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

	Undistributed profits of subsidiary USD'000	Accelerated tax depreciation USD'000	Total USD'000
At 1 July 2011 and 30 June 2012	–	–	–
Charged to profit or loss	5,143	10,634	15,777
At 30 June 2013	5,143	10,634	15,777

At the end of the reporting period, the Group has unused tax losses of USD71,028,000 (2012: USD75,012,000) available for offset against future profits. During the year, there was disposal of subsidiaries with unused tax losses of USD11,699,000 (2012: nil). 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.

26. 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 Martabe Gold 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 2011	2,628
Additions	7,987
At 30 June 2012 and 1 July 2012	10,615
Additions	895
Unwinding of discount	660
At 30 June 2013	12,170

Provision for mine rehabilitation cost of USD895,000 (2012: USD7,987,000) was capitalised as part of mine property and development assets (included in property, plant and equipment) during the year ended 30 June 2013.

27. Share Capital

	Number of shares	Value USD'000
Authorised:		
Ordinary shares of HKD0.01 each		
At 1 July 2011, 30 June 2012 and 30 June 2013	60,000,000,000	76,923
Issued and fully paid:		
Ordinary shares of HKD0.01 each		
At 1 July 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
Issue of shares (Note b)	2,041,287,000	2,633
At 30 June 2013	18,921,482,950	24,390

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.

(b) On 24 August 2012, 2,041,287,000 shares of HKD0.01 each were issued and allotted at a price of HKD0.38 per share pursuant to the placing agreement with the placing agent dated 17 August 2012. Details of the share placement were announced on 17 August 2012 and 24 August 2012.

All the shares issued by the Company during the years ended 30 June 2013 and 2012 rank pari passu with the then existing ordinary shares in all respects.

28. Transfer of Interest in a Subsidiary without Losing Control

During the year, the Group effected the transfer of 5% interest in a subsidiary PTAR to the Provincial Government of North Sumatra ("PGNS") and Government of South Tapanuli Regency ("GSTR"). The transfer was made pursuant to the terms of a memorandum of intent (the "MOI") signed by Agincourt Resources (Singapore) Pte Ltd, PTANA, PGNS, GSTR and a shareholder of PTANA on 12 June 2008, prior to the acquisition of the Martabe Gold Mine by the Group in July 2009. The MOI provided for the transfer of 5% interest of PTAR at Nil consideration to PGNS and GSTR upon the commencement of production at Martabe. Such transfer resulted in a decrease of the Group's interest in PTAR to 95% and recognition of non-controlling interests of an amount of USD12,265,000, which was determined based on the original consideration amount paid by the Group for acquisition of PTAR in 2009. Corresponding adjustment was made to mine property and development assets included in property, plant and equipment.

29. 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.

As at 30 June 2013, the number of shares of the Company in respect of which options had remained outstanding under the 2004 Scheme of the Company was 967,737,355 (2012: 1,034,487,355), representing 5.1% (2012: 6.1%) of the shares of the Company in issue at that date.

No option was granted during the year ended 30 June 2013. 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.

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 certain key employees, the Company also entered into share option agreements (the "Share Option Agreements") on 10 May 2009 and 8 June 2009 upon signing of the Service Contracts with these employees whereby the Company agrees (subject to Shareholders' approval) to grant share options to each of the key employees 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.

29. Share-Based Payment Transactions (continued)

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	Exercise price per share HKD	Notes	Outstanding at 01.07.2011	Granted during the year	Exercised during the year	Forfeited during the year	Lapsed during the year	Outstanding at 01.07.2012	Granted during the year	Exercised during the year	Transfer from director to employee during the year	Forfeited during the year	Lapsed during the year	Outstanding at 30.06.2013
Directors	20.10.2009	20.10.2009-19.10.2014	0.48	1	11,862,171	–	–	–	–	11,862,171	–	–	–	–	–	11,862,171
	23.11.2009	23.11.2009-22.11.2014	0.55	1	257,137,829	–	–	–	–	257,137,829	–	–	(15,000,000)	–	–	242,137,829
	01.12.2010	01.12.2010-30.11.2015	0.70	2	412,000,000	–	–	–	–	412,000,000	–	–	(6,500,000)	–	–	405,500,000
	03.03.2011	03.03.2011-02.03.2016	0.70	2	100,000,000	–	–	–	–	100,000,000	–	–	–	–	–	100,000,000
Employees	20.10.2009	20.10.2009-19.10.2014	0.48	1	5,378,161	–	–	–	–	5,378,161	–	–	–	–	–	5,378,161
	23.11.2009	23.11.2009-22.11.2014	0.55	1	13,850,000	–	–	(1,000,000)	–	12,850,000	–	–	15,000,000	(5,000,000)	–	22,850,000
	04.12.2009	04.12.2009-03.12.2014	0.55	1	28,000,000	–	–	–	–	28,000,000	–	–	–	–	–	28,000,000
	13.05.2010	13.05.2010-12.05.2015	0.55	1	5,000,000	–	–	–	–	5,000,000	–	–	–	–	–	5,000,000
	01.12.2010	01.12.2010-30.11.2015	0.70	2	22,109,194	–	–	(1,000,000)	–	21,109,194	–	–	6,500,000	(500,000)	–	27,109,194
	01.12.2010	01.12.2010-30.11.2015	0.60	2	28,400,000	–	–	(1,750,000)	–	26,650,000	–	–	–	(2,250,000)	–	24,400,000
	01.12.2010	01.12.2010-30.11.2015	0.60	3	25,000,000	–	–	–	(12,500,000)	12,500,000	–	–	–	(12,500,000)	–	–
	02.03.2011	02.03.2011-01.03.2016	0.70	2	27,500,000	–	–	–	–	27,500,000	–	–	–	(500,000)	–	27,000,000
	08.07.2011	08.07.2011-07.07.2016	0.77	4	–	47,750,000	–	(7,500,000)	–	40,250,000	–	–	–	(20,750,000)	–	19,500,000
	03.01.2012	03.01.2012-02.01.2017	0.60	5	–	52,250,000	–	(1,000,000)	–	51,250,000	–	–	–	(12,750,000)	–	38,500,000
	03.01.2012	03.01.2012-02.01.2017	0.60	6	–	12,500,000	–	–	–	12,500,000	–	–	–	–	(12,500,000)	–
	10.01.2012	10.01.2012-09.01.2017	0.60	5	–	3,500,000	–	–	–	3,500,000	–	–	–	–	–	3,500,000
Others	23.11.2009	23.11.2009-22.11.2014	0.55	1	4,000,000	–	–	–	–	4,000,000	–	–	–	–	–	4,000,000
	01.12.2010	01.12.2010-30.11.2015	0.60	2	3,000,000	–	–	–	–	3,000,000	–	–	–	–	–	3,000,000
					943,237,355	116,000,000	–	(12,250,000)	(12,500,000)	1,034,487,355	–	–	–	(54,250,000)	(12,500,000)	967,737,355
Exercisable at the end of the year					–					–						699,200,665
Weighted average exercise price (HKD)					0.64	0.67	–	0.71	0.60	0.64	–	–	–	0.66	0.60	0.64

29. Share-Based Payment Transactions (continued)

Share options granted under 2004 Scheme (continued)

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 Gold Mine");
   ii) as to one-third, upon the process plant of the Martabe Gold Mine 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 of directors ("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 Gold Mine;
   ii) as to 25%, upon the process plant of the Martabe Gold Mine 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 Gold Mine; and
   iii) as to 25%, upon the process plant of the Martabe Gold Mine 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 Gold Mine,

   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 Gold Mine and the first gold production by G-Resources Martabe Pty Ltd and its subsidiary under the Martabe Gold Mine on the condition that the first gold production of the Martabe Gold Mine must be on or before 31 December 2011; and
   ii) as to 50%, upon the process plant of the Martabe Gold Mine 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 Gold Mine;
   ii) as to 25%, upon the process plant of the Martabe Gold Mine 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 Gold Mine; and
   iii) as to 25%, upon the process plant of the Martabe Gold Mine 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 Gold Mine,

   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 Martabe Gold Mine;
   ii) as to 25%, upon the process plant of the Martabe Gold Mine 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 Gold Mine; and
   iii) as to 25%, upon the process plant of the Martabe Gold Mine 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 Gold Mine,

   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 Gold Mine on the condition that the first gold production of the Martabe Gold Mine must be on or before certain date.

29. Share-Based Payment Transactions (continued)

Share options granted under Share Option Agreement

Category of participants	Date of grant	Exercise period	Exercise price per share HKD	Note	Outstanding at 01.07.2011	Granted during the year	Exercised during the year	Forfeited during the year	Outstanding at 01.07.2012	Granted during the year	Exercised during the year	Forfeited during the year	Outstanding at 30.06.2013
Directors	15.07.2009	24.07.2009-23.07.2014	0.3850	1	403,362,100	–	–	–	403,362,100	–	–	–	403,362,100
Employees	15.07.2009	03.08.2009-02.08.2014	0.4025	1	26,890,806	–	–	–	26,890,806	–	–	–	26,890,806
					430,252,906	–	–	–	430,252,906	–	–	–	430,252,906
Exercisable at the end of the year					–				–				286,835,270
Weighted average exercise price (HKD)					0.3861	–	–	–	0.3861	–	–	–	0.3861

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 Gold Mine");
   ii) as to one-third, upon the process plant of the Martabe Gold Mine 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 of directors ("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.

No share option was granted for the year ended 30 June 2013. The total fair value of the share options granted during the year ended 30 June 2012 is USD2,718,000. For the year ended 30 June 2013, the Group recognised the share-based expenses of USD4,626,000 (2012: USD11,292,000) in relation to these share options.

The aggregate amount of the fair value of the outstanding unvested options which will be recognised in the future vesting periods amounts to approximately USD567,000 (2012: USD5,926,000) as at 30 June 2013.

29. Share-Based Payment Transactions (continued)

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

Grant date	8 July 2011	8 July 2011	8 July 2011
Lot	1	2	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	3 January 2012	3 January 2012	3 January 2012	3 January 2012
Tranche/Lot	A1	A2	A3	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	10 January 2012	10 January 2012	10 January 2012
Lot	1	2	3
Weighted average share price on date of grant	HKD0.417	HKD0.417	HKD0.417
Exercise price	HKD0.600	HKD0.600	HKD0.600
Expected life	2.9 years	3.0 years	3.3 years
Expected volatility	58.64%	61.88%	68.23%
Dividend yield	0%	0%	0%
Risk-free interest rate	0.487%	0.513%	0.567%

29. Share-Based Payment Transactions (continued)

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

Grant date	3 March 2011	3 March 2011	3 March 2011
Lot	1	2	3
Weighted average share price on date of grant	HKD0.547	HKD0.547	HKD0.547
Exercise price	HKD0.700	HKD0.700	HKD0.700
Expected life	3.0 years	3.5 years	3.7 years
Expected volatility	66.53%	67.82%	65.95%
Dividend yield	0%	0%	0%
Risk-free interest rate	1.099%	1.283%	1.393%

Grant date	1 December 2010	1 December 2010	1 December 2010	2 March 2011	2 March 2011	2 March 2011
Tranche/Lot	A	B	C	1	2	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.

30. 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 debt, which included the borrowings disclosed in note 24, 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.

31. Financial Instruments

31a. Categories of financial instruments

	2013	2012
	USD'000	*USD'000*
FINANCIAL ASSETS		
Financial assets classified as loans and receivables (including cash and cash equivalents)	**126,147**	117,991
Available-for-sale financial assets	**6,738**	5,438
Held for trading investments	**1,898**	1,808
FINANCIAL LIABILITIES		
Derivative financial liabilities	**–**	1,204
Amortised cost	**91,005**	121,056

31b. Financial risk management objectives and policies

The Group's major financial instruments include held for trading investments, other receivables, available-for-sale investment, pledged bank deposits, bank balances and cash, derivative financial liabilities, trade and 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.

31. Financial Instruments (continued)

31b. 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 (2012: 100 basis points) 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 (2012: 100 basis points) and all other variables were held constant, the Group's profit before tax would decrease/increase by approximately USD500,000 for the year ended 30 June 2013 and the Group's loss before tax would increase/decrease by approximately USD850,000 for the year ended 30 June 2012.

The sensitivity analysis 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 2013. If the interest rate used to assess the fair value had been 2% (2012:2%) higher/lower and all other variables were held constant, the Group's investment revaluation reserve as at 30 June 2013 would decrease by USD156,000 (2012: USD170,000)/increase by USD162,000 (2012: USD178,000).

(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 analysis 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% (2012: 10%) higher/lower:

- the Group's post-tax profit for the year ended 30 June 2013 would increase/decrease by USD158,000 and the Group's post-tax loss for the year ended 30 June 2012 would decrease/increase by USD151,000 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 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 USD31,823,000 (2012: USD54,731,000), which represents approximately 62% (2012: 84%) of the Group's total bank balances and cash, and investments in the Senior Notes Due 2015 of USD6,738,000 (2012: USD5,438,000) 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.

31. Financial Instruments (continued)

31b. 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 of the respective Group entities. 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:

	2013 USD'000	2012 USD'000
ASSETS		
AUD	**329**	3,224
IDR	**69,981**	54,839
LIABILITIES		
AUD	**5,057**	7,879
IDR	**16,138**	12,169

As at 30 June 2012, the Group used foreign currency forward contracts to eliminate the currency exposures.

The Group had entered into foreign currency forward contracts with one of the local banks in Jakarta for a monthly purchase of IDR for an aggregate notional amount of IDR27,150,000,000 each month for the period from February 2012 to January 2013. As at 30 June 2012, 7 (2013: nil) foreign currency forward contracts remain outstanding and the terms of all the foreign currency forward 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% (2012: 7%) increase and decrease in the USD against the foreign currencies. 7% (2012: 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% (2012: 7%) change in foreign currency rates. As at 30 June 2013, a positive/(negative) number indicates and increase/decrease in profit before taxation for the year where the USD strengthens against the relevant foreign currencies. As at 30 June 2012, 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% (2012: 7%) weakening of the USD against the relevant foreign currencies, there would be an equal and opposite impact on profit/(loss) before taxation and Cash flow hedges reserve.

	Profit/(loss) before taxation		Cash flow hedges reserve	
	2013 USD'000	2012 USD'000	**2013 USD'000**	2012 USD'000
AUD	**331**	(326)	**–**	–
IDR	**(3,769)**	2,987	**–**	(84)
	(3,438)	2,661	**–**	(84)

31. Financial Instruments (continued)

31b. 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 2013: nil). Details of which are set out in note 24. During the current 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. Details of the share placements were set out in note 27. Subsequent to the end of the reporting period, the Company proposed a rights issue of subscription 7,568,593,180 rights shares at a price of HKD0.16 per rights share with the estimated net proceeds of approximately USD153 million. Details of the rights issue were set out in the announcement of the Company dated 28 August 2013 and note 38.

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 2013.

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*
2013							
Non-derivative financial liabilities							
Trade and other payables	**–**	**41,005**	**–**	**–**	**–**	**41,005**	**41,005**
Borrowings	**4.78**	**206**	**12,904**	**38,407**	**–**	**51,517**	**50,000**
		41,211	**12,904**	**38,407**	**–**	**92,522**	**91,005**
2012							
Non-derivative financial liabilities							
Trade and 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 currency 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

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

31. Financial Instruments (continued)

31c. 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 CONSOLIDATED 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 inputs, other than 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*
2013				
FINANCIAL ASSETS				
Listed debt securities (classified as available-for-sale investment)	**–**	**–**	**6,738**	**6,738**
Held for trading investments	**1,898**	**–**	**–**	**1,898**
	1,898	**–**	**6,738**	**8,636**
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

31. Financial Instruments (continued)

31c. 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 2011	9,329
Loss recognised in other comprehensive income (Note)	(3,891)
At 30 June 2012	5,438
Gain recognised in other comprehensive income (Note)	1,300
At 30 June 2013	6,738

Note: All the above gain/loss 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".

32. 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:

	2013 ***USD'000***	2012 *USD'000*
Within one year	**733**	465
In the second to fifth year inclusive	**1,380**	53
	2,113	518

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.

33. Capital Commitments

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

	2013 ***USD'000***	2012 *USD'000*
Capital expenditure contracted for but not provided for in the consolidated financial statements in respect of acquisition of property, plant and equipment	**6,162**	31,330
Capital expenditure authorised but not contracted for in respect of acquisition of property, plant and equipment	**42,225**	66,229

34. Related Party Disclosures

Key management personnel compensation

	2013 USD'000	2012 USD'000
Short-term benefits	**4,352**	2,571
Share-based payments (Note)	**3,020**	7,800
Post-employment benefits	**11**	12
	7,383	10,383

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 statement of profit or loss during the year ended 30 June 2013.

35. 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 statement of profit or loss was USD47,000 (2012: USD52,000). The Group also contributed to the Indonesia State-managed Retirement Benefit Scheme operated by the Indonesian government. USD60,000 (2012: USD201,000) was capitalised as mine property and development assets (included in property, plant and equipment) and USD378,000 (2012: nil) charged to the consolidated statement of profit or loss.

36. Statement of Financial Position of the Company

As at 30 June 2013

	Note	2013 USD'000	2012 USD'000
ASSETS			
Property, plant and equipment		**6**	85
Investments in subsidiaries		**–**	–
Other receivables		**315**	340
Amounts due from subsidiaries		**878,151**	794,164
Bank balances and cash		**17,469**	10,954
		895,941	805,543
LIABILITIES			
Other payables		**613**	1,082
Amounts due to subsidiaries		**–**	–
		613	1,082
		895,328	804,461
CAPITAL AND RESERVES			
Share capital		**24,390**	21,757
Reserves	a	**870,938**	782,704
Total equity		**895,328**	804,461

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 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 and 1 July 2012	773,200	212	23,618	31,588	677	(46,591)	782,704
Loss for the year	–	–	–	–	–	(12,650)	(12,650)
Exchange realignment	–	–	–	–	(107)	–	(107)
Total comprehensive expenses for the year	–	–	–	–	(107)	(12,650)	(12,757)
Issue of shares	97,379	–	–	–	–	–	97,379
Transaction costs attributable to issue of shares	(1,014)	–	–	–	–	–	(1,014)
Reversal of equity-settled share-based payment	–	–	–	(364)	–	364	–
Recognition of equity-settled share-based payment	–	–	–	4,626	–	–	4,626
At 30 June 2013	869,565	212	23,618	35,850	570	(58,877)	870,938

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 2013 (2012: nil).

37. Principal Subsidiaries

Particulars of the principal subsidiaries at 30 June 2013 and 2012 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		
				2013 %	2012 %	**2013 %**	2012 %	
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	USD85,000,000	**–**	–	**95**	100	Exploration and mining of gold and other minerals
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.

38. Events after the Reporting Period

The Company proposed to raise estimated net proceeds of approximately USD153 million by way of rights issue of 7,568,593,180 rights shares at a subscription price of HKD0.16 per rights share on the basis of two rights shares for every five existing shares held. Further details of the Company's rights issue are set out in the Company's circular dated 28 August 2013 and prospectus dated 11 September 2013.

FIVE-YEAR FINANCIAL SUMMARY

(a) Results

For the year ended 30 June

	2009 USD'000	2010 USD'000	2011 USD'000	2012 USD'000	**2013 USD'000**
Revenue					
– Continuing operations	3,213	198	–	–	**258,378**
– Discontinued operation	799	549	535	388	**–**
	4,012	747	535	388	**258,378**
(Loss)/profit before taxation	(19,613)	(45,288)	(21,419)	(19,244)	**58,888**
Taxation	3	–	22	–	**(29,608)**
Loss for the year from discontinued operation	(1,533)	(9)	(8)	(42)	**–**
(Loss)/profit for the year	(21,143)	(45,297)	(21,405)	(19,286)	**29,280**
(Loss)/profit for the year attributable to:					
Owners of the Company	(21,143)	(45,297)	(21,405)	(19,286)	**26,444**
Non-controlling interests	–	–	–	–	**2,836**
	(21,143)	(45,297)	(21,405)	(19,286)	**29,280**

(b) Assets and Liabilities

As at 30 June

	2009 USD'000	2010 USD'000	2011 USD'000	2012 USD'000	**2013 USD'000**
Total assets	64,726	620,220	642,261	959,115	**1,094,500**
Total liabilities	(582)	(18,126)	(52,063)	(166,298)	**(150,093)**
	64,144	602,094	590,198	792,817	**944,407**
Equity attributable to owners of the Company	64,144	602,094	590,198	792,817	**925,306**
Non-controlling interests	–	–	–	–	**19,101**
	64,144	602,094	590,198	792,817	**944,407**

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 Mine, 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 Mine 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 Mine. 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
(resigned on 31 December 2012)

Non-Executive Director

Mr Tsui Ching Hung
(resigned on 31 December 2012)

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: Sullivan & Cromwell,
Mayer Brown JSM,
Tung & Co.,
Freshfields Bruckhaus Deringer
Bermuda: Appleby
Indonesia: 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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