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TIDM PGL
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 29 November 2011

Peninsular Gold Limited
(the "Company" or "Peninsular") (AIM: PGL)

FINAL RESULTS FOR THE YEAR ENDED 30TH JUNE 2011
and
NOTICE OF ANNUAL GENERAL MEETING

Peninsular Gold Limited, the gold production and exploration group focused in Malaysia, today releases its Final Results for the year ended 30th June 2011.

Financial

- Profit after tax (PAT) for the Group of £657,283 (2010: £237,812)
- Earnings per share 0.83p (2010: 0.41p)
- EBITDA for the year of £4,120,924 (2010: £3,167,500)
- £14.20m revenue (2010: £10.07m) from unhedged gold sales

Operations

- 16,469 ounces of gold produced during the year
- Estimated 1.23 million tonnes of tailings processed
- Average grade processed of 0.6g/t
- Expanded 2mtpa CIL circuit is being commissioned

Post Period

- Additional Indicated tailings resource defined of 21,800 ounces from 910,000 tonnes of tailings averaging 0.745g/t
- 3,695 ounces of gold produced post for the quarter July to Sept 2011

NOTICE OF ANNUAL GENERAL MEETING

Peninsular announces that it has on 28th November 2011 posted to shareholders notice of the Annual General Meeting ('AGM') to be held at First Island House, Peter Street, St Helier, Jersey on 22nd December 2011 at 9:30 a.m. A copy of the notice of AGM will be made available on the Company's website.

Enquiries:

Dato' Sri Andrew TY Kam Chairman and Chief Executive Peninsular Gold Limited Tel: +60 (0)3 2698 8381	Patrick Watson Finance Director Peninsular Gold Ltd. Tel: +44 (0)7799 885653
Samantha Harrison / Jen Boorer Nominated Advisor Ambrian Partners Limited Tel: +44 (0)20 7634 4700	Colin Rowbury Broker Daniel Stewart & Co. Ltd. Tel: +44 (0)20 7776 6936
Simon Robinson Farm Street Communications Tel: +44 (0) 7593 340107	

CHAIRMAN'S STATEMENT**Dear Shareholders,**

It is once again my pleasure to write to all Peninsular Gold shareholders and report on the progress made across all fronts of the business over the past year.

For the year to 30 June 2011, on the production side, in spite of some operational constraints such as the weather and the need to prepare the next tailings area, gold production was nevertheless up 10% to 16,469 troy ounces (2010: 14,934 troy ounces).

Our expansion plans for the Raub plant are progressing and commissioning of the expanded CIL circuit commenced during Q3 and is ongoing. Completion of this element of the overall plant expansion project and commencement of commissioning of the new crushing and milling circuit currently remains scheduled for Q1 2012.

Also at Raub we were recently pleased to announce an additional 910,000 tonnes of Indicated tailings resource, grading at 0.745g/t for 21,800 ounces of gold. This increased the Indicated tailings resource to 1.6m tonnes containing 37,200 ounces of gold at an average of 0.74g/t.

Exploration of the Raub and northern licence areas has continued during the year with some encouraging results to date. A JORC compliant independent resource update for Tersang is currently being estimated and is now expected to be reported in Q1 2012, following completion of some additional topographical

survey work. The Raub resource update is expected towards the end of Q1 2012.

Financial Year to 30 June, 2011

The profit after tax for the year to 30th June, 2011 was £657,283 (2010: £237,812). This improvement in profit comes from our increase in production and the higher gold price over the year. EBITDA for the year was £4,120,924 (2010: £3,167,500).

Operations

Production from the Raub CIL plant, processing the historic Raub tailings, yielded 16,469 ounces of gold over the year from the processing of an estimated 1,233,095 tonnes of tailings. Recovery over the year was about 70.3% with an average reported head grade of approximately 0.6g/t. Operational flexibility was limited by the need to focus mining activities on preparations for the second tailings storage facility ("TSF") and heavy rainfall which were reflected in the slightly lower grade that was processed over the year (2010: 0.7g/t).

Following the end of the financial year, production for the quarter to 30 September 2011 was 3,695 ozs from an estimated 348,746 tonnes of tailings. This reflects the impact of additional shut down time required for ongoing modification works to the feed and slurry areas. Mining activities were also moved during the quarter into an adjacent tailings pond. The second TSF is now complete and operating. The new mining area is also targeted to be the third TSF which will require mining, geotechnical assessment and modelling, earth and civil works.

Plant Upgrade

The 2m tonnes per annum CIL circuit commenced commissioning during Q3 2011. Modifications are being made to the feed area and slurry section of the plant. Once complete, during Q1 2012, these modifications will also enable the CIL plant to take up its full capacity of 2mtpa from the existing tailings. These modifications alone are expected to give a step change in gold production, as the Company will be able to fully utilise the enlarged CIL circuit prior to the completion and commissioning of the new crushing and milling circuit.

The new crushing and milling circuit for the in-situ material is currently expected to commence commissioning in Q1 2012. Engineering and modification options are being investigated for the crushing and milling plant design for treating the in-situ material. These options are being considered to increase the overall feed mix flexibility of the plant.

Reserve and Resource Inventory

The estimated current reserve and resource inventory of Peninsular Gold is summarised in the following table:

Project Area	JORC Classification	Project	Tonnes	Grade (g/t Au)	Contained Troy Ounces
RAUB	Measured Resource	East Lode	1,338,000	1.43	62,000
RAUB	Indicated Resource	East Lode	1,666,000	1.38	74,000
RAUB	Measured + Indicated	East Lode	3,004,000	1.40	136,000
RAUB	Inferred Resource	East Lode	1,883,000	1.40	82,000
RAUB	Measured, Indicated and Inferred Resources	Total East Lode	4,887,000	1.39	218,000
RAUB*	Proven Reserves	Tailings	8,600,000	0.73	202,000
RAUB	Indicated Resource	Tailings	1,600,000	0.74	37,200
TERSANG	Inferred (non-JORC)	Tersang	18,900,000	0.87	528,000

Notes:

* Stated as at February 2009 prior to production commencing. Total production to the end of September 2011 was 40,521 troy ounces.

Values have been rounded to two or three significant figures to reflect the relative estimation precision of each resource classification. This rounding has also been applied to summations of raw values.

The information related to the current reserve and resource inventory presented in the above table has all been previously announced to the market. The relevant competent persons for the different projects are as follows:

1. The Raub (East Lode) project resources were compiled by Kevin Lowe, who is a member of the Australasian Institute Of Mining and Metallurgy and a full-time employee of Snowden Mining Industry Consultants, in accordance with the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves known as the JORC Code (JORC, 2004).
2. The Raub (Tailings) project was compiled by Bryan (Mort) Cowan, who is a member of the Australasian Institute of Mining and Metallurgy, in accordance with the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves known as the JORC Code (JORC, 2004).
3. The Tersang project resources were reported on by ACA Howe, as the competent person, in Peninsular Gold Ltd.'s Admission document and are not compliant with the JORC Code.

Exploration

Exploration has pushed ahead in several of our key project areas. At Raub a combined reverse circulation (RC) and diamond drilling (DD) programme, comprising of 24 RC holes and 13 diamond holes, has been completed and we are awaiting the final two DD holes assay results. The DD programme at Raub targeted the deeper (250m to 350m) lode structure that is beneath the more shallow oxidised and intermediate ore.

At Tersang 67 RC holes (for 5,046m) and 10 DD holes (for 1,098m) have been completed. This recent drilling confirmed the presence of mineralisation related to the main felsite and also a previously unknown and deeper mineralised intrusive to the west of the Tersang main hill. The Tersang assay data is currently being compiled and reviewed independently in order to define an updated, JORC compliant resource. This resource definition had previously been expected during Q4 2011, however it will now likely be available in Q1 2012 once some additional topographical survey work is completed.

Tenggelen, about 6km NNE of Tersang, was also opened up for exploration and an initial programme of 28 RC holes (for 2,041m) was completed. The exploration and drilling at Tenggelen has identified a 400m long mineralised zone that is open to the East. The Tenggelen area is blanketed by a zone of colluvium which is currently being Banka drilled. Further exploration and drilling is expected next year once all the current data set has been fully reviewed.

Exploration work at the Chunchock veins, about 2km south of Tersang, was also commenced during the year and yielded some very encouraging (up to 14.70g/t) sample results from exploration trenches and rock outcrops.

As recently announced, regional exploration at Kekabu has identified a mineralised area about 2km NNE of Tersang and we are currently awaiting assay returns for the ridge and spur samples taken in the area.

Corporate Social Responsibility

In keeping with our role as a growing local business, we have increased our investment and activities in building and developing our links with the local communities, schools, businesses and relevant authorities.

Open house celebrations were held for Diwali, Chinese New Year and the Hari Raya celebrations which marked the end of Ramadan. These events were heavily supported and attended with over 20,000 attendees reported at the Chinese New Year Event which was also graced by His Royal Highness the Sultan of Pahang, Sultan Haji Ahmad Shah.

In addition there have also been a number of educational school visits to the mine, sporting events and donations to support local charities and underprivileged school children.

As the Company continues to develop and our operations grow, we aim to build further on our responsibilities as a good corporate citizen.

Strategy and Outlook

At Raub we remain focused on increasing both our gold production and reserve/resource inventory and look forward to a step increase in gold production during the current financial year as first the increased CIL circuit capacity and then the new crushing and milling circuit comes on line.

In the northern licence areas (NLA), which currently include the Tersang, Tenggelan, Kekabu and Chunchok identified deposits and areas of mineralisation, we are encouraged by their potential to add significantly to our gold resources. As our gold inventory in the NLA increases, we will look to complete a scoping study to establish the feasibility of building an additional gold plant for the NLA to increase our gold production yet further.

We currently intend to remain an unhedged gold producer as we retain our positive view of the gold price over the coming year.

The commitment and professionalism of our staff across all parts of the business has been excellent over the year and I would once again like to take this opportunity to thank them all for their loyalty and hard work.

Dato' Sri Andrew Tai Yeow Kam JP
Chairman and Chief Executive

Report of the Directors For the Year Ended 30th June 2011

The directors' present their report and the audited financial statements for the year ended 30th June 2011.

Principal Activities

The principal activities of the Company and its subsidiaries during the year were the exploration and development of gold deposits and the production of gold ore bars in the state of Pahang in Peninsular Malaysia. These activities are performed via the Company's two wholly owned subsidiaries, Raub Australian Gold Mining Sdn. Bhd. ("RAGM") and S.E.R.E.M. Malaysia Sdn. Bhd. ("SEREM").

A detailed review of the Group's operations is included in the Chairman's Review.

Results and Dividends

The Group made a profit after tax of £657,283 (2010: £237,812). The directors do not recommend the payment of a dividend.

Directors

The names of the directors who held office during the year and to date were:

Dato' Sri Andrew Tai Yeow Kam JP
Dato' Mohamed Moiz Bin JM Ali Moiz
Dr. Yves Fernand Marcel Cheze
Mr. Timothy Patrick Watson

Directors' Biographies

Dato' Sri Andrew Tai Yeow Kam JP
Chairman and Chief Executive

Dato' Sri Andrew Tai Yeow Kam (age 49) is a British educated, Malaysian citizen with a law degree from the University of Buckingham. He is an advocate and solicitor of the High Court of Malaya having been admitted to the Malaysian Bar in 1988. His business and entrepreneurial experience, in addition to his long involvement in gold mining, has included the development and completion of a large township, development of an orchard project, and the successful management, over many years, of a major palm oil mill and plantation.

Dato' Mohamed Moiz Bin JM Ali Moiz
Non Executive Director

Dato' Mohamed Moiz Bin JM Ali Moiz (age 51), is a Malaysian citizen. He has a degree in Business Administration and International Finance, graduating in 1985. He worked for Timbco Sdn. Bhd., a company involved in timber trading, processing and forestry management as a Project Manager from 1985 to 1986. In 1987 he was appointed CEO of the Tradium Group of companies, which have interests in property development, fashion retailing, manufacturing, food and beverage and equity investments. In 1999, he was appointed Chief Executive Officer of Effective Capital Sdn. Bhd., a company which successfully undertook the migration of the central limit order book of securities traded in an over the counter market in Singapore, from the Central Depository (Pte) Ltd to the Kuala Lumpur Stock Exchange in June 2000. Currently, he is the non-independent non-executive chairman of Bandar Raya Developments Berhad, a company listed on the Malaysian Securities Exchange. He also sits on the Boards of Mico Chipboard Berhad and several other private companies.

Dr. Yves Fernand Marcel Cheze (Ph.D, B.Sc. and M.Sc.)
Non Executive Director

Dr. Yves Cheze (age 61), a French citizen, studied geology at the University of Clermont-Ferrand and has over 30 years' worldwide experience in most aspects of mineral exploration. Most of his experience has been gained in Western and Eastern Africa, South-East Asia (including Irian Jaya, Indonesia and over ten years in Malaysia), Papua New Guinea and both North and South America. Whilst with the French company BRGM, he was responsible for large international exploration projects that led to the discovery of major gold deposits, including the Ariab Gold Belt in Sudan; he was also Project Manager for feasibility study of a 50 million Euro programme in Papua New Guinea, for the European Commission. Dr. Cheze resigned from BRGM in 2001 and subsequently set up his own geological consulting company in Malaysia where he now lives.

Timothy Patrick Watson (BSc.(Hons.), A.R.S.M., A.C.A.)
Finance Director

Mr. Watson (age 48) is a British citizen who started his career working with the Anglo American Corporation of South Africa before attending the Royal School of Mines at Imperial College to read mining engineering. He graduated in 1985 and returned to Anglo in South Africa, to work in the gold division before later changing career to become a Chartered Accountant with KPMG in the UK. His mining career focused on deep level gold mining operations covering both production and development.

As a Chartered Accountant he has over sixteen years' experience in financial and business management in senior roles with KPMG, Nationwide Building Society, PricewaterhouseCoopers and LogicaCMG where he headed their UK Consultancy business. His experience crosses a range of industries, principally focused on advising finance and business executives in the area of financial and cost management. He knows Malaysia and South East Asia well, having previously lived there for many years.

Directors' Emoluments

Details of the emoluments are included in Note 21 of the Financial Statements.

Directors and Directors' Interests

The directors and their families have the following interests in the shares of the Company:

	1 st July 2010 Ordinary Shares of £Nil par value	30 th June 2011 Ordinary Shares of £Nil par value
Dato' Sri Andrew Tai Yeow Kam	-	-
Dato' Mohamed Moiz Bin JM Ali Moiz	4,500,000	4,500,000
Dr. Yves Fernand Marcel Cheze	50,000	50,000
Mr. Timothy Patrick Watson	-	-

Indirect Interests

Dato' Sri Andrew Tai Yeow Kam ¹	21,638,869	21,638,869
Dato' Mohamed Moiz Bin JM Ali Moiz	-	-
Dr. Yves Fernand Marcel Cheze	-	-
Mr. Timothy Patrick Watson	-	-

¹ Dato' Sri Andrew Tai Yeow Kam's indirect interest in Peninsular Gold Limited is via his ownership of 99.9% of the shares of Akay Holdings Sdn. Bhd. and 70% of the shares of Akay Venture Sdn. Bhd. which owned 15.12% and 14.60% (2010: 19.48% and 18.81%) of Peninsular Gold Limited respectively at 30th June 2011.

At 18th November 2011, the Company was aware of the following holdings of more than 3% of the issued share capital of the Company:

	<u>Number of shares</u>	<u>%</u>
Akay Holdings Sdn. Bhd.	12,919,840	15.1
Akay Venture Sdn. Bhd.	12,474,213	14.6
Baker Steel Capital Managers LLP	8,500,000	9.9
Dato' Mohamed Moiz Bin JM Ali Moiz	4,500,000	5.3
Somercourt Investments Limited	4,000,000	4.7
Phoenix Gold Fund	3,450,000	4.0
Granite Peak Ltd.	2,920,500	3.4
Raub Oil Mill Sdn. Bhd.	2,565,000	3.0

Events after the Reporting Period

There have been no events since the reporting date that would have a significant impact on the business.

The Company is not resident in the United Kingdom and is, therefore, not a close company within the meaning of the United Kingdom Income and Corporation Taxes Act 1988.

By order of the Board on 28th November 2011

T. P. WATSON

Finance Director

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Jersey Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable law. Under company law, the directors must prepare financial statements that give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company and Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS as adopted by the European Union; and
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Independent Auditors' Report to the Members of Peninsular Gold Limited

We have audited the Group and Parent Company financial statements ("the financial statements") of Peninsular Gold Limited for the year ended 30th June 2011 which comprise the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Comprehensive Income, the Consolidated and Company Statement of Changes in Equity, the Consolidated and Company Statement of Cash Flows, and related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs), as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Article 113A of Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's and Company's affairs as at 30th June 2011 and of the Group's profit and the Company's loss for the year then ended; and
- have been properly prepared in accordance with the Companies (Jersey) Law 1991.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Michael Simms

For and on behalf of Moore Stephens LLP
Registered Auditors
Chartered Accountants
150 Aldersgate Street
London
EC1A 4AB

Dated: 28th November 2011

Consolidated Statement of Financial Position at 30th June 2011

(Expressed in United Kingdom Sterling)

	<u>Note</u>	<u>30th June 2011</u>	<u>30th June 2010</u>
		£	£
Non-Current Assets			
Property, plant and equipment	4	35,653,823	21,635,246
Other intangible assets	5	15,850,582	16,557,712
Mining development expenditure	6	7,512,550	4,380,249
Total Non-Current Assets		<u>59,016,955</u>	<u>42,573,207</u>
Current Assets			
Inventories	7	1,169,188	890,887
Other receivables	8	1,735,323	1,112,734
Short-term investments	9	97,860	92,063
Cash and cash equivalents	9	741,761	1,118,530
Total Current Assets		<u>3,744,132</u>	<u>3,214,214</u>
Current Liabilities			
Trade and other payables	10	(4,492,043)	(2,517,338)
Borrowings - current portion	11	(6,616,972)	(4,462,146)
Current tax liability		(38,519)	-
Total Current Liabilities		<u>(11,147,534)</u>	<u>(6,979,484)</u>
Net Current Liabilities		<u>(7,403,402)</u>	<u>(3,765,270)</u>
Total Assets Less Current Liabilities		<u>51,613,553</u>	<u>38,807,937</u>
Non-Current Liabilities			
Trade and other payables	10	(360,000)	(300,000)
Long-term borrowings	11	(16,311,762)	(13,435,645)
Total Non-Current Liabilities		<u>(16,671,762)</u>	<u>(13,735,645)</u>
Net Assets		<u>34,941,791</u>	<u>25,072,292</u>
Shareholders' Equity			
Share capital	12	-	-
Stated capital account	12	40,792,957	31,616,674
Reserves		(5,851,166)	(6,544,382)
Total Equity		<u>34,941,791</u>	<u>25,072,292</u>

The financial statements were approved and authorised for issue by the Board on 28th November 2011 and signed on its behalf by

T. P. WATSON
Finance Director

The accompanying notes form part of these financial statements

Company Statement of Financial Position at 30th June 2011

(Expressed in United Kingdom Sterling)

	Note	30 th June 2011 £	30 th June 2010 £
Non-Current Assets			
Property, plant and equipment	4	610	762
Investment in subsidiaries	3	19,191,506	19,241,431
Total Non-Current Assets		19,192,116	19,242,193
Current Assets			
Other receivables	8	16,252,658	7,764,654
Cash and cash equivalents	9	333,696	515,724
Total Current Assets		16,586,354	8,280,378
Current Liabilities			
Trade and other payables	10	(2,454,731)	(2,398,204)
Total Current Liabilities		(2,454,731)	(2,398,204)
Net Current Assets		14,131,623	5,882,174
Total Assets Less Current Liabilities		33,323,739	25,124,367
Non-Current Liabilities			
Trade and other payables	10	(360,000)	(300,000)
Long-term borrowings	11	(811,489)	(861,414)
Total Non-Current Liabilities		(1,171,489)	(1,161,414)
Net Assets		32,152,250	23,962,953
Shareholders' Equity			
Share capital	12	-	-
Stated capital account	12	40,792,957	31,616,674
Reserves		(8,640,707)	(7,653,721)
Total Equity		32,152,250	23,962,953

The financial statements were approved and authorised for issue by the Board on 28th November 2011 and signed on its behalf by

T. P. WATSON
Finance Director

The accompanying notes form part of these financial statements

**Consolidated Statement of Comprehensive Income
For the Year ended 30th June 2011**

(Expressed in United Kingdom Sterling)

	<u>Note</u>	<u>30th June 2011</u> £	<u>30th June 2010</u> £
Revenue	2(m)	14,198,344	10,073,283
Cost of sales		<u>(7,654,807)</u>	<u>(5,588,303)</u>
Gross Profit		6,543,537	4,484,980
Other operating expenses		(1,631,819)	(750,667)
Administrative expenses		<u>(2,864,569)</u>	<u>(2,763,776)</u>
Profit from Operations	14	2,047,149	970,537
Financial income	16	4,951	2,142
Finance costs	16	(1,228,361)	(1,554,479)
Other income / (expense) :			
(Loss) / gain on foreign exchange		(61,671)	212,070
Profit on disposal of fixed assets		26,077	572,159
Preference dividends		(60,000)	(71,200)
Other income		8,893	106,583
Profit before Taxation		<u>737,038</u>	<u>237,812</u>
Income tax expense	17	(79,755)	-
Profit for the Year		<u>657,283</u>	<u>237,812</u>
Other Comprehensive Income:			
Exchange difference arising on translation of foreign operations		35,933	345,864
Other Comprehensive Income for the Year, net of tax		<u>35,933</u>	<u>345,864</u>
Total Comprehensive Income for the Year		<u><u>693,216</u></u>	<u><u>583,676</u></u>
Attributable to:			
Equity shareholders of the parent	19	<u><u>657,283</u></u>	<u><u>237,812</u></u>
Basic earnings per share	19	<u><u>0.83p</u></u>	<u><u>0.41p</u></u>
Diluted earnings per share	19	<u><u>0.80p</u></u>	<u><u>0.38p</u></u>

**Consolidated Statement of Changes in Equity
For the Year ended 30th June 2011**

(Expressed in United Kingdom Sterling)

	Share capital £	Stated capital account £	Accumulated losses £	Capital reserve £	Translation reserve £	Total £
At 1st July 2009	-	25,561,661	(9,874,215)	456,303	2,289,854	18,433,603
Profit for the year	-	-	237,812	-	-	237,812
Other Comprehensive Income:						
Exchange difference arising on translation of foreign operations	-	-	-	-	345,864	345,864
Total Comprehensive Income for the Year	-	-	237,812	-	345,864	583,676
Issue of ordinary shares for cash (Note 12)	-	4,763,994	-	-	-	4,763,994
Conversion of convertible loan to ordinary shares (Note 12)	-	1,026,619	-	-	-	1,026,619
Conversion of preference shares to ordinary shares (Note 12)	-	264,400	-	-	-	264,400
At 30th June 2010	-	31,616,674	(9,636,403)	456,303	2,635,718	25,072,292
Profit for the year	-	-	657,283	-	-	657,283
Other Comprehensive Income:						
Exchange difference arising on translation of foreign operations	-	-	-	-	35,933	35,933
Total Comprehensive Income for the Year	-	-	657,283	-	35,933	693,216
Placing and subscription of new ordinary shares (Note 12)	-	9,176,283	-	-	-	9,176,283
At 30th June 2011	-	40,792,957	(8,979,120)	456,303	2,671,651	34,941,791

**Company Statement of Comprehensive Income
For the Year ended 30th June 2011**

(Expressed in United Kingdom Sterling)

	Note	30 th June 2011 £	30 th June 2010 £
Administrative expenses		(926,626)	(800,882)
Loss from Operations	14	(926,626)	(800,882)
Financial income	16	1,840	260
Finance costs	16	(1,826)	(288,218)
Other income / (expense) :			
Loss on foreign exchange		(374)	(305,281)
Preference dividends		(60,000)	(71,200)
Other income		-	5,533
Loss before Taxation		(986,986)	(1,459,788)
Income tax expense	17	-	-
Loss and Total Comprehensive Income for the Year		(986,986)	(1,459,788)

**Company Statement of Changes in Equity
For the Year ended 30th June 2011**

(Expressed in United Kingdom Sterling)

	Share capital £	Stated capital account £	Accumulated losses £	Capital reserve £	Total £
At 1st July 2009	-	25,561,661	(6,650,236)	456,303	19,367,728
Loss and Total Comprehensive Income	-	-	(1,459,788)	-	(1,459,788)

for the Year

Issue of ordinary shares for cash (Note 12)	-	4,763,994	-	-	4,763,994
Conversion of convertible loan to ordinary shares (Note 12)	-	1,026,619	-	-	1,026,619
Conversion of preference shares to ordinary shares (Note 12)	-	264,400	-	-	264,400
At 30th June 2010	-	31,616,674	(8,110,024)	456,303	23,962,953
Loss and Total Comprehensive Income for the Year	-	-	(986,986)	-	(986,986)
Placing and subscription of new ordinary shares (Note 12)	-	9,176,283	-	-	9,176,283
At 30th June 2011	-	40,792,957	(9,097,010)	456,303	32,152,250

**Consolidated Statement of Cash Flows
For the Year ended 30th June 2011**

(Expressed in United Kingdom Sterling)

	Note	30 th June 2011 £	30 th June 2010 £
Operating Activities			
Profit before taxation		737,038	237,812
Adjustments for:			
Depreciation of property, plant and equipment	4	1,397,085	896,452
Profit on disposal of fixed assets		(26,078)	(572,159)
Amortisation of mining development expenditure	6	318,350	222,139
Amortisation of other intangible assets	5	707,130	525,298
Interest income	16	(4,951)	(2,142)
Preference dividend		60,000	71,200
Loss/(gain) on foreign exchange		61,671	(212,070)
Finance costs	16	1,228,361	1,554,479
Cash inflow before working capital changes		4,478,606	2,721,009
Taxation paid		(41,235)	-
Changes in working capital:			
Increase in other receivables		(622,589)	(97,814)
Increase in inventories		(278,301)	(345,513)
Increase/(decrease) in trade and other payables		2,025,063	(621,830)
Cash inflow from operating activities		5,561,544	1,655,852
Investing Activities			
Purchase of property, plant and equipment	4	(15,237,082)	(8,696,834)
Interest received		4,951	2,142
Proceeds from disposal of fixed assets		28,665	572,168
Mining development expenditure	6	(3,414,121)	(232,154)
Placement of fixed deposit	9	(5,797)	(63,742)
Cash outflow from investing activities		(18,623,284)	(8,418,420)
Financing Activities			
Proceeds from issue of ordinary shares	12	9,176,283	4,763,994
Proceeds from convertible loan		-	1,001,581
Increase in bank loans	11	7,749,501	5,687,249
Repayment of hire purchase obligations		(61,053)	(25,966)
Repayment of bank loans		(2,702,240)	(2,211,397)
Finance costs paid		(1,083,878)	(1,397,001)
Cash inflow from financing activities		13,078,613	7,818,460
Net increase in cash and cash equivalents		16,773	1,055,892
Foreign exchange translation reverse		(393,542)	(228,119)
Cash and cash equivalents at beginning of year		1,118,530	290,757
Cash and cash equivalents at end of year	9	741,761	1,118,530

**Company Statement of Cash Flows
For the Year ended 30th June 2011**

(Expressed in United Kingdom Sterling)

	Note	30 th June 2011 £	30 th June 2010 £
Operating Activities			
Loss before taxation		(986,986)	(1,459,788)
Adjustments for:			
Depreciation of property, plant and equipment	4	152	152
Interest income	16	(1,840)	(260)
Preference dividends		60,000	71,200
Finance costs	16	1,826	288,218
Loss on foreign exchange		-	305,281
Corporate guarantee issued to financial institution for bank facility to subsidiary (net of amortisation)		-	44,832

Cash outflow before working capital changes	(926,848)	(750,365)
Changes in working capital		
Increase in other receivables	(8,488,004)	(4,206,087)
Increase/(decrease) in trade and other payables	56,527	(220,474)
Cash outflow from operating activities	(9,358,325)	(5,176,926)
Investing Activities		
Interest received	1,840	260
Cash inflow from investing activities	1,840	260
Financing Activities		
Proceeds from issue of ordinary shares	12 9,176,283	4,763,992
Proceeds from convertible loan	-	1,001,581
Finance costs paid	(1,826)	(263,178)
Cash inflow from financing activities	9,174,457	5,502,395
Net (decrease)/increase in cash and cash equivalents	(182,028)	325,729
Cash and cash equivalents at beginning of year	515,724	189,995
Cash and cash equivalents at end of year	9 333,696	515,724

Notes to the Financial Statements for the Year ended 30th June 2011

1. Group and Company Information

Peninsular Gold Limited is a limited liability Company, incorporated under the laws of Jersey on 8th April 2005. The Company was quoted on AIM on 23rd June 2005. Its registered office is First Island House, Peter Street, St. Helier, Jersey. The Company's place of domicile is in Jersey.

The Group is engaged in the exploration, development and mining of gold deposits. All of the Group's activities are undertaken in the state of Pahang, Malaysia.

On 17th June 2005 under the terms of share swap agreements, the Company acquired the whole of the issued share capital of Raub Australian Gold Mining Sdn. Bhd. ("RAGM") and S.E.R.E.M Malaysia Sdn. Bhd. ("SEREM").

The subsidiaries were acquired via share swap agreements, which valued the Peninsular Gold Limited shares issued as consideration at 50 pence per share. This valuation was provided by an independent valuer and was based on the gold resources and exploration grounds held by RAGM and SEREM.

2. Significant Accounting Policies

(a) Basis of preparation

The financial statements have been prepared in accordance with applicable International Financial Reporting Standards, as adopted by the European Union ("IFRS").

The financial statements have been prepared on the going concern basis. At 30th June 2011 the Group had net current liabilities of £7.4 million (2010: £3.8 million). Of this total, £6.6 million (2010: £4.5 million) represents the current portion of bank loans repayable within one year. Current liabilities are expected to be settled out of operational cashflows derived from the ramp-up of production and an increase in gold sales in the coming year, along with additional borrowings to be raised. The Company is confident of being able to raise additional funds, if required, to provide the Group with sufficient resources to meet all obligations as they fall due within the next 12 months.

(b) Basis of consolidation

The consolidated financial statements have been prepared under the historical cost basis other than certain financial instruments which are measured at fair value. The Group's accounting policies have been consistently applied to all the periods presented. The principal policies are set out below.

The Group financial statements include the assets, liabilities and results of Peninsular Gold Limited together with its subsidiaries, RAGM and SEREM from the date of acquisition.

All intercompany transactions and balances within the Group are eliminated in the preparation of the consolidated financial statements. The financial statements of subsidiaries acquired are consolidated in the financial statements of the Group from the date that control commences until the date control ceases, using the purchase method of accounting.

(c) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Depreciation is provided on a straight-line basis at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and equipment	20%
Buildings	20%
Motor vehicles	20%
Furniture, fittings and equipment	10%
Renovation	10%
Site infrastructure	10%
Leasehold land	10%
Gold production plant and retaining pond	Units of production basis
Tailings storage facility	Units of production basis

Leasehold land refers to a piece of land owned by SEREM covered by mining certificate MC511.

Assets in the course of construction are capitalised in the assets under construction account and are not depreciated. On completion, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciated accordingly.

(d) Other intangible assets

Other intangible assets comprise principally measured reserves, indicated and inferred resources and the value of exploration grounds and licences. These assets have arisen as a result of the acquisition of RAGM and SEREM. They were independently valued just prior to the acquisition date of 17th June, 2005. Other intangible assets are recorded at cost and are reviewed annually for any indication that those assets have suffered an impairment loss and any such impairment would then be charged to profit or loss in the statement of comprehensive income for the period.

Once an intangible mining asset is developed into a producing asset, the value of the asset is written off over its producing life using units of production

basis.

The portion of the intangible asset that relates to the Raub tailings project is currently being amortised following the commencement of the plant's operations at Raub in February 2009.

(e) Mining development expenditure

Mining development expenditure is capitalised when it is probable that the projects will be successful and the cost can be measured reliably. Development expenditure that has been capitalised is amortised over the life of the interest to which such costs relate on a units of production basis and will be recognised in profit or loss in the statement of comprehensive income upon the commencement of commercial production.

Mining development expenditure comprises costs directly attributable to:

- Researching and analysing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods;
- Compiling pre-feasibility and feasibility studies; and
- Costs incurred in acquiring mineral rights.

Expenses in the categories above include capitalised salaries of relevant staff according to time spent on a project.

The portion of the mining development expenditure that relates to the Raub tailings project is currently being amortised following the commencement of the plant at Raub in February 2009.

(f) Inventories

Inventories of consumable supplies and spare parts are valued at the lower of cost and net realisable value. Cost comprises direct costs and overheads that have been incurred in bringing the inventories to their present location and condition. The FIFO method is used for determining costs. Gold is valued at net realisable value using market price at the year-end, or where applicable, a forward contract price. Work-in-progress comprises gold concentrates and gold contained in stockpiled ore as determined by production records. The cost of work-in-progress includes the cost of direct materials, labour, and variable and fixed overheads relating to mining activities.

(g) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method less appropriate allowances for the estimated irrecoverable amounts.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and balances and deposits with banks which mature within three months of deposit and have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts.

(i) Impairment

The carrying amounts of assets, other than inventories, deferred tax assets and financial assets, are reviewed at each financial reporting date to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in profit or loss in the statement of comprehensive income.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(j) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

(k) Borrowings and borrowing costs

All loans and borrowings are initially recognised at the fair value of the consideration received net of direct issue costs associated with the borrowing. Financing charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis and are expensed as incurred. The interest component of finance lease payments is recognised in profit or loss in the statement of comprehensive income so as to give a constant periodic rate of interest on the outstanding liability at the end of each accounting period.

Interest on borrowings relating to the financing of capital projects under construction is capitalised during the construction phase as part of the cost of the project. Such borrowing costs are capitalised over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalisation ceases when the asset is substantially complete and ready for use.

(l) Leases

Leases in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired by way of finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses.

In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is practicable to determine; if not, the Group's incremental borrowing rate is used.

Payments made under operating leases are recognised in profit or loss in the statement of comprehensive income on a straight-line basis over the term of the lease.

(m) Revenue

Revenue is recognised at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Gold sales are recognised when the significant risks and rewards of ownership are transferred to the buyer. Amounts are recorded net of value added tax, rebates and discounts.

(n) Retirement benefit costs

Obligations for contributions to defined contribution plans are recognised as an expense in the profit or loss in the statement of comprehensive income as incurred.

(o) Income tax

Current tax is provided based on the results for the period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. 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 realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. 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.

(p) Functional and presentation currency

The consolidated financial statements have been presented with United Kingdom Sterling as the presentation currency as the Company is incorporated in Jersey with Sterling denominated shares which are traded on AIM, a market operated by the London Stock Exchange.

In the opinion of the directors, Malaysian Ringgit is the functional currency as the major part of the Group's finances are in Malaysian Ringgit and expenses in relation to mining activities, overheads and corporation tax are in Malaysian Ringgit.

(q) Foreign currency translation

Foreign exchange differences arising on the settlement of items at rates different from those at which they were initially recorded are recognised in profit or loss in the statement of comprehensive income in the period in which they arise.

Subsidiaries are considered as financially, economically and organisationally autonomous foreign entities. Their reporting currencies are the respective local currencies. Assets and liabilities of foreign subsidiaries are translated to United Kingdom Sterling at the rate of exchange ruling at the financial reporting date. Revenue and expenses are translated at the average exchange rates for the year. All resulting translation differences are included in other comprehensive income.

The closing rates used in the translation of foreign currency assets and liabilities are as follows:

United Kingdom Sterling	1.00	Malaysian Ringgit	4.86480
United Kingdom Sterling	1.00	United States Dollar	1.61059

The average rate used in translation of foreign currency income and expenses during the year is as follows:

United Kingdom Sterling	1.00	Malaysian Ringgit	4.88590
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(r) Financial assets and liabilities are recognised in the statement of financial position when the Group has become a party to the contractual provisions of the instrument.

- Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

- Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

- Debt instruments

Interest bearing bank loans are initially measured at fair value (proceeds received, net of direct issue costs), and are subsequently measured at amortised cost, using the effective interest rate method.

- Investments in subsidiaries

Investments held by the Parent Company in subsidiaries are held at cost less impairment.

- Financial guarantee contract liabilities

Financial guarantee contract liabilities are measured initially at their fair values and subsequently measured at the higher of the amount of the obligation, as determined in accordance with IAS37 and the amount initially recognised less, where appropriate, cumulative amortisation.

(s) Deferred stripping costs

Stripping costs incurred during the production phase to remove waste ore are deferred to the statement of financial position and charged to operating costs on the basis of the average life of the mine stripping ratio.

The average stripping ratio is calculated as the number of cubic metres of waste material removed per tonne of ore mined. The average stripping ratio over the life of the mine is revised annually in the light of additional knowledge and change in estimates.

(t) Environment protection, rehabilitation and closure costs

Provision is made for close down, restoration and for environment clean up costs, where there is a legal or constructive obligation to do so and when it is quantifiable. Any provision is reviewed on an annual basis for any changes in cost estimates or lives of operations.

As at the end of the financial year no such provision has been made as there is no legal or constructive obligation to do so. The Group is currently mining only the tailings project which essentially involves the mining of materials and then putting them back into existing mining facilities.

(u) Judgements in applying accounting policies and sources of uncertainty

Certain amounts included in the financial statements involve the use of judgement and/or estimation. These are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience. However, judgements and estimations regarding the future are a key source of uncertainty and actual results may differ from the amounts included in the financial statements.

The key areas are summarised below:

Other intangible assets and mining development expenditure

The recoverability of other intangible assets and mining development expenditure, including exploration costs, is assessed based on a judgement about the likely economic feasibility of the projects.

Carrying values of property, plant and equipment

The Group periodically makes judgements as to whether its property, plant and equipment may have been impaired, based on internal and external factors. Any impairment is based on estimates of future cash flows.

Recognition of deferred tax assets

The determination of deferred tax assets relating to carried forward taxable losses against future taxable profits, as set out in Note 18.

Environment protection, rehabilitation and closure provisions

Such provisions require a judgement on likely future obligations, based on assessment of technical, legal and economic factors. The ultimate cost of such items is uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements and the life of mine.

Provisions and contingent liabilities

Judgements are made on whether a past event has led to a potential liability that should be recognised in the financial statements or disclosed as a contingent liability. When or whether such a potential liability can be quantified it often involves judgements and estimations. These judgements are based on a number of factors including the nature of the claim or dispute, the legal process and potential amount payable, legal advice received, previous experience and the probability of a loss being realised. Several of these factors are a source of uncertainty.

3. Investment in Subsidiaries

Company	<u>2011</u> £
Cost and net book value	
At 30 th June 2009	19,196,599
Additions - corporate guarantee issued for bank facility granted to RAGM	94,756

Amortisation of corporate guarantees	<u>(49,924)</u>
At 30 th June 2010	19,241,431
Amortisation of corporate guarantees	<u>(49,925)</u>
At 30 th June 2011	<u>19,191,506</u>

The Company has issued two corporate guarantees to a financial institution for bank facilities granted to RAGM (Notes 11 and 22). The corporate guarantees are amortised over the expected life of the loans.

The Company's investment in RAGM is £12,415,796 and its investment in SEREM is £6,775,710.

Subsidiary Companies

The consolidated financial statements include the following subsidiary companies held at 30th June 2011:

Subsidiary companies and country of incorporation	Nature of business	Place of business	Ordinary shares owned
Raub Australian Gold Mining Sdn. Bhd. ("RAGM") (Malaysia)	Gold mining and exploration	Malaysia	100%
S.E.R.E.M Malaysia Sdn. Bhd. ("SEREM") (Malaysia)	Exploration and the holding of exploration and mining rights	Malaysia	100%

4. Property, Plant and Equipment

Company	Furniture, fittings and equipment £	Total £
<u>Cost</u>		
At 1 st July 2009	1,524	1,524
Additions	-	-
At 30 th June 2010	<u>1,524</u>	<u>1,524</u>
Additions	-	-
At 30 th June 2011	<u>1,524</u>	<u>1,524</u>
<u>Accumulated depreciation</u>		
At 1 st July 2009	610	610
Charge for the year	152	152
At 30 th June 2010	<u>762</u>	<u>762</u>
Charge for the year	152	152
At 30 th June 2011	<u>914</u>	<u>914</u>
Net book value at 30 th June 2011	<u>610</u>	<u>610</u>
Net book value at 30 th June 2010	<u>762</u>	<u>762</u>

4. Property, Plant and Equipment

Group	Plant and equipment £	Buildings £	Motor vehicles £	Furniture, fittings and equipment £	Renovation £	Gold production plant and retaining pond £	Tailings storage facility £	Leasehold Land £	Site Infrastructure £	Assets under construction £	Total £
Cost											
At 1 st July 2009	2,809,367	336,618	148,171	166,447	161,695	9,455,645	1,357,333	85,336	-	-	14,520,612
Currency translation difference	545,226	65,329	28,756	32,007	31,381	1,835,092	263,422	16,561	-	-	2,817,774
Additions	12,473	36,764	177,531	66,964	11,285	270,285	199,080	-	-	7,922,452	8,696,834
Disposals	(224,829)	-	(28,491)	-	-	-	-	-	-	-	(253,320)
At 30 th June 2010	3,142,237	438,711	325,967	265,418	204,361	11,561,022	1,819,835	101,897	-	7,922,452	25,781,900
Currency translation difference	27,193	3,797	2,821	2,284	1,768	100,049	15,749	882	-	68,561	223,104
Additions	41,015	2,993	133,620	125,997	-	621,333	1,824,486	-	11,057	12,476,581	15,237,082
Disposals	-	-	(49,175)	-	-	-	-	-	-	-	(49,175)
Reclassification	9,482	-	-	(9,482)	-	-	-	-	-	-	-
At 30 th June 2011	3,219,927	445,501	413,233	384,217	206,129	12,282,404	3,660,070	102,779	11,057	20,467,594	41,192,911

Group	Plant and equipment £	Buildings £	Motor vehicles £	Furniture, fittings and equipment £	Renovation £	Gold production plant and retaining pond £	Tailings storage facility £	Leasehold land £	Site Infrastructure £	Assets under construction £	Total £
Accumulated depreciation											
At 1 st July 2009	2,183,631	100,551	112,696	75,059	7,796	321,006	43,530	17,067	-	-	2,861,336
Currency translation difference	427,535	25,321	25,354	16,327	3,257	122,440	17,729	4,214	-	-	642,177
Charge for the year	38,631	59,837	35,874	19,506	17,970	619,714	95,632	9,288	-	-	896,452
Disposals	(224,821)	-	(28,490)	-	-	-	-	-	-	-	(253,311)
At 30 th June 2010	2,424,976	185,709	145,434	110,892	29,023	1,063,160	156,891	30,569	-	-	4,146,654
Currency translation difference	21,186	1,899	1,560	1,077	340	13,369	2,195	309	2	-	41,937
Charge for the year	46,127	67,502	69,589	28,719	20,524	960,946	193,013	10,234	431	-	1,397,085
Disposals	-	-	-	-	-	-	-	-	-	-	-
Re	-	-	(46,588)	-	-	-	-	-	-	-	(46,588)
Reclassification	9,122	-	-	(9,122)	-	-	-	-	-	-	-
At 30 th June 2011	2,501,411	255,110	169,995	131,566	49,887	2,037,475	352,099	41,112	433	-	5,539,088
Net book value at 30 th June 2011	718,516	190,391	243,238	252,651	156,242	10,244,929	3,307,971	61,667	10,624	20,467,594	35,653,823
Net book value at 30 th June 2010	717,261	253,002	180,533	154,526	175,338	10,497,862	2,380,205	71,328	433,535	7,922,452	21,635,246

Assets under construction refer to the additional expansion construction works in progress for the Carbon-In-Leach plant which, upon completion will be transferred to gold production plant. The plant is expected to be commissioned by March 2012. Included in assets under construction are capitalised borrowing costs amounting to £773,670 (2010: £427,958). The rate of capitalisation is 6.6% (2010: 8.6%).

Included in property, plant and equipment are motor vehicles acquired under hire purchase agreements with a net book value of £231,237 (2010: £192,549).

Leasehold land is land owned by SEREM which relates to the mining certificate MC511 area.

5. **Other Intangible Assets - Mining Reserves and Resources**

	SEREM £	RAGM £	Group £
<u>Cost</u>			
At 1 st July 2009 , 30 th June 2010 and 30 th June 2011	<u>7,300,483</u>	<u>10,077,995</u>	<u>17,378,478</u>
<u>Amortisation</u>			
At 1 st July 2009	-	295,468	295,468
Charge for the year	-	525,298	525,298
At 30 th June 2010	-	820,766	820,766
Charge for the year	-	707,130	707,130
At 30 th June 2011	<u>-</u>	<u>1,527,896</u>	<u>1,527,896</u>
<u>Net book value</u>			
At 30 th June 2011	<u>7,300,483</u>	<u>8,550,099</u>	<u>15,850,582</u>
At 30 th June 2010	<u>7,300,483</u>	<u>9,257,229</u>	<u>16,557,712</u>

Other intangible assets comprise mineral properties including mining licences and rights.

The Group's mining assets were valued by independent experts prior to the acquisition of the subsidiaries on 17th June 2005 and these valuations were considered to be relevant and unimpaired at the financial reporting date. The valuation was based upon the defined reserves, resources and the Group's prospecting interests. Valuation techniques most relevant to the asset type, as considered by the independent valuer, were applied and included discounted cash flows for the defined reserves, comparable transaction method for the inferred resources and the Geoscience Factor method for mineral titles. The gold price used for the discounted cash flow calculation of the reserves at the time of the original valuation was US\$ 420 per ounce. The Group has used a gold price of US\$ 1,505 per ounce in the impairment assessment for the current year.

No revenue has been generated from SEREM in the financial years ended 30th June 2011 and 30th June 2010 from its mineral reserves. Hence, there is no amortisation of mining reserves and resources for SEREM.

The current profile and amount of gold reserves and resources are disclosed in the Chairman's Statement.

6. Mining Development Expenditure

	SEREM £	RAGM £	Group £
<u>Cost</u>			
At 1 st July 2009	519,327	3,273,455	3,792,782
Currency translation difference	100,789	635,291	736,080
Additions	61,138	171,016	232,154
At 30 th June 2010	681,254	4,079,762	4,761,016
Currency translation difference	5,896	35,306	41,202
Additions	1,317,637	2,096,484	3,414,121
At 30 th June 2011	2,004,787	6,211,552	8,216,339
<u>Amortisation</u>			
At 1 st July 2009	-	114,794	114,794
Currency translation difference	-	43,834	43,834
Charge for the year	-	222,139	222,139
At 30 th June 2010	-	380,767	380,767
Currency translation difference	-	4,672	4,672
Charge for the year	-	318,350	318,350
At 30 th June 2011	-	703,789	703,789
<u>Net book value</u>			
At 30 th June 2011	2,004,787	5,507,763	7,512,550
At 30 th June 2010	681,254	3,698,995	4,380,249

Mining development expenditure relates principally to the exploration related costs incurred for the Raub and Tersang project areas. No revenue has been generated from SEREM in the financial years ended 30th June 2011 and 30th June 2010. Hence, there has been no amortisation of mining development expenditure for SEREM. The directors are of the view that future gold production activities will be sufficiently economically viable to offset the mining development expenditure capitalised in the financial statements.

7. Inventories

Group	2011 £	2010 £
Spare parts and consumables	497,490	334,774
Work-in-progress	477,081	488,742
Finished goods	194,617	67,371
	1,169,188	890,887

Despite the commencement of mining operations during the year ended 30th June 2009, the level of deferred stripping relating to the tailing project has not been significant and consequently, no deferred stripping adjustment has been made at 30th June 2011 or 30th June 2010.

8. Other receivables

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Other receivables	1,735,323	1,112,734	155	151
Amounts due from subsidiaries	-	-	16,252,503	7,764,503
	1,735,323	1,112,734	16,252,658	7,764,654

The amounts due from subsidiaries are unsecured, interest free and repayable on demand.

9. Cash and Cash Equivalents

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Cash at bank and in hand	741,761	1,118,530	333,696	515,724

A fixed deposit of £97,860 (2010 : £92,063) with a licensed bank has not been included in cash and cash equivalents as it has a maturity exceeding three months at inception. It has been reported in short term investments.

10. Trade and Other Payables

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Trade payables	3,061,956	1,763,314	29,028	36,810
Other payables and accrued expenses	1,790,087	1,054,024	413,000	345,000
Amounts due to subsidiaries	-	-	2,372,703	2,316,394
	4,852,043	2,817,338	2,814,731	2,698,204
Less : non-current portion	(360,000)	(300,000)	(360,000)	(300,000)
	4,492,043	2,517,338	2,454,731	2,398,204

Included in other payables and accrued expenses is accrued preference dividends of £360,000 (2010 : £300,000). The amounts are not deemed payable within 12 months of the financial reporting date.

The amounts due to subsidiaries are unsecured, interest free and repayable on demand.

11. Borrowings

	Group		Company	
	2011	2010	2011	2010

	£	£	£	£
Bank loans	22,030,623	17,052,075	-	-
Preference shares - debt portion (Note 12)	664,000	664,000	664,000	664,000
Corporate guarantees issued to financial institution for bank facilities granted to its subsidiary	-	-	147,489	197,414
Hire purchase obligations	234,111	181,716	-	-
	<u>22,928,734</u>	<u>17,897,791</u>	<u>811,489</u>	<u>861,414</u>
Less : current portion	(6,616,972)	(4,462,146)	-	-
	<u>16,311,762</u>	<u>13,435,645</u>	<u>811,489</u>	<u>861,414</u>

Bank loans

In the year ended 30th June 2009, RAGM obtained bank loans of £8,542,901 (after deducting transaction costs) as disclosed in Note 22(c). The loan is repayable in 60 monthly instalments commencing from 28th February 2009.

The balance of £13,487,722 relates to the amount drawn down on a new additional financing facility granted to RAGM in August 2009 as disclosed in Note 22(d). This loan is repayable over 48 monthly instalments from July 2011.

The loans are secured by way of a debenture over all the assets and undertakings of RAGM, a third party charge over a property owned by a company under common control and corporate guarantees provided by the Parent Company.

The bank loans are subject to interest at a rate of 2% per annum above the lender's base lending rate, which was 6.60% during the year ended 30th June 2011.

Hire purchase obligations

Hire purchase agreements are subject to fixed interest rates ranging from 2.65% to 4.65% (2010 : 2.45% to 4.65%) per annum.

Borrowings are summarised as follows:

Group	Effective interest rate per annum %	Within one year £	Within one - two years £	Within two - five years £	Total £
At 30th June 2011					
Bank loans	8.60	6,574,645	10,810,154	4,645,824	22,030,623
Preference shares	6.00	-	-	664,000	664,000
Hire purchase obligations	3.43	42,327	42,180	149,604	234,111
		<u>6,616,972</u>	<u>10,852,334</u>	<u>5,459,428</u>	<u>22,928,734</u>
At 30th June 2010					
Bank loans	8.05	4,427,839	4,787,883	7,836,353	17,052,075
Preference shares	6.00	-	-	664,000	664,000
Hire purchase obligations	3.20	34,307	32,617	114,792	181,716
		<u>4,462,146</u>	<u>4,820,500</u>	<u>8,615,145</u>	<u>17,897,791</u>

Hire purchase obligations

Group	2011 £	2010 £
Repayable within one year	54,063	38,207
Repayable between one and five years	233,384	186,513
	<u>287,447</u>	<u>224,720</u>
Finance charges and interest allocated to future accounting periods	(53,336)	(43,004)
	<u>234,111</u>	<u>181,716</u>
Included in liabilities falling due within one year	(42,327)	(34,307)
	<u>191,784</u>	<u>147,409</u>

12. Share Capital and Stated Capital Account

(a) Share Capital

Group & Company	2011 £	2010 £
Authorised		
Unlimited ordinary shares of £Nil par value each	-	-
	<u>-</u>	<u>-</u>
Allotted, called up and fully paid		
85,461,550 (2010: 66,317,550) ordinary shares of £Nil par value each	-	-
2,000,000 (2010: 2,000,000) preference shares of £Nil par value each	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Reconciliation of Share Holdings	Ordinary	Preference
Shares in issue as at 30 th June 2009	55,230,978	2,560,000
Conversion of preference shares	700,000	(560,000)

Conversion of convertible loan notes with interest	2,053,238	-
New shares issued via placing	8,333,334	-
Shares in issue as at 30 th June 2010	<u>66,317,550</u>	<u>2,000,000</u>
New shares issued via placing	16,644,000	-
Issue of new ordinary shares	2,500,000	-
Shares in issue as at 30 th June 2011	<u>85,461,550</u>	<u>2,000,000</u>

The authorised share capital of the Company at 30th June 2011 is an unlimited number of shares of no par value designated as ordinary shares and an unlimited number of shares of no par value designated as preference shares.

The Company has one class of ordinary shares which carry no right to fixed income.

During the year, 19,144,000 new ordinary shares of no par value in the Company at 50p per share were issued. The net proceeds of the share issue (after deducting issue costs) were £9,176,283.

2,560,000 redeemable, convertible 6% preference shares were issued at £0.50 per share on 27th May 2005. As at 30th June 2011, there were 2,000,000 preference shares in issue as 560,000 preference shares were converted into 700,000 ordinary shares in March 2010. Upon conversion of the preference shares, the accrued interest of £78,400 and the debt portion of the preference shares of £186,000, amounting to £264,400, were credited to the Stated Capital Account.

The preference shares carry no right to vote save in certain limited circumstances including where the Company proposes to reduce its capital, wind itself up or dispose of the whole of its property and business. Payment of dividends is subject to Jersey Companies Law, the availability of distributable profits and the discretion of the Board. Redemption price equals issue price of preference shares plus all dividends accrued at Redemption Date.

The preference shares may be converted into ordinary shares at the option of the holder. The rate of conversion is determined by application of a formula that could result in every 4 preference shares being converted into 5 ordinary shares.

The preference shares are redeemable at the option of the Company either in cash or through the issue of ordinary shares to the preference share holder. The number of ordinary shares issued is determined by application of a formula that could result in the issue of 5 ordinary shares for every 4 preference shares. The Company does not expect to redeem further preference shares within two years of the financial reporting date.

(b) Stated Capital Account

Group & Company	2011 £	2010 £
At 30 th June 2010	31,616,674	25,561,661
Additions	<u>9,176,283</u>	<u>6,055,013</u>
At 30 th June 2011	<u>40,792,957</u>	<u>31,616,674</u>
Movements:		2011 £
At 1 st July 2010	Opening balance	31,616,674
12 th October 2010	Issue of new ordinary shares	5,313,546
26 th November 2010	Issue of new ordinary shares	<u>3,862,737</u>
At 30 th June 2011		<u>40,792,957</u>

Convertible loans

On 22nd December 2009 the Company entered into convertible loan agreements for a total of US\$1.5 million. The loans carried an interest of 10% per annum and were repayable in a single payment three months after drawdown. On 17th March 2010, the Company announced that it had received notice to convert the loan into new ordinary shares in the Company at the conversion price of 50p per new ordinary Share. The number of new ordinary shares which have been allotted and issued in satisfaction of such loans and accrued interest is 2,053,238 equivalent to £1,026,619.

Warrants

On 24th February 2009 the Company issued 5 million cashless warrants and 5 million warrants exercisable at a price of 30p per ordinary share to R3 Capital Partners Master LP. The warrants expire on 19th July 2012. The warrants issued formed part of the consideration with respect to the repurchase of convertible loan notes in a prior year. There is no impact on dividend per share with respect to the warrants issued as the Company has not declared any dividend.

13. Segmental Information

Currently the business has one business segment comprising the production and sale of gold dore bars in Malaysia. Accordingly, no analysis of segment revenues or results of net assets has been presented.

During the years ended 30th June 2011 and 2010, the Group generated all its revenues from gold sales to a single customer in Australia, to whom it ships all its gold dore bars for refining. For the year ended 30th June 2011 revenues of £14.2 million arose from these sales of gold (2010 : £10.1 million).

14. Profit/(Loss) From Operations

Profit/(loss) from operations for the year is arrived at after charging the following:

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Cost of sales				
Costs of production	6,454,658	4,834,140	-	-
Depreciation of property, plant and equipment	1,200,149	754,163	-	-
Operating & administrative expenses				
Depreciation of property, plant and equipment	196,936	142,289	152	152
Audit fees	63,643	62,846	53,000	53,000
Amortisation of mining development expenditure	318,350	222,139	-	-
Amortisation of other intangible assets	707,130	525,298	-	-
Key management personnel compensation	766,240	615,092	468,889	433,657
Profit on disposal of fixed assets	26,077	572,159	-	-
Rental of premises	153,503	134,142	-	-
Rental of property, plant and equipment	<u>10,712</u>	<u>20,211</u>	<u>-</u>	<u>-</u>

15. Employees

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Wages and salaries	2,131,859	1,511,961	468,889	433,657
Social security costs	15,050	11,996	-	-
Other pension costs	130,172	91,823	-	-
	<u>2,277,081</u>	<u>1,615,780</u>	<u>468,889</u>	<u>433,657</u>

The average monthly number of employees during the year was as follows:-

	Group		Company	
	2011	2010	2011	2010
Administration	33	45	2	2
Production	193	150	-	-
	<u>226</u>	<u>195</u>	<u>2</u>	<u>2</u>

16. Financial (Loss) / Income

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Finance costs:				
Bank loan interest	833,834	869,263	-	-
Other financial charges	262,089	266,538	1,826	1,978
Interest on convertible loan notes	-	286,240	-	286,240
Amortisation of transaction costs	132,438	132,438	-	-
	<u>1,228,361</u>	<u>1,554,479</u>	<u>1,826</u>	<u>288,218</u>
Financial income:				
Interest income	4,951	2,142	1,840	260
	<u>4,951</u>	<u>2,142</u>	<u>1,840</u>	<u>260</u>
Net financial (loss) / income	<u>(1,223,410)</u>	<u>1,552,237</u>	<u>14</u>	<u>(287,958)</u>

17. Income Tax Expense

Malaysian Corporation Tax is provided on taxable profits at the appropriate rate. With effect from 1st January 2009, the status of exempt company ceased to exist and the Company is subject to Jersey income tax at a rate of 0% (2010: 0%). Income tax for the financial year is derived by using the Malaysian tax rate of 25% (2010 : 25%).

Tax reconciliation:

Group	2011 £	2010 £
Profit before taxation	<u>737,038</u>	<u>237,812</u>
Income tax using Malaysian tax rate	184,260	59,453
Disallowed expenses	462,162	521,111
Tax exempt under Pioneer Status	(362,309)	-
Utilisation of losses brought forward and previous years capital allowance	(222,296)	(571,276)
Effect of lower tax rate for Malaysian Companies with share capital below RM2.5 million	(2,997)	(9,288)
Underprovision in prior year	20,935	-
Taxation charge	<u>79,755</u>	<u>-</u>

18. Deferred Taxation

No deferred tax asset has been recognised in respect of the following items:

Group	2011 £	2010 £
Taxable temporary differences	-	(536,218)
Unabsorbed capital allowance and mining allowance	1,398,134	24,097
Unutilised tax losses	4,899,378	4,353,161
	<u>6,297,512</u>	<u>3,841,040</u>

One of the Company's subsidiaries, RAGM has received a confirmation from the Malaysian Industrial Development Authority, the government's principal agency for the promotion and coordination of industrial development in Malaysia, that RAGM's Raub Tailings Project is entitled to "Pioneer Status". Under the Pioneer Status scheme, RAGM will be entitled to 85% tax exemption on its statutory income from the project for a period of 5 years commencing on the day that production reaches 30% of its planned capacity. Production from the tailings operations began in February 2009. RAGM's production reached 30% of its planned capacity in April 2009.

The unutilised tax losses do not expire under the Malaysian tax legislation but cannot be offset against taxable profits during the 'Pioneer' period. As a result of uncertainty of recoverability of these taxable losses, a deferred tax asset has not been recognised at 30th June 2011. If there is a substantial change in shareholders (more than 50%) however, the unutilised tax losses will not be available to the Group.

19. Earnings Per Share

(a) Basic Earnings Per Share

The basic earnings per share for the year is 0.83p (2010 : 0.41p). The calculation of the basic earnings per share is based on the profit for the year of £657,283 (2010 : £237,812). The weighted average number of shares in issue during the year was 79,072,969 (2010 : 57,846,846 shares).

(b) Diluted Earnings Per Share

The diluted earnings per share for the year is 0.80p(2010 : 0.38p). The calculation of the diluted earnings per share is based on the profit for the year of £657,283 (2010 : £237,812). The weighted average number of shares during the year was 82,443,317 (2010 : 61,965,596 shares). The redeemable preference shares are non-dilutive.

Basic earnings per share	2011 £	2010 £
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Earnings used in calculation	<u>657,283</u>	<u>237,812</u>
Weighted average number of ordinary shares	<u>79,072,969</u>	<u>57,846,846</u>
Basic earnings per share	<u>0.83p</u>	<u>0.41p</u>
Diluted earnings per share	2011	2010
	£	£
Earnings used in calculation	<u>657,283</u>	<u>237,812</u>
Weighted average number of ordinary shares	<u>79,072,969</u>	<u>57,846,846</u>
Conversion of warrants for nil consideration	<u>3,370,348</u>	<u>4,118,750</u>
	<u>82,443,317</u>	<u>61,965,596</u>
Diluted earnings per share	<u>0.80p</u>	<u>0.38p</u>

20. Capital Commitments

Group	2011	2010
	£	£
Authorised and contracted for	<u>6,953,763</u>	<u>9,693,846</u>

The above amounts at 30th June 2011 and 2010 relate to a commitment for the expansion of the Carbon-in-Leach Plant (CIL), which is expected to be commissioned within the second half of the financial year to 30th June 2012.

21. Key Management Personnel Compensation

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Short term benefits	<u>766,240</u>	<u>615,092</u>	<u>468,889</u>	<u>433,657</u>

Key management personnel comprise directors and individuals having authority and responsibility for planning, directing and controlling all activities of the entity either directly or indirectly.

Directors' emoluments of the Company are as follows:-

Directors' emoluments	2011	2010
	£	£
Company		
Dato' Sri Andrew Tai Yeow Kam	250,000	223,333
Mr. Timothy Patrick Watson	168,889	162,324
Dato' Mohamed Moiz Bin JM Ali Moiz	25,000	24,167
Dr. Yves Fernand Marcel Cheze	25,000	23,833
	<u>468,889</u>	<u>433,657</u>

Dato' Sri Andrew Tai Yeow Kam also receives £7,400 (2010 : £6,688) of directors fees from Raub Australian Gold Mining Sdn Bhd, a subsidiary of the Company.

There is no share option scheme, long term incentive plan or awards in place. The Company does not make any contributions to any pension scheme.

22. Related Party Transactions

As a result of Dato' Sri Andrew Tai Yeow Kam's 99.9% interest in Akay Holdings Sdn. Bhd. and 70% interest in Akay Venture Sdn. Bhd and the substantial shareholding of Akay Holdings Sdn. Bhd. and Akay Venture Sdn. Bhd. in the Company and Dato' Mohamed Moiz Bin JM Ali Moiz's substantial shareholding in the Company, the following are considered related party transactions:

- On 30th June 2010, RAGM was granted by Akay Holdings Sdn. Bhd. a registered permit to undertake mining activities on the 1669 Mining Lease for a period of one year expiring on 30th July 2011, which was subsequently extended to 30th July 2012. Provided that RAGM does not breach the terms of the permit, Akay Holdings Sdn. Bhd. will grant an annual extension of the permit until expiry of the 1669 Mining Lease on 31st December 2017. The Group pay Akay Holdings Sdn. Bhd. £2,038 annually under this agreement to permit the Group to carry out gold mining activity at Raub, Pahang. The Directors are confident that the permit will be renewed once it expires.
- On 10th February 2009, Raub Australian Gold Mining Sdn Bhd, Peninsular Gold Limited and Akay Holdings Sdn Bhd entered into a financing agreement whereby RAGM agrees to pay Akay an annual fee of RM960,000 (£195,643) for the term of the agreement for creating a charge in favour of Bank Kerjasama Rakyat Malaysia Berhad. This was to enable RAGM to secure a RM69 million facility under the Bai' Al-Inah Term Financing-i, as disclosed in Note 11 to the financial statements.
- On 7th August 2009, Raub Australian Gold Mining Sdn Bhd, Peninsular Gold Limited and Akay Holdings Sdn Bhd entered into a financing agreement whereby RAGM agreed to pay Akay Holdings Sdn Bhd an annual fee of RM1,390,000 (£283,275) for the term of agreement for creating a charge in favour of Bank Kerjasama Rakyat Malaysia Berhad. This was to enable RAGM to secure a RM100 million facility under the Bai' Al-Inah Term Financing-i, as disclosed in Note 11 to the financial statements.
- On 10th February 2009 and 7th August 2009, the Company issued corporate guarantees in favour of Bank Kerjasama Rakyat Malaysia Berhad. This was to enable RAGM to secure RM 69 million and RM100 million facilities under the Bai' Al-Inah Term Financing-i, as disclosed in Note 11 to the financial statements.
- On 3rd June 2010, RAGM was granted by Akay Holdings Sdn Bhd an unregistered Permit To Mine to undertake mining activities on Mining Certificate No. PL 533 for a period of one year expiring on 8th July 2011. It was subsequently extended to another year expiring on 8th July 2012

23. Financial Risk Management

The Group's activities expose it to a variety of financial risks, including the effects of changes in commodity prices, exchange rates, interest rates, credit and liquidity risks. The Board reviews and agrees policies for managing each of these risks. Other than the use of put options when appropriate in relation to gold price risk, the Group does not currently have a policy of using financial derivatives to mitigate these risks. The following information is presented in order to assist users of the financial statements in assessing the extent of risk related to financial instruments.

	2011	2010
	£	£
Financial assets, at amortised cost		
Cash and bank balances	741,761	1,118,530
Fixed deposit	97,860	92,063
Other receivables	<u>1,735,323</u>	<u>1,112,734</u>
	<u>2,574,944</u>	<u>2,323,327</u>

Financial liabilities, at amortised cost

Trade and other payables	4,852,043	2,817,338
Hire purchase creditors	234,111	181,716
Other long-term liabilities	<u>22,694,623</u>	<u>17,716,075</u>
	<u>27,780,777</u>	<u>20,715,129</u>

Commodity price risk

The Group is subject to commodity price risk. Gold is sold at its spot rate. As at the financial year end, the spot price of gold was USD 1,505 per ounce. The Group seeks to manage its exposure to commodity price risk through the use of gold put options. As at 30th June 2011, there were no put options in place.

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis to ensure that the Group only deals with well established counterparties, including international banks and reputable third parties. At the reporting date, the main areas of significant concentration of credit risk include cash and cash equivalents and prepaid capital costs within other receivables.

Interest rate risk

The Group is mainly exposed to interest rate risk through the variable rate loans and holding of cash and cash equivalents. The Group adopts a practice to periodically seek for alternative facilities, which provide competitive interest rates to finance and/or refinance its working capital requirements.

The Group finances its operations via equity fundraising and bank loans bearing a margin of 2% per annum above the lender's base financing rate, currently 6.60%. Hire purchase arrangements are subject to fixed interest rates ranging from 2.65% to 4.65% per annum. The Group has not entered into interest rate swap arrangements to mitigate interest rate risk.

If interest rates had been 1% higher/lower and all other variables were held constant, the impact would be as follows:

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Increase or decrease in profit/(loss)	220,306	170,521	-	-

Liquidity risk

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The maturity profile of the undiscounted financial liabilities expected to be settled in cash, is disclosed below:

Group	Within one year £	Within one - two years £	Within two - five years £	Total £
At 30 th June 2011				
Bank loans	9,417,865	13,095,867	3,991,783	26,505,515
Hire purchase obligations	54,063	52,211	181,173	287,447
Trade and other payables	<u>4,492,043</u>	-	<u>360,000</u>	<u>4,852,043</u>
	<u>13,963,971</u>	<u>13,148,078</u>	<u>4,532,956</u>	<u>31,645,005</u>
At 30 th June 2010				
Bank loans	5,606,241	5,638,091	8,113,954	18,685,954
Hire purchase obligations	38,207	41,226	145,287	224,720
Trade and other payables	<u>2,517,338</u>	-	<u>300,000</u>	<u>2,817,338</u>
	<u>8,161,786</u>	<u>5,679,317</u>	<u>8,559,241</u>	<u>21,728,012</u>

During the recent uncertainty and shortage of funds in the financial markets, the Group has nonetheless raised both debt and equity funding when required.

Exchange rate risk

The Group undertakes certain transactions denominated in foreign currencies, namely Malaysian Ringgit, US Dollars and Australian Dollars and is therefore exposed to exchange rate risk associated with a fluctuation in the relative values of these currencies.

Exchange rate risk is mitigated to the extent considered necessary by the Board of Directors, through holding the relevant currencies.

The carrying amount of the Group's currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets		Liabilities	
	2011 £	2010 £	2011 £	2010 £
GB Pounds Sterling	333,852	515,876	1,253,517	1,045,810
US Dollars	133,821	18,588	57,608	18,536
Australian Dollars	83,509	-	184,063	-
Malaysian Ringgit	<u>2,023,762</u>	<u>1,788,863</u>	<u>27,027,514</u>	<u>19,060,538</u>

The following table illustrates the Group's sensitivity to the fluctuation of the major currencies in which it transacts. A 10% movement against GB Pound Sterling has been applied to each currency in the table above, representing management's assessment of a reasonably possible change in foreign currency rates, and all other variables were held constant:

	US Dollar currency impact		Malaysian Ringgit currency impact	
	2011 £	2010 £	2011 £	2010 £
Profit and loss				
- Strengthened against GBP	7,621	5	(2,500,375)	(1,727,167)
- Weakened against GBP	(7,621)	(5)	2,500,375	1,727,167
Other comprehensive income				
- Strengthened against GBP	-	-	-	214,141
- Weakened against GBP	-	-	-	(214,141)
	Australian Dollar currency impact			
	2011 £	2010 £		
Profit and loss				
- Strengthened against	(10,055)	-		

GBP
- Weakened against GBP 10,055 -

The Group does not enter into forward exchange contracts to hedge its foreign currency exposure. However, the Board keeps this policy under review.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders subject to maintaining sufficient financial flexibility to undertake its investment plans. The Group monitors capital on the basis of the debt to adjusted capital ratio.

Adjusted capital of the Group is summarised as follows:

	2011 £	2010 £
Cash and cash equivalents	(741,761)	(1,118,530)
Borrowings	22,928,734	17,897,791
Total equity	<u>34,941,791</u>	<u>25,072,292</u>
	57,128,764	41,851,553
Gearing ratio (debt / adjusted capital)	40.1%	42.8%

24. Recent Accounting Pronouncements

At the end of the reporting period, the following Standards and Interpretations applicable to the Group were in issue but not yet effective:

- IAS 1 - Presentation of Financial Statements
- IAS 24 - Related Party Disclosures
- IFRS 1 - First-time Adoption of International Financial Reporting Standards
- IFRS 7 - Financial Instruments: Disclosures
- IFRS 8 - Operating Segments
- IFRIC 13 - Customer Loyalty Programmes
- IFRIC 14 - IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Guidance in Issue but Not in Force - Not EU Endorsed:

- IAS 1 - Presentation of Financial Statements
- IAS 12 - Income Taxes
- IAS 19 - Defined Benefit Schemes
- IAS 27 - Consolidated and Separate Financial Statements
- IAS 28 - Investments in Associates and Joint Ventures
- IAS 39 - Financial Instruments: Recognition and Measurement
- IFRS 3 - Business Combinations
- IFRS 7 - Financial Instruments: Disclosures
- IFRS 9 - Financial Instruments
- IFRS 10 - Consolidated Financial Statements
- IFRS 11 - Joint Arrangements
- IFRS 12 - Disclosure of Interests in Other Entities
- IFRS 13 - Fair Value Measurement

Management anticipates that the adoption of these Standards and Interpretations in future periods will have no material impact on the results and financial position presented in these financial statements other than changes to the disclosures required in the financial statements.

On 19th October 2011, the IASB issued IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine", which is effective for periods beginning on or after 1st January 2013. Current production at Raub has been from tailings and hence stripping costs incurred to date have been minimal. Management are currently considering the effect IFRIC 20 will have on their treatment of the stripping costs that will be incurred as the mine develops.

25. Events after the Reporting Period

There have been no events since the reporting date that would have a significant impact on the business.

26. Contingent Liability

Application for Judicial Review

- 1) On 21st March 2008, four individuals, claiming to act on behalf of the residents of Kampung Bukit Koman, Raub, Pahang Darul Makmur, Malaysia ("the Applicants") filed at the High Court of Malaya an application for leave for judicial review ("Application") concerning an environmental approval granted by the Malaysian Department of Environment to Raub Australian Gold Mining Sdn Bhd ("RAGM") in 1997. The Director General of the Department of Environment in Malaysia and RAGM were named as the first and second respondents respectively.
- 2) The Applicants had in their Application, sought an extension of time from the High Court of Malaya to proceed with their Application as Order 53 rule 3(6) of the Malaysian Rules of High Court provides that an application for judicial review shall be made promptly and in any event within 40 days from the date when the grounds for the application first arose or when the decision is first communicated to the Applicants.
- 3) On 1st June 2009, the High Court of Malaya at Kuala Lumpur ("High Court"), in holding that there was no basis to grant an extension of time for leave for judicial review out of time, dismissed the Application in its entirety.
- 4) The Court of Appeal of Malaysia had on 3rd August 2011 unanimously dismissed the appeal filed by the Applicants subsequent to the decision of the High Court on 1st June 2009 with no order as to costs, and the panel of three Court of Appeal Judges were unanimous in their decision that there were no reasons to interfere with the High Court Judge's decision that there had been inordinate delay on the part of the Applicants in filing the Application.
- 5) The Company was informed on 5th September 2011 that the Applicants had filed a Notice of Motion seeking leave to appeal to the Federal Court of Malaysia against the decision of the Court of Appeal. As at the date of approval of these financial statements, the date has been fixed for the hearing of the Notice of Motion on 11th January 2012.

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