G-Resources Group Limited
國際資源集團有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 1051)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2011

CHAIRMAN'S STATEMENT

Dear shareholders,

In a year of extreme economic uncertainty, investors increasingly turned to gold as a safe haven. With gold prices hitting unprecedented highs, we at G-Resources worked steadily and diligently to complete our mine and begin gold production.

We made significant progress during the year towards achieving this goal. By year end, the workshop, warehouse, administration buildings, CIL tanks and infrastructure such as the haul roads were either completed or well advanced. We also brought our world-class team of people up to full strength and finished awarding all key contracts and purchases.

Having said that, I should note that we also encountered heavy rainfall and ground conditions at Martabe that made it impossible to meet all of our earthworks and concrete works milestones. Consequently, we were forced to change our project schedule for first production from the end of 2011 to the end of the first quarter of 2012.

Our capital costs also had to be revised. In the process of awarding contracts, it became clear to us that the weaker US dollar, rising oil prices and last year's landslip would affect our capital costs. Following detailed internal and third party reviews, we estimated that our capital costs budget would require an additional US$200 million.

To raise the additional capital, we did a placement of shares in July 2011. The net proceeds of the share placing, which was oversubscribed, were approximately US$213 million. This shows that shareholders continued to have confidence in the quality and potential of the Martabe Project, as well as in our management team.

As the turmoil in global market continues with no end in sight, investors still regard gold as an excellent hedge against inflation and fluctuations in world currencies. Meanwhile, central banks are also engaged in heavy buying of physical gold for reserve, which is a component in a diversified portfolio and, especially in Asia, a material in the manufacture of jewellery.

Set against this is the limited supply of gold, especially new gold. Worldwide, there are few new discoveries of gold deposits being made or new gold mining projects coming into production. What's more, when new deposits are discovered, a gold mining company typically takes about eight to ten years before production can begin.

G-Resources is one of the few gold mine companies that will come on-stream in the near future. Our company offers an attractive option for investors not only because of the price leverage of gold mining stocks generally, but also because of the timing of our project and Martabe's low operating costs.

When we acquired the Martabe Project two years ago, gold was priced at just over US$900 per ounce and silver was only about US$13 per ounce; today gold and silver prices are substantially higher with gold having tested historical highs in recent weeks. Also, our very low cash cost compared with other gold mining companies is likely to have a favourable impact on our margins and earnings.

Looking beyond Martabe, we are maintaining our strategy of growing G-Resources into a leading Asia-Pacific gold company. Although we are currently focused on Martabe as our core starter asset, we have and will continue to evaluate potential new opportunities in the region according to our strict quality criteria. We are committed to optimising the Martabe asset and developing a pipeline of projects of similar quality that will enable us to be producing one million ounces of gold per annum within five years.

As we continue 'going for gold' early next year, I would like to assure our shareholders that we are 100% committed to bringing the project in as early as possible and to begin generating revenue. Although we did experience some setbacks in the year, we have been decisive in resolving these issues. Offsetting these, the price of gold remains at historically high levels, our production costs are very low compared with the industry, and we have an excellent management team in place working towards bringing the mine into production.

Our shareholders recognise the value of our project, which was demonstrated by the huge success of our recent share placing, and I would like to sincerely thank them for their support over the past year. I would also like to acknowledge my Vice-Chairmen, Chief Executive Officer and my fellow Directors for their dedication and hard work during this challenging period.

Finally, I would like to extend my deepest gratitude to all of our staff, both here in Hong Kong, Melbourne and at the Martabe site. With their energy, enthusiasm and commitment, I am confident that we can begin realising the full potential of this extraordinary project in the very near future.

G-Resources Group Limited
Chiu Tao
Chairman

Hong Kong, 29 September 2011

CEO'S REPORT

Dear shareholders,

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

During the year, we have come out of the uncertainties of the technical challenges at Martabe. We have had to restructure and reconfigure parts of the project, but we now have a clear path forward and are getting on with delivering this world-class mine.

The strong fundamentals of Martabe remain unchanged and are continually being enhanced by the addition of more ounces of gold and silver in Resources and Reserves. Martabe has a great ore body, good grade, low mining cost, simple process technology, outstanding existing infrastructure and logistics, and an experienced and capable management team. What has changed is the optimisation of the layout of the project facilities, which is now ideally structured to the operating environment.

The Martabe Project is being executed to the best international standards. At every step of the way, we utilise the best available expertise, whether for example, designing our tailings dams, auditing our Resources and Reserves or independently assessing our capital costs.

However, as our Chairman mentioned in his statement, the final capital cost estimate and schedule have had to be revised. The capital cost increased as a consequence of the additional time required to deliver the project as well as the costs to rectify the previous geotechnical issues and re-build facilities. Nevertheless, at less than US$250/oz of gold our operating cash costs remain within the bottom quartile as a consequence of the great project fundamentals and strong silver by-product credit. As far as our schedule is concerned, our original plan was to be into production by end of 2011, however, the likelihood of this being achieved became increasingly unlikely, and we have revised our target to first bullion production before end of Q1 2012.

As at end of August 2011 all contracts had been awarded, more than 2,500 people were working at Martabe, the plant site earthworks are complete, concrete was well advanced, steel was being erected and the processing equipment delivered. Progress has been tremendous in recent weeks and the project teams have shown great dedication and commitment. This effort has been from all quarters, PTAR project management and our key contractors who have all committed their support for the project at the highest levels of their organisations.

The operations team is starting to get into full swing with mining activities daily increasing in momentum, placing of contracts for supply of consumables well advanced and recruitment of all senior persons now complete. Building a new operation from the ground up is no easy task, and at PTAR we have put together a team of experienced professionals who are setting up Martabe for long term sustainable success.

Growth in Resources and Reserves at Martabe has been a great achievement this year. Within our 1,639 km^2 Contract of Work, we have added some 15% more gold and 9% more silver to our resource base, and we expect more as we continue to drill out the existing ore bodies and explore new prospects in the highly gold and silver mineralised Martabe district. This enables us to look at planning for longer life and expanded production.

Given the aggressive nature of our works schedule and exploration programme, the safety record at Martabe is outstanding. We have now passed more than 300 days without a lost time injury, and in total we have worked more than 3.5 million hours without a lost time injury. This is an enviable achievement in any environment and at Martabe, with a relatively inexperienced local team, it is testament to the Company's focus on the safety of all our employees. This is part of our GREAT (Growth, Respect, Excellence, Action and Transparency) core values and our commitment to social responsibility. In addition to worker safety, we are working to maintain the environmental integrity of the Martabe district and to implement social programmes such as our eye cataract surgery project.

We have very good relations with local community leaders as well as government at all levels and maintain a constant dialogue with them. During the year, we continued our discussions with government on formalising the Letter of Intent signed by the previous owner of the project to transfer 5% of the project to the local governments. We believe it is vitally important to honour that obligation so that the local community will benefit directly from the success of the Martabe Project.

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

I would also like to give my heartfelt thanks to our Directors for their encouragement over the past year as well as our shareholders who continued to demonstrate their confidence in the Martabe Project. In particular, I would like to give special mention to our staff at the Martabe Project site, who have worked so hard over the past year to overcome the challenges we have faced and bring the mine closer to production.

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

G-Resources Group Limited
Peter Geoffrey Albert
Chief Executive Officer

Hong Kong, 29 September 2011

GROUP RESULTS FOR THE YEAR ENDED 30 JUNE 2011

The Board of Directors (the "Board") of the G-Resources Group Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2011 together with the comparative figures for the year ended 30 June 2010:

Consolidated Income Statement

For the year ended 30 June 2011

	NOTES	**2011** **USD'000**	2010 USD'000 (Restated)
Revenue		**535**	747
Cost of sales		**(380)**	(619)
Gross profit		**155**	128
Other income		**1,741**	583
Distribution and selling expenses		**(47)**	(27)
Administrative expenses		**(19,293)**	(21,374)
Fair value changes of held for trading investments		**(4,067)**	(22,209)
Gain/(loss) on disposal of an available-for-sale investment		**84**	(2,398)
Loss before taxation	*5*	**(21,427)**	(45,297)
Taxation	*6*	**22**	-
Loss for the year, attributable to owners of the Company		**(21,405)**	(45,297)
Loss per share	*7*		
– Basic and diluted (*US cent*)		**(0.15)**	(0.32)

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2011

	2011	2010
	USD'000	USD'000
		(Restated)
Loss for the year	**(21,405)**	(45,297)
Other comprehensive (expenses)/income:		
Fair value change on available-for-sale investment	**(558)**	(7,914)
Reclassification adjustment upon disposal of available-for-sale investment	**(84)**	2,398
Exchange difference on translation	**122**	(2,221)
Total other comprehensive expenses for the year	**(520)**	(7,737)
Total comprehensive expenses for the year, attributable to owners of the Company	**(21,925)**	(53,034)

Consolidated Statement of Financial Position

At 30 June 2011

	NOTES	2011 USD'000	2010 USD'000 (Restated)
Non-current Assets			
Property, plant and equipment	*8*	**467,538**	304,960
Exploration and evaluation assets	*9*	**1,942**	517
Available-for-sale investments	*10*	**9,329**	11,985
Other receivable	*11*	**21,889**	-
		500,698	317,462
Current Assets			
Trade and other receivables	*11*	**2,645**	13,125
Held for trading investments	*12*	**3,199**	10,033
Pledged bank deposits		**92**	92
Bank balances and cash		**135,627**	279,508
		141,563	302,758
Current Liability			
Trade and other payables	*13*	**49,435**	16,714
Net Current Assets		**92,128**	286,044
Total Assets less Current Liabilities		**592,826**	603,506
Non-Current Liabilities			
Deferred tax liability		**-**	22
Provision for mine rehabilitation cost		**2,628**	1,390
		2,628	1,412
		590,198	602,094
Capital and Reserves			
Share capital		**18,147**	18,147
Reserves		**572,051**	583,947
Total equity		**590,198**	602,094

Notes to the Consolidated Financial Statements

For the year ended 30 June 2011

1. CHANGE OF PRESENTATION CURRENCY

The consolidated financial statements for the year ended 30 June 2011 are presented in United State dollars (“USD”), which is different from the presentation currency of Hong Kong dollars (“HKD”) used in the consolidated financial statements for the year ended 30 June 2010. In the opinion of the directors of the Company, the change of presentation currency from HKD to USD is made in order to present more relevant information as the management controls and monitors the performance and financial position of the Group based on USD. The comparative figures have been restated accordingly to achieve comparability with the current year. The change of presentation currency and restatement of comparative amounts from HKD to USD had no material impact on the Group’s consolidated financial statements for the years presented.

As aforementioned, the consolidated financial statements are presented in USD, which is different from the Company’s functional currency of HKD. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied the following amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009[1]
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 in relation to the amendments to HKFRS 3 (as revised in 2008), HKAS 27 and HKAS 28
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKAS 32 (Amendments)	Classification of Rights Issues
HK(IFRIC) - Int 19	Extinguishing Financial Liabilities with Equity Instruments
HK – Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

[1]Amendments that are effective for annual periods beginning on or after 1 January 2010

The adoption of the amendments and interpretations had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 except for those effective for the annual period beginning on or after 1 July 2010[1]
HKFRS 7 (Amendments)	Disclosures – Transfer of Financial Assets[3]
HKFRS 9	Financial Instruments[2]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[5]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[4]
HKAS 19 (as revised in 2011)	Employee Benefit[2]
HKAS 24	Related Party Disclosures[1]
HKAS 27 (as revised in 2011)	Separate Financial Statements[2]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[2]
HK(IFRIC) - Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[1]

[1] Effective for annual periods beginning on or after 1 January 2011
[2] Effective for annual periods beginning on or after 1 January 2013
[3] Effective for annual periods beginning on or after 1 July 2011
[4] Effective for annual periods beginning on or after 1 January 2012
[5] Effective for annual periods beginning on or after 1 July 2012

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 the reporting periods.

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 July 2013, with earlier application permitted. The application of HKFRS 9 might affect the classification and measurement of the Group's available-for-sale investments.

The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgments in applying the Group's accounting policies

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

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

Included in other receivable (non-current portion) is USD21,889,000 (2010: USD10,538,000) value added tax ("VAT") paid by an Indonesian subsidiary of the Group in connection with its purchase of equipments and services from suppliers. According to relevant tax law and regulations in Indonesia, such VAT payment is refundable upon application by the Group, subject to approval by the relevant Indonesian tax authority. While the Indonesian subsidiary is in the process of obtaining the relevant approval, the relevant approvals have not yet obtained as at 30 June 2011 and 30 June 2010 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 recovered.

Key sources of estimation uncertainty

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

Ore reserve and resources estimates

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

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

In determining whether there is an impairment of the mine property and development assets and construction in progress of the Group's gold and silver mine located in the Regency of South Tapanuli, Northern Sumartra, Indonesia (the "Martabe Project"), an estimation of the value-in-use of the cash-generating units (i.e. the Martabe Project) is required. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the Martabe Project, a suitable discount rate and the estimated period of production in order to calculate the present value. As at 30 June 2010, the management estimated that the production would commence before the end of 2011. Due to the rainfall and harder ground conditions than anticipated, the achievement of some of the earthworks and concrete works milestones has not been met. Therefore, the management estimated that the production would only commerce before the end of first quarter of 2012. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 30 June 2011, the carrying amount of mine property and development assets and construction in progress are USD238,461,000 (2010: USD201,023,000) and USD228,124,000 (2010: USD102,607,000), respectively.

Estimated impairment on exploration and evaluation assets

In determining whether there is an impairment of the exploration and evaluation assets of the Martabe Project, it is required to assess whether there is any impairment indicator which indicates that there is impairment on its exploration and evaluation assets including (a) the period for which the Indonesian subsidiary has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed; (b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Indonesian subsidiary has decided to discontinue such activities in the specific area; (d) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale. As at 30 June 2011, the carrying amount of exploration and evaluation assets is USD1,942,000 (2010: USD517,000).

Provision for mine rehabilitation cost

Provision for mine rehabilitation cost has been estimated by the directors based on current regulatory requirements and the area affected in drilling and construction activities in the Martabe project area estimated by the management and is discounted to their present value. Significant changes in the regulatory requirements in relation to such costs will result in changes to the provision amounts from period to period. In addition, the expected timing of cash outflows of such mine rehabilitation cost is estimated based on the expected closure date of the Martabe Project and is subject to any significant changes to the production plan. As at 30 June 2011, the balance of provision for mine rehabilitation cost was USD2,628,000 (2010: USD1,390,000).

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their businesses and services and has four reportable operating segments as follows:

- mining business;
- provision of financial information services;
- securities trading; and
- trading of electronic goods and accessories.

(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 2011

	Provision of financial information services USD'000	Trading of electronic goods and accessories USD'000	Securities trading USD'000	Mining business USD'000	Total USD'000
Segment revenue	535	-	-	-	535
Segment result	(8)	(1)	(2,710)	(6,057)	(8,776)
Unallocated corporate expense					(12,999)
Unallocated income					348
Loss before taxation					(21,427)

For the year ended 30 June 2010 (Restated)

	Provision of financial information services USD'000	Trading of electronic goods and accessories USD'000	Securities trading USD'000	Mining business USD'000	Total USD'000
Segment revenue	549	198	-	-	747
Segment result	(9)	1	(22,489)	(9,562)	(32,059)
Unallocated corporate expense					(10,860)
Unallocated income					20
Loss on disposal of an available-for-sale investment					(2,398)
Loss before taxation					(45,297)

(b) Segment assets and liabilities

At 30 June 2011

	Provision of financial information services USD'000	Trading of electronic goods and accessories USD'000	Securities trading USD'000	Mining business USD'000	Total USD'000
ASSETS					
Segment assets	215	-	18,068	623,157	641,440
Unallocated corporate assets					821
Total assets					642,261
LIABILITIES					
Segment liabilities	228	-	-	51,158	51,386
Unallocated corporate liabilities					677
Total liabilities					52,063

At 30 June 2010 (Restated)

	Provision of financial information services USD'000	Trading of electronic goods and accessories USD'000	Securities trading USD'000	Mining business USD'000	Total USD'000
ASSETS					
Segment assets	221	-	22,018	594,617	616,856
Unallocated corporate assets					3,364
Total assets					620,220
LIABILITIES					
Segment liabilities	224	-	-	16,994	17,218
Unallocated corporate liabilities					908
Total liabilities					18,126

For the purposes of monitoring segment performances and allocating resources between segments, segment assets and liabilities represent assets and liabilities of the subsidiaries carrying out the respective segment activities.

(c) Other segments information

At 30 June 2011

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

At 30 June 2010 (Restated)

	Provision of financial information services USD'000	Trading of electronic goods and accessories USD'000	Securities trading USD'000	Mining business USD'000	Unallocated USD'000	Total USD'000
Amounts included in measure of segment profit or loss or segment assets:						
Additions to non-current assets (*Note*)	-	-	-	75,626	507	76,133
Depreciation	34	-	-	-	89	123
Loss on disposal of property, plant and equipment	-	-	-	-	2	2

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

(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 instrument	
	2011 **USD'000**	2010 USD'000 (Restated)
Hong Kong	**507**	742
Indonesia	**468,973**	304,735
	469,480	305,477

The Group's revenue arises from Hong Kong in both years.

(e) Information about major customers

In the current year, no revenue from an individual customer contributes over 10% of the total sales of the Group. The Group's revenue of 2010 arising from trading of electronic goods and accessories of USD198,000 which contributes 26% of the Group's total revenue, come from only one customer.

5. LOSS BEFORE TAXATION

	2011 USD'000	2010 USD'000 (Restated)
Loss before taxation has been arrived at after charging/(crediting):		
Staff costs		
– Directors' emoluments	**12,206**	11,507
– Other staff costs	**1,557**	1,861
– Contributions to retirement benefits schemes, excluding directors	**46**	38
– Share-based payment expenses, excluding directors	**700**	1,714
Total staff costs	**14,509**	15,120
Auditors' remuneration	**175**	190
Depreciation of property, plant and equipment	**240**	123
Cost of inventories recognised as expense	**-**	194
Operating lease payments in respect of office premises and warehouse	**562**	344
Loss on disposal of property, plant and equipment	**11**	2
Exchange loss/(gain), net	**139**	(539)
Interest income	**(1,673)**	(12)

6. TAXATION

	2011 USD'000	2010 USD'000
Current tax		
Hong Kong	**-**	-
Indonesia	**-**	-
Deferred tax	**(22)**	-
Taxation for the year	**(22)**	-

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

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

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

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

	2011	2010
	USD'000	USD'000
		(Restated)
Loss before taxation	**(21,427)**	(45,297)
Tax at Hong Kong Profits Tax rate of 16.5%	**(3,535)**	(7,474)
Tax effect of expenses not deductible for tax purpose	**1,815**	2,351
Tax effect of income not taxable for tax purpose	**(32)**	(50)
Tax effect of tax losses not recognised	**1,760**	5,190
Utilisation of tax loss previously not recognised	**(3)**	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(27)**	(17)
Taxation for the year	**(22)**	-

7. LOSS PER SHARE

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

	2011	2010
	USD'000	USD'000
		(Restated)
Loss for the year attributable to owners of the Company, for the purposes of basic and diluted loss per share	**(21,405)**	(45,297)

	Number of shares	
	2011	2010
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**14,066,831,950**	13,993,839,799

The computation of diluted loss per share for the year ended 30 June 2011 and 2010 does not include adjustments for the Company's outstanding share options as these options have anti-dilutive effect.

8. PROPERTY, PLANT AND EQUIPMENT

	Buildings USD'000	Plant and equipments USD'000	Mine property & development assets USD'000	Construction in progress USD'000	Leasehold improvements USD'000	Furniture, fixtures & equipment USD'000	Motor vehicles USD'000	Total USD'000
COST								
At 1 July 2009 (Restated)	-	-	-	-	50	799	239	1,088
Exchange realignments	-	-	(406)	-	-	(4)	(1)	(411)
Additions	-	-	14,249	60,860	280	227	-	75,616
Arising from acquisition of assets through acquisition of subsidiaries	390	107	187,180	41,747	-	239	-	229,663
Disposals	-	-	-	-	-	(3)	-	(3)
At 30 June 2010 and 1 July 2010 (Restated)	390	107	201,023	102,607	330	1,258	238	305,953
Exchange realignments	-	-	24	-	-	1	-	25
Additions	-	-	37,414	125,517	264	200	-	163,395
Disposals	-	-	-	-	(330)	(712)	-	(1,042)
At 30 June 2011	390	107	238,461	228,124	264	747	238	468,331

	Buildings	Plant and equipments	Mine property & development assets	Construction in progress	Leasehold improvements	Furniture, fixtures & equipment	Motor vehicles	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
ACCUMULATED DEPRECIATION								
At 1 July 2009 (Restated)	-	-	-	-	50	600	74	724
Exchange realignments	-	-	-	-	-	(2)	-	(2)
Provided for the year	45	29	-	-	13	137	48	272
Eliminated on disposals	-	-	-	-	-	(1)	-	(1)
At 30 June 2010 and 1 July 2010 (Restated)	45	29	-	-	63	734	122	993
Exchange realignments	-	-	-	-	-	-	-	-
Provided for the year	41	28	-	-	104	160	48	381
Eliminated on disposals	-	-	-	-	(77)	(504)	-	(581)
At 30 June 2011	86	57	-	-	90	390	170	793
CARRYING VALUES								
At 30 June 2011	304	50	238,461	228,124	174	357	68	467,538
At 30 June 2010 (Restated)	345	78	201,023	102,607	267	524	116	304,960

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

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

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

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

Note: Depreciation expense of USD141,000 (2010: USD149,000) incurred during the year ended 30 June 2011 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. EXPLORATION AND EVALUATION ASSETS

	USD'000
At 1 July 2009 (Restated)	-
Additions	517
At 30 June 2010 and 1 July 2010 (Restated)	517
Additions	1,425
At 30 June 2011	1,942

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

10. AVAILABLE-FOR-SALE INVESTMENTS

	2011	2010
	USD'000	USD'000
		(Restated)
Listed debt securities, at fair value		
Senior Note Due 2015	**9,329**	11,985

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

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

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

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

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

Period	Redemption Price
2013	105.8750%
2014 and thereafter	102.9375%

The Senior Notes Due 2015 were initially measured at fair value. 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 2011, a decrease in fair value of USD558,000 (2010: an increase of USD46,000) was recognised in the investment revaluation reserves.

During the year ended 30 June 2011, the Group has disposed of 2,000,000 units of the Senior Notes Due 2015 and a realised gain of USD84,000 is recognised.

In the absence of quoted market price in an active market, the fair value of the Senior Notes Due 2015 as at 30 June 2011 and 2010 are determined using the Hull-White term structure model with the following assumptions:

	2011	2010
Discount rate:	14.80%	12.52%
Time to maturity:	3.88 years	4.964 years
Mean Reverting rate:	0.03008	0.02289
Volatility:	0.01143	0.00720

11. TRADE AND OTHER RECEIVABLES

	2011 USD'000	2010 USD'000 (Restated)
Trade receivables (*Note a*)	**13**	17
Other receivables (*Note b*)	**24,521**	13,108
	24,534	13,125
Less: Other receivable classified as non-current assets *(Note b)*	**(21,889)**	-
Trade and other receivables classified as current assets *(Note b)*	**2,645**	13,125

Notes:

(a) The Group normally allows an average credit period of 60 days to its trade customers from provision of financial information services. The following is an ageing analysis of trade receivables at the end of the reporting periods which is determinated based on the invoice date:

	2011 USD'000	2010 USD'000 (Restated)
0-60 days	**13**	17
61-90 days	**-**	-
Over 90 days	**-**	-
	13	17

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

At the end of the reporting periods, the directors considered the trade receivables which were neither past due nor impaired were of good credit quality.

(b) As at 30 June 2011, included in other receivables is an amount of USD21,889,000 value added tax ("VAT') paid by an Indonesian subsidiary of the Group in connection with its purchase of equipments and services from suppliers in relation to the construction of the mining site were classified as non-current portion in view of the prolonged refund process (2010: USD10,538,000 classified as other receivable (current portion)). The Indonesian subsidiary is in the process of obtaining the approval from the relevant Indonesian tax authority for refund of such VAT paid.

(c) At the end of the reporting periods, the impairment of the Group's receivables was assessed on an individual basis based on the credit history of the debtors, such as financial difficulties or default in payments, and current market condition. No allowance for bad and doubtful debts are recognised at the end of the reporting periods.

12. HELD FOR TRADING INVESTMENTS

	2011	2010
	USD'000	USD'000
		(Restated)
Equity securities listed in Hong Kong, at fair value	**3,199**	10,033

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

13. TRADE AND OTHER PAYABLES

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

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

Included in other payables is an amount of USD46,520,000 (2010: USD14,722,000) relating to payables by an Indonesian subsidiary of the Group to its consultants and contractors in connection with the construction of the mining site of the Martabe Project.

14. CAPITAL COMMITMENTS

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

	2011	2010
	USD'000	USD'000
		(Restated)
Capital expenditure contracted for but not provided for in the consolidated financial statements in respect of acquisition of property, plant and equipment	**145,578**	46,978
Capital expenditure authorised but not contracted for in respect of acquisition of property, plant and equipment	**143,403**	283,483

15. PLEDGE OF ASSETS

As at 30 June 2010, a fixed charge on the entire share interest of Agincourt Resources (Singapore) Pte Limited and a floating charge over all the assets of G-Resources Martabe Pty Limited, both being wholly-owned subsidiary of the Company, were granted to an independent third party to secure its contractual obligations to pay royalty to this independent third party. On 11 March 2011, the Company and its subsidiaries have entered into a deed of release and a deed of indemnity with the third parties, and accordingly the charges were released.

DIVIDENDS

The Board has resolved not to declare any final dividend for the year ended 30 June 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

Key Financial Information

	2011	2010
	USD'000	USD'000
Financial Position		
Current Asset		
Bank balances and cash	**135,627**	279,508
Others	**5,936**	23,250
Non-current Assets	**500,698**	317,462
Total Assets	**642,261**	620,220
Total Debts	**-**	-
Other liabilities	**(52,063)**	(18,126)
Net Assets	**590,198**	602,094
Income Statement		
Turnover	**535**	747
Gross profit	**155**	128
EBITDA	**(21,187)**	(45,174)
Loss before taxation	**(21,427)**	(45,297)
Taxation	**22**	-
Loss for the year	**(21,405)**	(45,297)

Business Review

During the year under review, the Group has made significant progress towards developing the Martabe Gold and Silver mine situate in Indonesia. The Company invested a total of approximately USD163 million in exploration and development activities during the year ended 30 June 2011. The same is summarised in the following key categories:

	Mine Property& Development*	Regional Exploration & Evaluation	Construction in Progress
	USD'000	USD'000	USD'000
Land holding fee	267	-	235
Assets and equipment	444	19	65,825
Earthworks & access	5,186	-	47,099
Drilling & assays expense	5,146	3	585
Consultancy and advisory	1,536	118	3,809
Staff cost	12,210	928	1,365
Transportation cost	485	2	1,539
Others	10,902	355	5,060
Sub-total	36,176	1,425	125,517
Total			**163,118**

** includes costs incurred on near mine exploration and evaluation.*

Results

The Martabe Project of the Company is still under construction and is not generating any revenue for the Company. For the year ended 30 June 2011, the Group's turnover amounted to approximately USD0.5 million, which was mainly generated from the financial information services (WINFCS) for the year under review (2010: USD0.7 million).

Loss attributable to owners of the Company from the operations for the current year was approximately USD21.4 million, compared to a loss of approximately USD45.3 million in the corresponding year of 2010, representing a decrease of 53%. The reduction in loss was mainly due to (i) the relatively stable performance of the Group's investment portfolio which recorded a loss of USD4.1 million as a result of fair value changes of held for trading investment in the current year as compared with a loss of approximately USD22.2 million recorded for the year ended 30 June 2010; (ii) the Group has effectively reduced its administrative expense by approximately USD2.1 million from USD21.4 million for 2010 to USD19.3 million for the year under review; and (iii) increase in interest income of USD1.6 million generated from the available for sale investment.

Net Asset Value

As at 30 June 2011, the Group's total net asset amounted to approximately USD590 million, represented a decrease of USD12 million as compared to approximately USD602 million as at 30 June 2010. The decrease in net assets was attributable to the general running cost of the Group during the non-revenue generating construction period of its mine operation.

Liquidity and Financial Resources

The Group recorded a net cash outflow of approximately USD144 million during the year ended 30 June 2011 of which approximately USD131 million was applied in the capital expenditure of the mine operation. As at 30 June 2011, cash and bank balances of the Group amounted to approximately USD136 million (2010: approximately USD280 million). Bank deposit of approximately USD92,000 was pledged to a bank to secure the cutting tree permit granted to a subsidiary of the Group as at 30 June 2011 (2010: USD92,000).

As at 30 June 2010, a fixed charge on the entire share interest of Agincourt Resources (Singapore) Pte Limited and a floating charge over all the assets of G-Resources Martabe Pty Limited, both being wholly-owned subsidiary of the Company, were granted to an independent third party to secure certain contractual obligations of PT Agincourt Resources to pay royalty to this independent third party. The charges were released during the year upon entering into a deed of release and a deed of indemnity with third parties.

The Group's gearing ratio, expressed as the percentage of the Group's total borrowings over shareholders' equity, was nil at 30 June 2011(2010: nil) as the Group did not have any borrowings as at 30 June 2011 and 2010.

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 exposes to foreign currency risk that are denominated in AUD and IDR. The Group currently does not have hedging policy against AUD and IDR. However, management monitors the Group's foreign currency exposure and will consider hedging significant foreign exchange rate exposure should the need arise.

Business Outlook

With gold prices hitting unprecedented highs, we at G-Resources are working steadily and diligently to complete our mine and begin gold production.

Looking beyond Martabe, we are maintaining our strategy of growing G-Resources into a leading Asia-Pacific gold company. Although we are currently focused on Martabe as our core starter asset, we have and will continue to evaluate potential new opportunities in the region according to our strict quality criteria. We are committed to optimising the Martabe asset and developing a pipeline of projects of similar quality that will enable us to be producing one million ounces of gold per annum within five years.

Human Resources
As at 30 June 2011, the Group had 28 employees in Hong Kong, 289 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.

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 2011. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's securities during the year.

COMPLIANCE WITH THE MODEL CODE OF THE LISTING RULES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code during the year ended 30 June 2011, and they all confirmed that they had fully complied with the required standard set out in the Model Code.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES OF THE LISTING RULES

Throughout the year ended 30 June 2011, the Company has applied the principles of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules and complied with all the applicable code provisions of the Code, except that the existing non-executive directors and independent non-executive directors of the Company were not appointed for a specific term as required under the Code Provision A.4.1 but are subject to retirement by rotation and re-election at each annual general meeting in accordance with the Bye-laws of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company has good corporate governance practices.

AUDIT COMMITTEE

As at the date of this announcement, the audit committee of the Company comprises of Mr. Or Ching Fai, Ms. Ma Yin Fan and Mr. Leung Hoi Ying. All of them are independent non-executive directors. The audited consolidated financial statements of the Group for the year ended 30 June 2011 have been reviewed by the audit committee.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my appreciation to the continuous support of our shareholders and dedication of all our staff over the past year.

By Order of the Board
G-Resources Group Limited
Chiu Tao
Chairman

Hong Kong, 29 September 2011

As at the date of this announcement, the Board comprises (i) Mr. Chiu Tao, Mr. Owen L Hegarty, Mr. Peter Geoffrey Albert, Mr. Ma Xiao, Mr. Wah Wang Kei, Jackie, Mr. Hui Richard Rui and Mr. Kwan Kam Hung, Jimmy as executive directors of the Company; (ii) Mr. Tsui Ching Hung as non-executive director of the Company; and (iii) Mr. Or Ching Fai, Ms. Ma Yin Fan and Mr. Leung Hoi Ying as independent non-executive directors of the Company.

* *For identification purpose only*