CGA
Mining Limited

2012
ANNUAL REPORT
ABN 88 009 153 128

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CHAIRMAN'S REPORT

On behalf of the Board of CGA Mining Limited ("CGA", the "Company"), I am pleased to present the Annual Report for the financial year ended 30 June 2012.

During the 2012 financial year, the Company achieved a significant number of key milestones, including record operating performance levels at the Masbate Gold Project and a continued strengthening of the balance sheet and financial position of the Company.

In the second half of the year, the Company achieved a new record quarterly production for the June 2012 quarter, record half yearly production of 100,013 ounces and an increase in reserves and resources announced in May 2012. Following on from this, in August 2012, the Masbate Gold Project poured its 500,000th ounce of gold. During the year, the group commissioned a new Supplementary Crushing Circuit and, following the successful recommissioning of the SAG mill in January, has consistently operated at or above the design capacity of 6.5mtpa. Despite the issues with the SAG mill earlier in the year, the achievements of the second half of the year allowed the Company to strengthen the balance sheet, with net assets increasing from US$283.1M as at 30 June 2011, to US$321.3M as at 30 June 2012 and debt reduced by a further $15.0M, reducing the balance owing on the BNP Facility at 30 June 2012 to $27.2M.

Given the success of the continued investment in the plant, now achieving a sustainable +6.5mtpa throughput level, the Company has continued with its aggressive drilling program to realise the significant exploration potential of the Masbate Gold Project. During the year, the Company announced an increase in total measured mineral resources to 0.16M ounces and indicated mineral resources to 4.97M ounces (including stockpiles of 0.13M ounces) increasing total measured and indicated contained gold to 5.13M ounces, and inferred resources of 2.83M ounces, as reported in the last release of a NI 43-101 compliant resource. After allowing for the ounces depleted from mining since we commenced production, this represents an increase of 1.06M ounces of contained gold from the previous NI 43-101 compliant resource or 23.3%. The updated mineral resource estimates are based on drilling completed to the end of June 2011, which represents only the addition of approximately 42,000 metres (US$4M) of new drilling or a discovery cost of approximately $3.77/ounce. During the 2012 year the aggressive exploration program continued, with a total spend in the order of $14.4M including drilling on new near mine targets, more regional exploration programmes, reserve definition, inferred resource ounce conversion and sterilisation programs. Given the success of the project to date, the Company is well positioned to capitalise on further exploration success with the mining fleet already expanded, the initial scoping study of a 10mtpa expansion completed and the optimisation study to determine the options for upgrading plant capacity via stepped increases in capital expenditure nearing completion.

Operating in the Philippines continues to be a positive experience for the Company, with the support it has received from the central Government in the Philippines, Local Government Units and communities surrounding its operations, continuing to be a key factor in making this Project a stand out success for both the Company and the local communities and the Philippines as a whole. We are committed to continuing to build long-term relationships between the Company, FRC and most importantly the local communities with a view to maximising the value of the Masbate Gold Project, for the benefit of all stakeholders.

On September 19, 2012, the Company announced it had entered into a definitive Merger Implementation Agreement ("Merger Agreement") to merge B2Gold Corp. ("B2Gold") and the Company at an agreed exchange ratio of 0.74 B2Gold common shares for each CGA share held, which represents a purchase price of approximately C$3.18 per CGA share (based on the closing share prices on 17 September 2012, being just prior to announcement). The proposed merger has received strong endorsement from both shareholders and the wider investment community. It will be implemented by way of a Scheme of Arrangement under the Australian Corporations Act 2001 ("Scheme"). Upon completion of the Scheme, existing B2Gold shareholders and CGA shareholders will own approximately 62% and 38%, respectively, of the issued common shares of the combined company. There are a number of conditions precedent such as shareholder approval by both CGA and B2Gold shareholders and it is subject to traditional terms and conditions for transactions of this nature.

On behalf of the Board and all our employees, I would like to thank shareholders for their continuing support.

Yours sincerely

Mark Savage

MARK S SAVAGE
Chairman

Financial highlights

- Net assets increasing from US$283.1M as at 30 June 2011, to US$321.3M as at 30 June 2012.
- Repayments of $16.3M on the BNP project finance facility, reducing the balance owing at 30 June 2012 to $27.2M.

Operational highlights

- a new record quarterly production for the June 2012 quarter, record half yearly production of 100,013oz.
- 500,000th ounce of gold poured in August 2012.
- The plant is now operating consistently operated at or above the design capacity of 6.5mtpa, following the commissioning of the supplementary crusher during the year and recommissioning of the SAG mill.

Exploration and development highlights

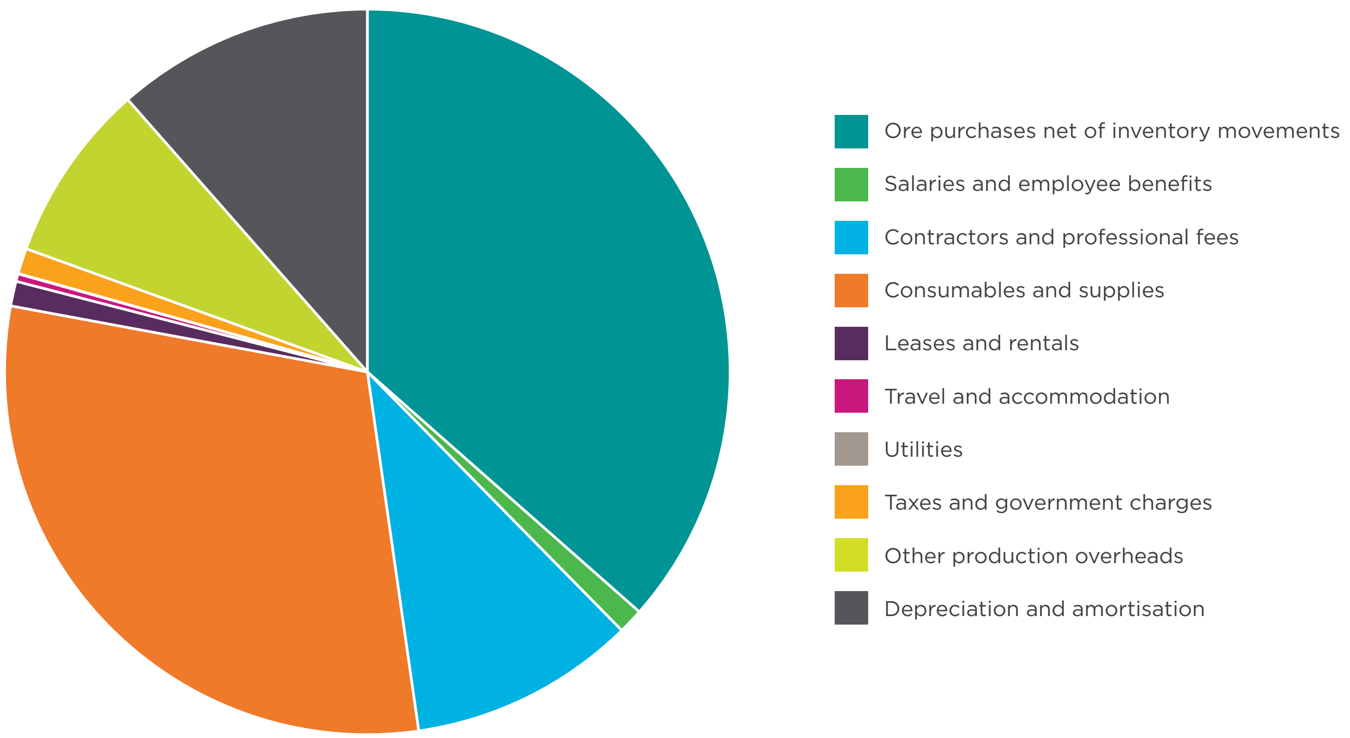
- An increase in total measured mineral resources to 0.16M ounces and indicated mineral resources to 4.97M ounces (including stockpiles of 0.13M ounces) increasing total measured and indicated contained gold to 5.13M ounces, and inferred resources of 2.83M ounces. After allowing for the ounces depleted from mining since we commenced production, this represents an increase of 1.06M ounces of contained gold from the previous NI 43-101 compliant resource or 23.3%.
- Spend in the order of $14.4M during the year, including drilling on new near mine targets, more regional exploration programmes, reserve definition, inferred resource ounce conversion and sterilisation programs.
- Mining fleet expanded, the initial scoping study of a 10mtpa expansion completed and the optimisation study to determine the options for upgrading plant capacity via stepped increases in capital expenditure nearing completion.

For the 2012 financial year, the Company has recorded revenues of $187.7M (2011:$238.5M) and a net profit after tax of US$6.0M (30 June 2011: US$65.1M). The results for the period were adversely impacted by the failure in July 2011 of the SAG Mill at the Company's operation at the Masbate Gold Project. All expenses in relation to the repair of the SAG Mill have been fully expensed in the twelve month period. Furthermore any insurance claims arising therefrom, including a loss of profits insurance claim, have not been reflected in the current year results. Any insurance proceeds received subsequently will be disclosed as income in the period received.

Once the SAG Mill was brought back on line, the plant has continued to operate above expectations with availabilities for the 6 months to 30 June 2012 averaging 94.8%. Since recommissioning, the SAG Mill has consistently operated at or above its design 6.5mtpa and has achieved record production of 100,013 ounces, in the six months to 30 June 2012, with a corresponding net profit after tax of US$28,109,938 (6 months to 30 June 2011: US$26,063,123), before allowing for the non-recurring expenses on the SAG Mill of US$6,213,085 and impairment arising from the mark to market of investments of US$6,869,837.

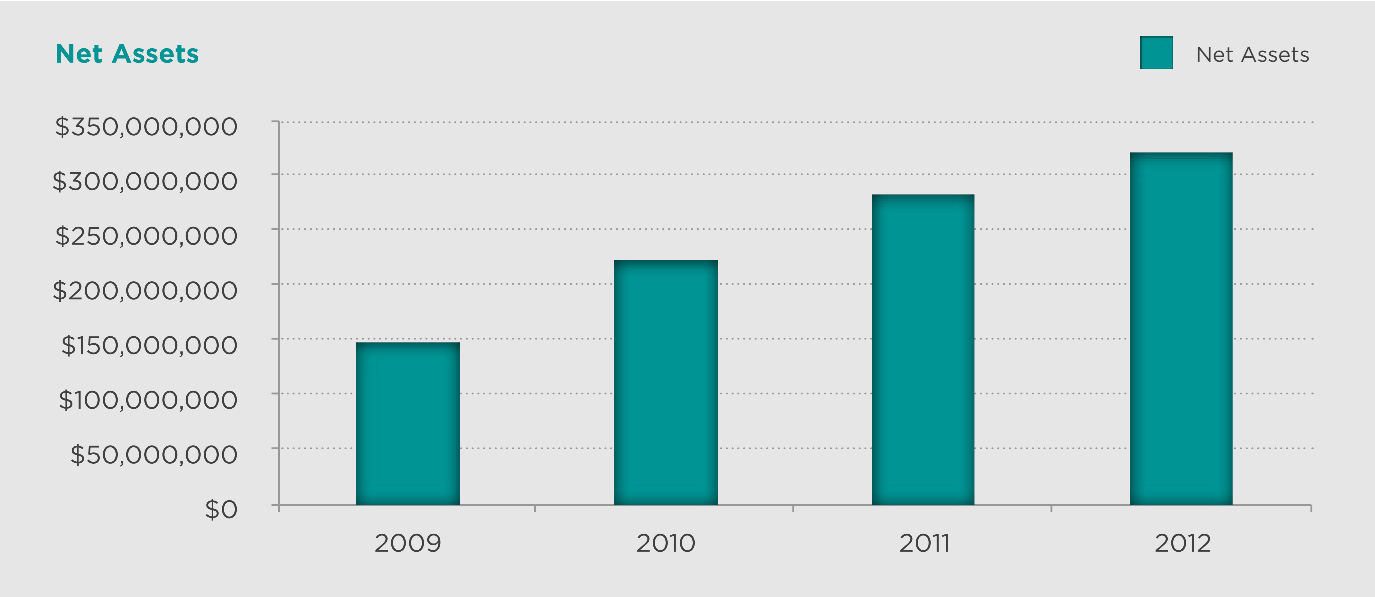
Net tangible assets per share increased from US73.42c per share as at 30 June 2011, to US84.39c per share as at 30 June 2012. Net assets likewise increased from US$283,099,543 as at 30 June 2011, to US$321,263,390 as at 30 June 2012.

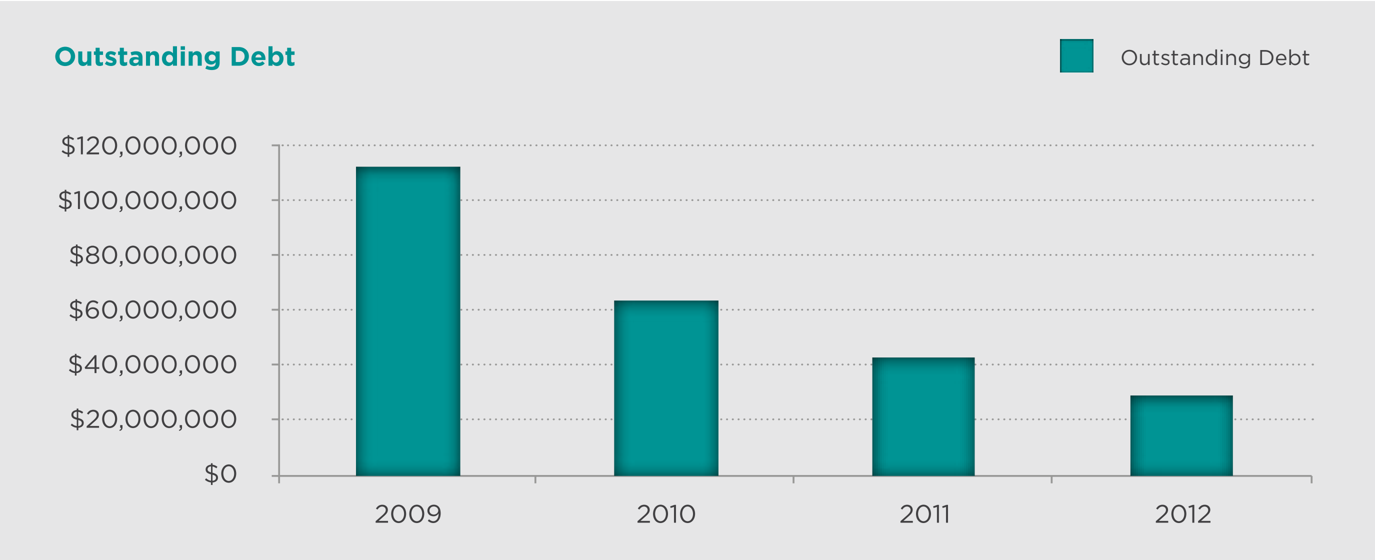
Cost of sales breakdown



Strong Balance Sheet

Net assets of the Company continued to grow during the 2012 year, increasing by 13% to $321.3M at 30 June 2012. The increase is primarily as a result of the successful operating performance during the second half of the year and the strong gold price. The Company also repaid a total of $16.3M on the BNP finance facility during the year, reducing the outstanding balance to $27.2M at 30 June 2012.





The Company continues to focus on growing its production capacity with $22.7M invested in fixed asset additions during the year, largely in relation to the commissioning of a fourth mining fleet at the Masbate Gold Project and the 6.5 mtpa plant upgrade.

Background

The Masbate Gold Project is owned by two Philippine registered companies, Filminera Resources Corporation ("FRC") and Phil. Gold Processing and Refining Corp. ("PGPRC"), with PGPRC 100% owned indirectly by CGA Mining Limited ("CGA").

FRC owns the Masbate Gold Project tenements and is responsible for the mining, environmental, social and community relations on the project site. CGA indirectly owns 40% of FRC with the remaining 60% being owned by Zoom Minerals Holdings Inc, ("Zoom") in which CGA has a 40% interest.

PGPRC is 100% owned by CGA and has a lease for that portion of the project area on which the processing facility is located. PGPRC has constructed and owns the processing plant and power plant and has an agreement to purchase and process all of the ore mined by FRC on the project area. PGPRC is also considering the option of purchasing material from sources other than the Masbate Gold Project. The environmental, legal, financial and social responsibilities in connection with the processing and tailings treatment are shared with FRC.

The Masbate Gold Project is located on the island of Masbate in the Philippines, approximately 350km southeast of the capital, Manila. Primary access to the site is by commercial airline either to the island's capital, Masbate City or to Legaspi City on the southern end of the main island of Luzon, followed by boat to the mine port facility. We also have a landing strip on site and there are regular charter flights, which is about a 1 hour flight from Manila.

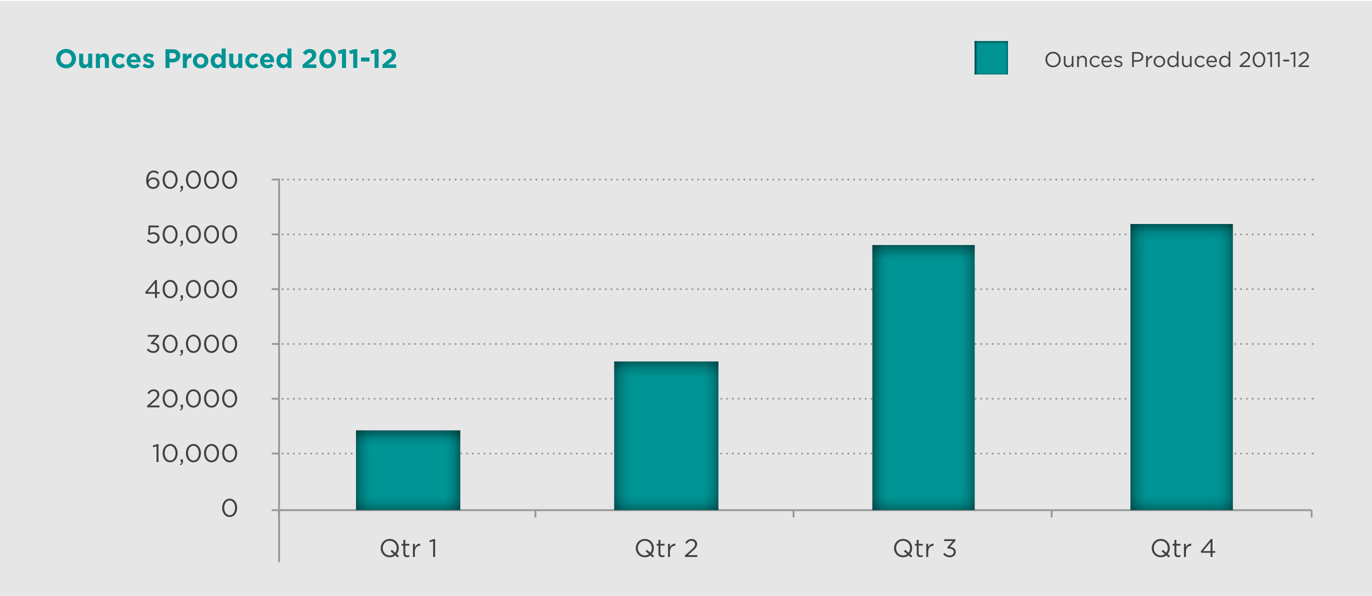
The mining operation consists of multiple open pits and the Company executed a 6 year mining alliance contract with Leighton Contractors Asia Limited ("Leighton") whereby Leighton provides the full mining fleet and associated equipment, manpower and mining equipment maintenance for the project, operating under the direction of FRC mining managers.

The Masbate Gold Project is the largest gold project in the Philippines and was successfully developed by the Company in less than 2 years from acquisition with first gold poured on 12 May 2009. The project has a total measured and indicated resource base of 5.13M ounces (including stockpiles of 0.13M ounces), total inferred resource base of 2.83M ounces and a proven and probable reserve of 3.17M ounces of gold. At steady state operations the project is currently forecast to produce over 200,000 ounces per annum, which is planned to increase with the proposed expansion to 10mtpa.

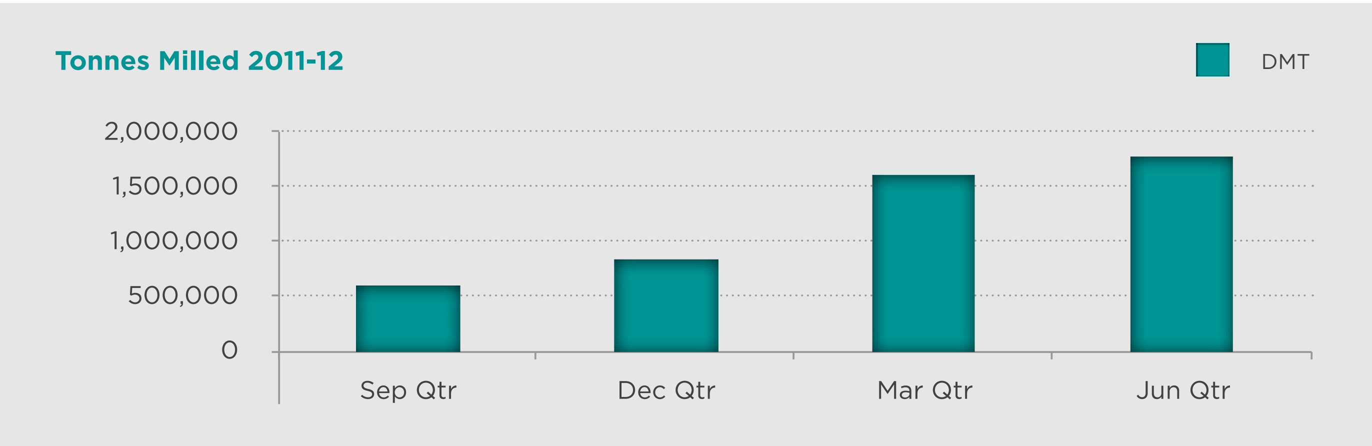
Mine overview

Operations

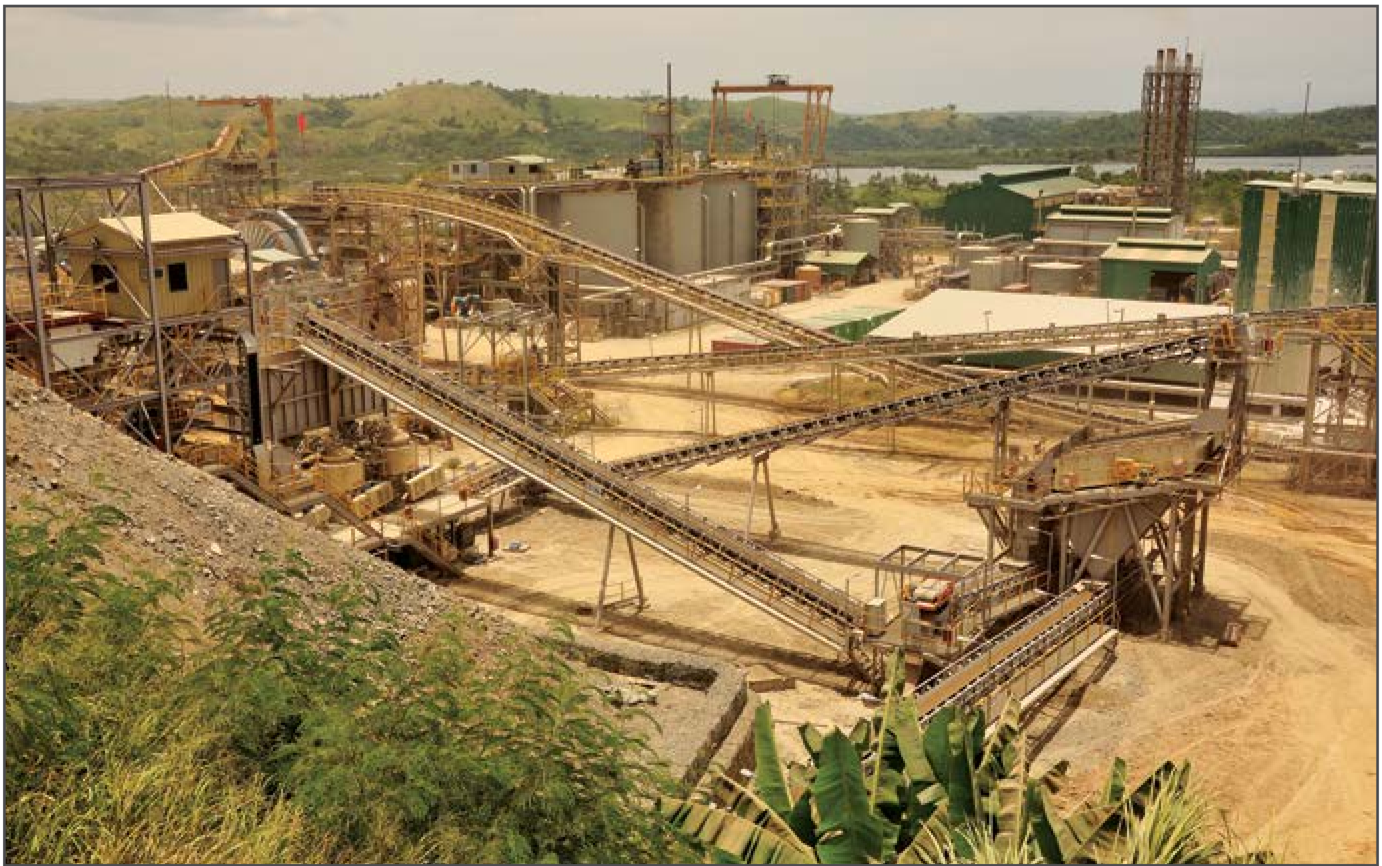
In its third year of operations, the Company has continued to achieve new milestones. The Company achieved a new record quarterly production for the June 2012 quarter, record half yearly production of 100,013 ounces for the 6 months to June 2012, along with an increase in reserves and resources announced in May 2012. Following on from this, in August 2012, the Masbate Gold Project poured its 500,000th ounce of gold. During the year, the group commissioned a new Supplementary Crushing Circuit which, following the successful recommissioning of the SAG mill in January 2012, has consistently operated at or above the design capacity of 6.5mtpa.



Mine production was 7,386,539 BCM for the June 2012 year (2011: 8,681,373 BCM). Tonnes milled for the year ended 30 June 2012 were 4,748,379 tonnes producing 142,772 ounces of gold. Cash operating costs (before taxes) for the year ended June 30, 2012 were US$831/oz sold.



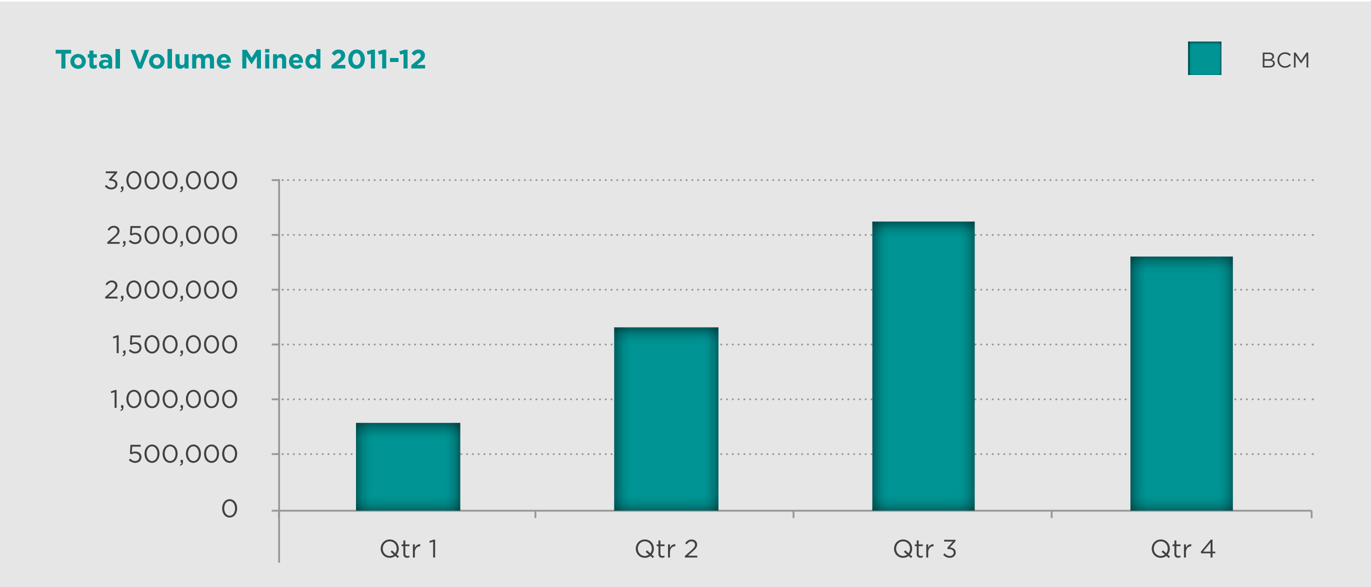
Production from the process plant was severely impacted by cracking that developed in the join between the SAG mill shell and head on 10 July 2011. The shell was repaired over the first 6 months of the year, with production through the SAG mill recommencing on 25 December 2011. Total loss of production was avoided by the implementation of a by-pass of the SAG mill and direct feed into the ball mills. This resulted in up to 60% of planned production being able to be achieved whilst repair work was conducted on the SAG mill. Once the repair was complete full production was achieved with record production and throughput being achieved in the last quarters of the financial year. Work on the comprehensive scoping study to lift production rates to 10mtpa continues to track well. The initial mine scheduling shows that mining can match the higher throughput with the new larger equipment and that the expansion can be supported, independent of exploration success. Sedgman Limited (WA) finalised the initial scoping study to identify equipment requirements and capital costs. A further optimisation study was commissioned with Lycopodium Minerals Pty Ltd and is nearing completion. The optimisation study is showing that an expansion of the crushing and grinding circuits can be achieved without interference to the existing operation and the final tie into the plant can occur with minimal down time.



Processing plant

Mining

Mine production in the 2011-2012 year continued expanding the working areas in the Main Vein, Colorado and Holy Moses Basalt Pits. Mining volumes were reduced in the first 6 months of the financial year, in line with reduced mill throughput. During this period, mining concentrated on maximising recovery of oxide ore from available mining areas. Monthly mining volumes returned to budget rates in January 2012 upon completion of SAG mill repair.



Pit mining

Trucks

Loading ore

Reserves And Resources

Based on the NI 43-101 compliant technical report with an effective date of 31 October 2011, the Masbate Gold Project has a total indicated resource base of 211.7Mt at a grade of 0.75 g/t for 5.13M ounces, total inferred resource base of 102.8 Mt at 0.86 g/t for 2.83M ounces and a total Proven and Probable reserve of 118.6 Mt at 0.83 g/t for 3.17M ounces of gold. Mining and production at the project commenced in 2009 and the project has now produced a more than 500,000 ounces of gold to date.

		CUT OFF GRADE														
MASBATE		0.0	0.1	0.2	0.3	0.36	0.4	0.5	0.6	0.7	0.8	0.9	1.0	1.2	1.5	1.7	2.0
Measured	Au (g/t)	0.46	0.49	0.58	0.70	0.77	0.82	0.94	1.06	1.19	1.31	1.43	1.56	1.79	2.10	2.30	2.62
	M tonnes	14.3	13.2	10.4	7.5	6.4	5.7	4.3	3.3	2.5	2.0	1.6	1.2	0.8	0.5	0.4	0.2
	Au (Moz)	0.21	0.21	0.19	0.17	0.16	0.15	0.13	0.11	0.10	0.08	0.07	0.06	0.05	0.03	0.03	0.02
Indicated	Au (g/t)	0.23	0.30	0.46	0.66	0.76	0.82	0.95	1.05	1.14	1.24	1.33	1.44	1.65	1.97	2.20	2.54.
	M tonnes	1481.3	1038.5	503.0	261.3	197.8	170.7	126.6	101.9	83.0	66.7	53.6	42.5	26.1	13.0	8.1	4.2
	Au (Moz)	10.76	9.88	7.38	5.50	4.84	4.51	3.88	3.44	3.05	2.66	2.30	1.96	1.39	0.82	0.57	0.35
Total M + I	Au (g/t)	0.23	0.30	0.46	0.66	0.76	0.82	0.95	1.05	1.14	1.24	1.34	1.44	1.66	1.98	2.21	2.55
	M tonnes	1495.5	1051.7	513.4	268.8	204.3	176.4	130.9	105.2	85.5	68.7	55.2	43.8	26.9	13.5	8.4	4.4
	Au (Moz)	10.97	10.09	7.58	5.67	5.00	4.66	4.01	3.55	3.14	2.74	2.37	2.02	1.43	0.86	0.60	0.36
Inferred	Au (g/t)	0.35	0.45	0.64	0.81	0.86	0.89	0.94	0.99	1.07	1.16	1.27	1.40	1.65	2.09	2.51	3.08
	M tonnes	345.5	259.3	160.0	112.7	102.8	96.8	86.8	75.3	61.6	47.7	35.5	25.6	14.1	6.0	3.2	1.8
	Au (Moz)	3.93	3.77	3.30	2.93	2.83	2.76	2.61	2.41	2.12	1.79	1.45	1.15	0.75	0.40	0.26	0.17

Resource Estimate at October 2011

Reserve Category	Tonnage (Mt)	Au Grade (g/t)	Au Ounces (Moz.)
Proven	5.7	0.75	0.139
Probable	105.5	0.85	2.899
Stockpiles (Probable)	7.4	0.55	0.131
Total P + P	118.6	0.83	3.168

Reserve Estimate at October 2011

Tailings Storage Facility

The Tailings Storage Facility ("TSF") started construction in August 2008 and construction of this facility continues to date. Stage four (35mRL) and Stage five (38.5mRL) construction was completed during 2011, with construction of Stage six (42mRL) near completion at the end of June 2012. Diversion of a section of national road required during construction of Stage four was completed and handed over to the Department of Public Works and Highways, Philippines, in August 2011.

Tailings Storage Facility

GHD Engineering Pty Ltd, a Perth based engineering company continue to conduct the detailed designs required for the TSF Construction under the guidance of D.E. Cooper and Associates Pty Ltd. The construction of the TSF continues to be completed by Galeo Equipment and Mining Company, Inc., a Philippine owned and operated company.

Monitoring of the containment system of the TSF is being conducted through 12 piezometers, and 3 monitoring boreholes. Analysis of the piezometer data is being carried out by GHD Engineering Pty Ltd, and results to date show no signs of any water ingress through the wall.

Detailed design of Stage seven (45mRL) was well advanced by the end of June 2012. The TSF facility is currently consented to a height of 51mRL.

Exploration Overview

During the 2010 year, FRC was granted a new 52.3km exploration permit contiguous to the tenements currently being mined by the Masbate Gold Project. During the year, the Company announced an increase in total measured mineral resources to 0.16M ounces and indicated mineral resources to 4.97M ounces (including stockpiles of 0.13M ounces) increasing total measured and indicated contained gold to 5.13M ounces, and inferred resources of 2.83M ounces, as reported in the last release of a NI 43-101 compliant resource. After allowing for the ounces depleted from mining since we commenced production, this represents an increase of 1.06M ounces of contained gold from the previous NI 43-101 compliant resource or 23.3%. The increase relates to the resource base at Main Vein, Libra East, Libra West and HMBNW where additional resources were added below the pit shell and opened targets at depth. Additional resources were also defined for Blue Quartz, Old Lady and Panique-Dabu prospects which are all outside the current pit design. Two more drilling contractors were mobilised to site increasing the number of drill rigs to 11 which also saw a successful sterilization program completed for the expansions of Colorado/Bangon and HMBE waste dumps.

A geological contracting team completed a regional mapping and sampling program within our 52.3km^2 EP10. This generated several positive targets for anomalous gold in -80# sediments and rock chip samples.

Additional geologists were hired for follow-up work on high ranking targets including creek traverse, mapping, sampling and geo-chemical sampling.

Exploration drilling

Gold

Results from recent drilling at key targets near the mine have resulted in some strong intercepts. Drilling results from Blue Quartz continue to show wide intercepts of higher than average grades and continues northerly with some significant intersections of the Panique/Dabu structures. Significant results include: 25m @ 1.65g/t, 26m @ 2.70g/t Au from 54m, 22m @ 12.13g/t Au from 187m.

The Main Vein North Split structure has also been returning wider and higher grades which may have a significant impact on the pit design. Grades from here include: 21m @ 1.24g/t Au from 210m, 15m @ 7.13g/t Au from 98m and 21m @ 3.83g/t from 111m.

Further wide zones of high grade mineralisation were also intercepted in the North West Extension of the HMB zone. Intercepts include: 12m @ 3.78g/t Au from 130m, 18m @ 6.74g/t Au from 175m and 44m @ 1.99g/t Au from 27m.

Extension drilling of the Libra East deposit has returned consistent wide intercepts of high grade mineralisation. Intercepts include: 73m @1.31g/t Au from 100m, 19m @ 1.09 from 333m, 29m @ 1.58g/t Au from 145m, 27m @ 1.12g/t Au from 60m, 44m @ 1.34g/t Au from 96m and 51m @ 1.17g/t Au from 121m.

Community Development

The Company continuously interacts with the communities and stakeholders to establish sustainable relationships and to facilitate the development of self-reliant communities within the areas affected by its operations through:

Specifically, the Company's continuous interaction and meaningful participation in the development of the communities were translated into the implementation of its Social Development and Management Programs and other Corporate Social Responsibility Projects. Significant projects undertaken during the 2012 year are as follows:

Education and Training

- Continued providing Scholarship and Educational Assistance Program to 307 high school and college students from the 8 impact barangay. Thirty two have graduated with 16 gaining employment. The scholars have been encouraged to give back to their communities through involvement in volunteer community work including:
    - Planting of 1,513 mangrove propagules as well as 2,145 tree seedlings of mahogany, acacia, tick tree.
    - Tutorial reading and writing classes for 118 elementary students of Amoroy and Syndicate.
    - Community and coastal cleanup projects instilling sanitation awareness among residents in all impact barangays.
- Construction of 4 additional classroom buildings in Lanang, Panique, Syndicate and Amoroy for elementary students. Improved school facilities at Puro, Bangon and Syndicate through the construction of playground equipment, perimeter fencing and additional ablution buildings.
- Distributed school supplies consisting of MGP-printed backpack, sets of notebooks, pen and pencils, pencil case, pad papers and crayons to over 10,000 pupils from the mine's eight host communities and neighboring barangays.
- Provided school fixtures (tables and chairs) in Syndicate and instructional materials such as audio-visual aids in Capsay.
- Continued financial support for 28 additional school teachers in the elementary, high school and Day Care Centers to reduce teacher – student ratios.
- Around 1,000 elementary and high school students from Lanang, Syndicate, Balawing, Puro and Panique benefited from the continued provision of school transport services.


Capsay SDMP school


Students

Livelihood

- Continued regular onsite training for farmers groups in the production of various high value vegetables that are marketable locally in Barangays Puro, Capsay, Balawing, Bangon and Lanang.
- Provided a tilling machine, fertilizers and certified, high yielding palay seeds to the Panique Farmers Association.
- 15 small fishing boats and 46 sets of materials for fishing nets were distributed to members of Fisher folks Association from Balawing, and Panique.
- Established a hog raising project with the wives of the small scale panners in Syndicate and also with the women's association of Capsay, Balawing and Lanang to augment family income. The sanitary pigpens designed for an odourless zero-wash pens now cater to the production of organic fertilizer. Biogas facilities were installed in Capsay, Bangon and Balawing for fuel generation fed from the manure of pigs by the hog raising projects.
- Conducted livelihood skills training in Massage Therapy, Food Processing and Beauty Care to sixty nine women participants from Puro, Amoroy and Bangon.

Agricultural assistance and training

Hog raising project

Cultural and sports

- Completed the improvement of barangay plazas in Barangays Amoroy, Syndicate, Bangon, Balawing and Lanang to provide venues for sports and cultural activities, community gatherings and other barangay activities.
- Completed the construction of community stages in Barangay Bangon and Panique that are now being used for community gatherings.
- Completed the construction and improvement of six chapels in Puro, Bangon, Balawing and Panique.
- Facilities, financial assistance and materials were provided for cultural and sporting events in the communities.

Vegetable production program

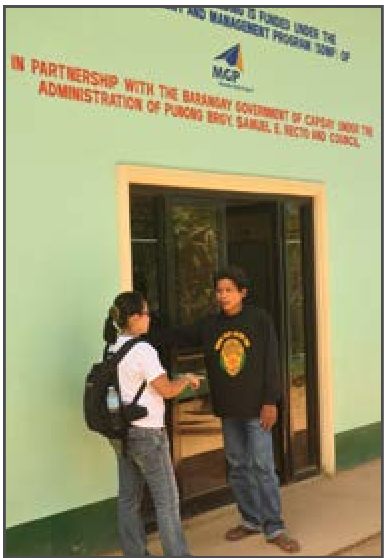
Health and Sanitation

- A total of 389 household recipients from six impact barangays completed the installation of home toilet facilities with labor as counterpart from each household beneficiary.
- Eyesight testing services were provided for 80 senior citizens of Panique and Syndicate with 71 subsequently being given glasses. Food supplies were also provided to 214 members of the senior citizens of Puro and Bangon as part of the outreach program for the elderly.
- Continued provision of financial subsidies to health care providers in Syndicate, Bangon and Amoroy to improve delivery of community health care services concentrating on family planning, midwifery, infant health care, immunization, infant nutrition and health.
- Provided additional equipment and materials to the barangay health stations of Panique, Syndicate, Puro and Amoroy to improve the capacity of the community to provide maternity and general health care services.
- A total of 296 undernourished children aged 0-6 years old from Puro, Panique, Syndicate and Lanang were recipients of the supplemental feeding program coupled with mothers' classes conducted to provide additional knowledge on health and nutrition to mothers of the children.
- Provided one multi-cab vehicle for barangay Syndicate for the provision of health and ambulance services.

Community health care

Community health care

Puro daycare centre



Multi purpose building

Infrastructure

- Completed the concreting of barangay roads in Syndicate, Capsay, Lanang, Panique and Puro providing safe, all weather access for motorists for residents.
- Regular maintenance was undertaken on 10km of barangay roads in Puro, Capsay, Panique and Lanang including improvements to surface drainage and the rehabilitation of a 60 metres long bridge in Barangay Capsay.
- Two satellite markets were constructed in Puro and Panique for the sale of locally grown or manufactured goods in support of the community livelihood programs.
- Completed the development and installation of water distribution systems in Capsay and Syndicate servicing 392 households. The systems included four tanks, 3.9 kilometers water distribution line and 38 tap locations.
- A two-story, multipurpose building was completed in Lanang to service the community as a barangay hall and training centre.
- Installed street lights in Bangon, Panique and Puro.

The Masbate Gold Project ("MGP") is committed to the continual improvement of its environmental performance at its operations. The Company strives to achieve a balance between economic development and the management and protection of the environment and environmental matters to enable the Company to achieve long term environmentally sustainable development.

The continued success of the Company depends upon its ability to access land, people and capital. CGA is committed to fostering long-term partnerships and relationships to maximise the sharing of opportunities and benefits within the areas surrounding its operations and seeks to achieve long term environmentally sustainable development through the following guidelines as set out in the Company's Environmental Policy:

- Complying with all applicable environmental laws, regulations and requirements and where able, exceeding those applicable standards for environmental management;
- Ensuring continuous improvement in its environmental performance including promoting its environmental progress through regular reporting to government and local communities;
- Establishing, developing and maintaining management systems that are consistent with internationally recognised standards to identify, monitor and control all aspects of its environmental activities;
- Promoting environmental awareness amongst its employees and contractors thus ensuring they are aware of their roles and relevant responsibilities for environmental management;
- Developing its people and providing them with the necessary resources to ensure that sustainable environmental development is an integral part of how it does business;
- Regularly monitoring environmental performance to ensure minimisation and where possible, prevention of negative impacts on the environment;
- Working with local communities and governments to minimise environmental impacts and develop opportunities for community involvement in environmental programs; and
- Integrating environmental processes into all aspects of its operations.

Air quality monitoring

The MGP holds the required licences and permits, and abides by the Acts and Regulations issued by the relevant mining and environmental protection authorities – Department and Environment and Natural Resources ("DENR"), Environmental Management Bureau ("EMB") and Mines and Geosciences Bureau ("MGB"). These licences, permits, Acts and Regulations specify limits and regulate the management of discharges to the air, ground and surface waters associated with the mining and processing operations, as well as the storage and use of hazardous materials. There have been no significant known breaches of the MGP licence or permit conditions or of the relevant Acts and Regulations to date at the project. The operations have had no prosecutions or fines from the regulatory authorities. No significant environmental incidents occurred that could have medium to long-term impacts. The permitting system in the Philippine`s involves regular renewals so at all times there can be various permits or licences that may be subject to renewal and our experience to date has demonstrated the Philippine regulatory bodies are both efficient and reliable in consistently applying and implementing the procedures.

water quality monitoring

The environmental performance highlights at MGP during the year were as follows:

- All requirements for environmental monitoring were completed and all Self-Monitoring Reports were submitted during the year.
- The Mine Rehabilitation Fund Committee meeting was held in March 2012 where the 2011 Annual Environmental Protection and Enhancement Program was reviewed and the 2012 program approved.
- The Multipartite Monitoring Team, consisting of representatives from the MGB, EMB, Provincial Environment and Natural Resources Office, Provincial Government Unit of Masbate, Aroroy Local Government Unit, Municipal Health Unit, Bureau of Fisheries and Aquatic Resources, Municipal Agriculture Office, 8 local community leaders and the Parish Priest, conducted quarterly inspections.
- The Coastal Marine and Limnological Monitoring Program was completed, meeting Environmental Compliance Certificate requirements.
- Implementation of the CGA Safety, Health and Environment Management System Standards, Guidelines and Audit Protocols continued.

- In compliance to the Philippine regulations for environment and other government requirements, the following environmental permits were obtained or renewed from the EMB, MGB, and the Philippine Drug Enforcement Agency:

  Philippine Clean Water Act (RA 9275)

  - Wastewater Discharge Permit – Two (2) Sewage Treatment Plant.
  - Wastewater Discharge Permit – Batching Plant.
  - Wastewater Discharge Permit for Tailings Storage Facility (TSF).
  - Wastewater Discharge Permit – Power Plant Oil & Water Separator.

  Clean Air Act of 1999 (RA 8749)

  - Permit to Operate Wet-Type Concrete Batching Plant.
  - Permit to Operate Fusion Furnace – Assay Lab.
  - Permit to Operate 75tph Portable Crushing Plant & 7 Generator Sets.
  - Permit to Operate 30MW Power Plant.
  - Permit to Operate Pulverizer, Jaw Crusher, Dust Collector.
  - Permit to Operate Primary Crusher, SAG Mill, Pebble Crusher, 2 Ball Mills and 6 Conveyers.
  - Permit to Operate 1 Unit 4000kW Hot Oil Heater for Elution Heating System.
  - Permit to Operate Barring Furnace

  Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990 (RA 6969)

  - PCL Compliance Certificate for 1,500 MT Lead Nitrate.
  - Hazardous Waste Registration.
  - Chemical Control Order Registration Certificate – NaCN, HCN, & KCN.
  - License to Handle Controlled Precursors and Essential Chemicals.

Rehabilitation

406,531 seedlings were planted over an area of 73 ha within the buffer zone and other open areas around the mine site. 10,758 seedlings were donated to the surrounding communities.

Monitoring

Surface water monitoring is undertaken at various frequencies in accordance with permit requirements (i.e. daily, weekly, monthly and quarterly).

Monitoring bores are installed at the TSF to augment the piezometers already installed at the TSF main embankment and freshwater division dam embankment. The groundwater monitoring bores are monitored quarterly.

Emissions

Results of ambient air quality monitoring undertaken by a consultant found that levels of sulphur oxides, nitrogen oxides, carbon monoxides and total suspended particulates were compliant with relevant regulations.

Tailings

The monthly construction monitoring reports of the TSF undertaken by MA Bolaño and AMH Philippines Inc. indicating the facilities were being operated efficiently and there were no significant issues with structural stability or compliance with procedures.

Compliance

The DENR, EMB and MGB have not issued the MGP with any material non-compliance to any conditions contained within Acts, regulations, licences or permits.

Seedling planting

Seedling planting

Water monitoring

MGP forestation nursery

The safety of our employees, surrounding communities and environment continues to be a top priority for the Company. The MGP has continued to maintain an exceptional safety record with a Lost Time Injury Frequency Rate of 0 (rolling 12 month average, as of end of June 30, 2012). The outstanding safety record at the project was recognised during the Annual National Mine Safety and Environment Conference in November, 2011, where the MGP was awarded as the First Runner-up in the Safest Surface Mine award, First Runner-up in the First Aid Field Competition and a recipient of the Best Safety Inspector award to an MGP Safety Inspector.

The Company is committed to protecting the safety of our employees, surrounding communities and environment and providing sustainable benefits to the communities impacted by its operations and is proud to receive this formal recognition by the Government of its efforts.

CGA is committed to ensuring that occupational health, safety and security are given the highest priority to ensure a safe and healthy environment for its workforce and the surrounding community. To achieve this commitment the Company has set out the following guidelines in its Occupational, Health and Safety Policy:

- Complying with all relevant occupational health and safety laws, regulations and standards in the location in which it is working and where possible, exceeding those standards;
- Implementing occupational health and safety systems based on internationally recognised standards in order to create an environment where people believe it is possible to work injury free;
- Implementing risk management systems and conducting risk assessments to anticipate, minimise and control hazards in the work place;
- Openly communicating with and consulting its workforce and the local community to ensure they have a clear understanding of their needs and interests in relation to any matters that may affect their health, safety and security;
- Training its workforce and providing the resources necessary to ensure that they are competently equipped to carry out their duties and responsibilities;
- Continuously improving its occupational health, safety and security practices through the use of evolving scientific knowledge, technology and management practices; and
- Ensuring all stakeholders are involved in the improvement of occupational health, safety and security systems.

The focus of the MGP has been to raise safety awareness and improving the safety culture on site through inductions, training and safety meetings. Safety awareness, hazard identification and risk management, and competency based training of our employees and contractors will continue to be a major site focus. Our aim is to be the industry leader in safety management and incident/accident prevention within the Philippine mining industry.

Health awareness programmes were conducted by the Clinic Doctors, which included free vaccinations made available to all full-time employees and contractors.

The MGP has formed an Emergency Response Team whose members are trained to an international standard by a recognized trainer.

Implementation of the CGA Safety, Health and Environment Management System Standards, Guidelines and Audit Protocols continued. Furthermore, improvements have been made to the identification and resolution of corrective actions through the implementation of the Mine Record Database.

Morning warm ups

Masbate Gold Project office

National Instrument 43-101 And Jorc Compliance

Mr Mark Turner, BE Min(Hons), M.Aus.I.M.M.CP Man, CGA's Chief Operating Officer, is acting as the Qualified Person in compliance with NI 43-101 and JORC reporting requirements with respect to this announcement. He has prepared and or supervised the preparation of the scientific or technical information in this announcement and confirms compliance with NI43-101 and JORC requirements.

The information in this news release that relates to the 2011 mineral resource estimate is based on information compiled by Mr. Andrew Vigar, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Vigar is a full time employee of Mining Associates Limited. Verification of the data included site visit, database validation of historical drill results and review of sampling and assaying protocols. Mr. Vigar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code") and as a Qualified Person NI 43-101. Mr. Vigar consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this news release that relates to the 2011 mineral reserve estimate is based on information compiled by Mr. Stephen Jones, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Jones is an employee of Golder Associates Pty Ltd. Verification of the data included site visit, validation of operating procedures and equipment and the ability of the mine site to mine the reserves. Mr. Jones has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined by the JORC Code and as a Qualified Person under NI 43-101. Mr. Jones consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Cautionary Note Regarding Forward Looking Statements

This announcement includes certain "forward-looking statements" within the meaning of Canadian securities legislation. Accuracy of mineral resource and mineral reserve estimates and related assumptions and inherent operating risks, are forward-looking statements. Forward-looking statements involve various risks and uncertainties and are based on certain factors and assumptions. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from CGA's expectations include uncertainties related to fluctuations in gold and other commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; the need for cooperation of government agencies in the development of CGA's mineral projects; the need to obtain additional financing to develop CGA's mineral projects; the possibility of delay in development programs or in construction projects and uncertainty of meeting anticipated program milestones for CGA's mineral projects; and other risks and uncertainties disclosed under the heading "Risk Factors" in CGA's Annual Information Form for the year ended 30 June 2012 filed with the Canadian securities regulatory authorities on the SEDAR website at sedar.com.


CATERPILLAR

ANNUAL FINANCIAL STATEMENTS

For The Year Ended 30 June 2012

The Directors of CGA Mining Limited ("the Company" or "CGA") present their report on the consolidated entity consisting of CGA and the entities it controlled during the year ended 30 June 2012 (the "Consolidated Entity" or "the Group"). The Company's functional and presentation currency is USD ($).

A description of the Company's operations and its principal activities is included on page 31.

1. DIRECTORS AND COMPANY SECRETARY

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Current Directors

Mark S Savage

Chairman

Mr Savage was born and educated in the United States of America ("US") where he received a business degree from the University of Colorado and was a senior executive for a number of US banks. He then joined an Australian based merchant bank and completed the Securities Institute of Australia course.

Mr Savage has gained experience in the debt and equity markets as well as in the corporate advisory area. He currently holds directorship positions with Global Petroleum Limited (since 1999) and Ratel Group Limited ("Ratel") (since October 2010). Mr Savage was appointed a director of the Company on 17 April 2000.

Mr Savage is a member of the Corporate Governance and Remuneration Committees.

Michael J Carrick

President and Chief Executive Officer

Mr. Michael Carrick is a Chartered Accountant with over 20 years experience in the resources sector. He was previously Executive Chairman of AGR Limited, the entity which owned and developed the Boroo Gold Project in Mongolia, and Chief Executive Officer of Resolute Limited, one of Australia's largest gold producers. Prior to joining Resolute, Mr. Carrick was a senior partner of Arthur Andersen.

Mr. Carrick holds degrees majoring in economics, law, business administration and accounting and has been responsible for the acquisition, development, and operation of a number of major gold projects, both in Australia and internationally. He was appointed a director of the Company on 6 January 2004, and is also a director of Ratel Group Limited (since October 2010).

Justine A Magee

Executive Director and Chief Financial Officer

Ms Magee is a Chartered Accountant with extensive experience in the resource sector having headed the corporate and finance areas for Resolute Limited for 6 years. She was formerly with Arthur Andersen and a director of AGR Limited. Ms Magee's principal responsibilities are legal and finance, arranging of debt and equity issues and review and execution of new business opportunities in the resources sector. Ms Magee holds a Commerce Degree from the University of Western Australia. She was appointed a director of the Company on 23 November 2004 and does not hold directorships in any other listed company.

Ms Magee is a member of the Disclosure and Corporate Governance Committees.

Robert N Scott

Non Executive Director

Mr Scott is a Fellow of the Institute of Chartered Accountants in Australia with over 35 years experience as a corporate advisor. Mr Scott is a former senior partner of the international accounting firms of KPMG and Arthur Andersen. Mr Scott currently holds directorships on Sandfire Resources NL, Amadeus Energy Limited and Homeloans Limited.

Mr Scott is the chair of the CGA Mining Limited Audit Committee and the Disclosure Committee. He was also appointed as chair of the Nomination and member of the Remuneration Committees on 13 November 2009.

Phil C Lockyer

Non Executive Director

Mr Lockyer is a Mining Engineer and Metallurgist with more than 40 years experience in the mining industry, with an emphasis on gold and nickel, in both underground and open pit mining operations.

Mr Lockyer was employed by WMC Resources for 20 years reaching the position of General Manager of Western Australia responsible for that company's gold and nickel divisions. Mr Lockyer holds directorships on Swick Mining Services Limited, St Barbara Limited, Focus Minerals Limited, and Perilya Limited.

Mr Lockyer is a member of the Audit and Disclosure Committees and was appointed as member of the Nomination Committee on 13 November 2009.

David A Cruse

Non Executive Director

Mr Cruse has had a long career in commerce and finance. He was a stockbroker for over 20 years, where he held senior management positions and directorships in the stockbroking industry, with particular focus on capital markets. Recently, Mr Cruse has been involved in the identification and commercialisation of a number of resource (including oil and gas) projects.

Mr Cruse was appointed director of CGA Mining Limited on 13 November 2009 and has held a directorship position on the board of Odyssey Energy Limited since 2008.

Mr Cruse was appointed as member of the Audit, Nomination and Remuneration Committees on 13 November 2009.

Hannah C Hudson

Company Secretary

Ms Hudson holds a Bachelor of Commerce and a Bachelor of Arts Degree from the University of Western Australia and is a member of the Institute of Chartered Accountants in Australia.

2. DIRECTORS INTERESTS

The relevant interest of each Director in the shares and options over such instruments issued by the companies within the Group and other related bodies corporate, as notified by Directors to the Australian Stock Exchange in accordance with s205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Director	Interest in Securities at the date of this report	
	Ordinary Shares (1)	Unlisted Options
Current Directors		
Mark S Savage (2)	5,073,880	-
Michael J Carrick (2)	1,155,000	3,000,000 (3)
Justine A Magee (2)	1,113,333	-
Robert N Scott	-	-
Phil C Lockyer	-	-
David A Cruse	119,600	-

Notes

(1) "Ordinary shares" means fully paid ordinary shares in the capital of the Company.

(2) Shares held were not issued as part of remuneration, but issued in the capacity as a shareholder in AGR, an investment acquired by the Company, and subsequently sold on 30 June 2004 (J Magee: 13,333, M Carrick: 55,000). These also relate to 1,100,000 shares held by a non-related entity, for which Mr Carrick, Ms Magee and Mr Savage are directors and have no beneficial interest.

(3) Mr Carrick's options are held by a related party for which he has no beneficial interest.

3. MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the financial year ended 30 June 2012 and the number of meetings attended by each Director. There were four committees of directors in existence during the financial year, these being, the Audit Committee, Corporate Governance Committee, Compensation Committee and the Disclosure Committee. We refer you to our Corporate Governance section at the end of the director's report for more information.

		Committee Meetings				
	Directors Meetings	Audit	Corporate Governance	Remuneration	Nomination	Disclosure
Number of Meetings Held	3	3	-	-	-	-
Number of Meetings Attended						
Mark S Savage	1	n/a	-	-	-	-
Michael J Carrick	3	n/a	-	-	-	-
Justine A Magee	2	n/a	-	-	-	-
Robert N Scott	3	3	-	-	-	-
Phil C Lockyer	3	3	-	-	-	-
David A Cruse	2	3	-	-	-	-

4. PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the course of the year was mineral exploration and development and the operation of the Masbate Gold Mine in the Philippines. There have been no significant changes in the nature of the principal activities of the Consolidated Entity during the year other than as disclosed in the "Significant Changes in the State of Affairs" section of this report.

5. EMPLOYEES

	2012	2011
The number of full time equivalent people employed by the Consolidated Entity at 30 June 2012 (including consultants).	195.5	199.5

6. REVIEW OF OPERATIONS AND RESULTS

Net profit after tax for the year ended 30 June 2012 was $5,988,349 (2011: Net profit after tax of $65,082,264). The results for the 2012 financial year were heavily impacted by the failure of the SAG mill which affected the first six months of operations and accordingly, we would anticipate a material improvement in the coming 12 month period. Whilst the results of the first half of the year were affected by the SAG Mill incident, following the recommencement of full production in January 2012, the six months to June 2012 has resulted in production of a record 100,013 ounces. The plant continued to operate above expectations with availabilities for the 6 months to 30 June 2012 averaging 94.8%. Since recommissioning, the SAG mill has consistently operated at or above 6.6mtpa with the highest throughput recorded in May 2012, reaching an annualised throughput rate of 7.6Mtpa. The 6.5Mtpa plant upgrade was finalised during the 2012 year along with commissioning of the supplementary crusher, which has been working consistently at or above 6.5Mtpa. Work on the comprehensive scoping study to lift production rates to +10Mtpa was completed during the year. The optimisation study, which commenced during the year, is due for completion shortly and will look at various options to lift production rates further.

For the year ended 30 June 2012, the Masbate Gold Project ("the Project") milled 4.748M tonnes producing 142,771 ounces of gold. Total proceeds at year end from gold and silver sales were approximately US$185M, with an average gold sale price of US$1,319/oz. The plant at the Project has exceeded all expectations following the resumption of full production and continues to achieve new monthly throughput production records with the Company announcing in May 2012 that the Project had poured 10 tonnes of gold. During the year an additional mining fleet has been commissioned to improve the efficiency of the mining operation and will allow the acceleration of cutbacks to ensure ore is available to the mill at an increased rate.

An exploration programme by the Group's associate Filminera Resources Corporation which commenced during the 2010-11 year is well underway with $13M spent during the 30 June 2012 year, in addition to the $8M spent during the 30 June 2011 year. A further $20M expenditure is planned in the coming year, with a focus on materially enhancing the reserve and resource base of the project.

For the twelve months ended 30 June 2012, the Group repaid $16,272,330 on the project finance facility with BNP Paribas, leaving an outstanding balance owing of $27,205,890 at 30 June 2012.

7. DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2012.

8. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The significant changes in the state of affairs of the Consolidated Entity during the year were:

- The Company repaid a further $16,272,330 on the BNP Paribas loan leaving an outstanding balance owing of $27,205,890 at 30 June 2012.

9. POST BALANCE DATE EVENTS

Subsequent to year end, 40,000 A$1.15 and 50,000 A$0.90 options were exercised for total proceeds of A$91,000.

On September 4, 2012, the Company entered into a loan facility agreement with Ratel Group Limited ("Borrower") to provide a funding facility of up to $2,500,000 to Ratel Group Limited. The term is for 24 months at an interest rate of 9% per annum.

On September 19, 2012, the Company announced it had entered into a definitive Merger Implementation Agreement ("Merger Agreement") to merge B2Gold Corp. (TSX: BTO, NSX: B2G, OTCQX: BGLPF) ("B2Gold") and CGA at an agreed exchange ratio of 0.74 B2Gold common shares for each CGA share held, which represents a purchase price of approximately C$3.18 per CGA share (based on the closing share prices on 17 September 2012). The transaction is valued at approximately C$1.1 billion. The transaction is subject to amongst other things, shareholder approvals for both companies and necessary consents and is subject to normal terms and conditions including termination rights for various events including any material adverse change to either party.

The merger will be implemented by way of a Scheme of Arrangement under the Australian Corporations Act 2001 ("Scheme"). Upon completion of the Scheme, existing B2Gold shareholders and CGA shareholders will own approximately 62% and 38%, respectively, of the issued common shares of the combined company. A copy of the Merger Agreement is available on sedar.com and further details are set out in the announcement on the Toronto Stock Exchange and Australian Securities Exchange dated 19 September 2012.

10. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company is committed to further developing its current asset base, and identifying new mineral exploration and development opportunities to enhance shareholder value.

11. SHARE OPTIONS

Unissued Shares

As at the date of this report, the Company had 6,056,250 options on issue. The total outstanding capital of the Company as at the date of this report was 337,865,726 fully paid ordinary shares. The options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Shares Issued as a Result of the Exercise of Options

During the financial year, 4,350,000 unlisted options were exercised and no unlisted options were issued. Details on movements in share options for the year are disclosed in Note 15 to the financial statements. No options have been granted subsequent to the end of the financial year.

12. REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for directors and executives of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this report, Key Management Personnel are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (executive or otherwise) of the parent entity.

Details of Key Management Personnel

(i) Directors

Mark Savage	Director and Chairman
Michael Carrick	Director (Executive), President and Chief Executive Officer
Justine Magee	Director (Executive) and Chief Financial Officer
Robert Scott	Director (Non-Executive)
Phil Lockyer	Director (Non-Executive)
David Cruse	Director (Non-Executive)

(ii) Executives

Geoffrey Jones	General Manager – Technical – resigned 31 October 2011
Mark Turner	Chief Operating Officer
Hannah Hudson	Company Secretary
Eliza Molloy	Mining Manager
Ray Mead	Processing Manager
Wayne Foote	General Manager

Remuneration Policy

The remuneration policy is to ensure that remuneration properly reflects the relevant person's duties and responsibilities, and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. Given the present nature of CGA's business, early stage production, exploration and development, the remuneration committee believes the best way to achieve this objective is to provide executive directors and executives with a remuneration package consisting of fixed and variable components that reflect the person's responsibilities, duties and personal performance.

No issue of options was made to eligible employees during the period. The Company has an Employee Option Scheme however directors are not entitled to participate. As with the Employee Option Scheme, options are used as part of compensation packages to strengthen the alignment of interest between management and shareholders in an effort to enhance shareholder value. Options granted as remuneration are determined as part of the overall review of performance and compensation. Criteria which are measured include relative share price performance over the period leading up to their grant. Option awards are not dependent on the satisfaction of future performance criteria as the options are granted based on past performance of the employees.

Company Performance

The table below shows the Company's earnings per share over the last 5 years.

Earnings/(loss) per share	2012	2011	2010	2009	2008
Basic	1.79	19.56	5.36	(4.22)	(6.68)
Diluted	1.78	19.23	5.30	(4.89)	(6.68)
Share Price	A$1.82	A$2.84	A$2.23	A$1.45	A$1.77

Non-executive Director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders. Each director receives a fee for being a director of the Company. The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between directors as agreed. The aggregate non-executive directors remuneration including 9% superannuation guarantee is A$180,000

Executive remuneration

Fixed Remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis), as well as employer contributions to superannuation funds.

Arrangements put in place by the Board to monitor the performance of the Consolidated Entity's executives include:

- a review by the Board of the Group's financial performance; and
- annual performance appraisal meetings incorporating analysis of key performance indicators with each individual to ensure that the level of reward is aligned with respective responsibilities and individual contributions made to the success of the Company.

Remuneration levels are reviewed as required by the compensation committee on an individual contribution basis in the form of a performance appraisal meeting. This incorporates analysis of key performance indicators with each individual to ensure that the level of reward is aligned with respective responsibilities and individual contributions made to the success of the Company.

Variable Remuneration – Short Term Incentive ("STI")

Objective

The objective of the STI program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. The total STI amount available is at the discretion of the board, however it is set at a level so as to provide sufficient incentive to the executive to achieve the operational targets and such that the cost to the Company is reasonable in the circumstances.

Structure

Actual STI payments granted to each executive depend on the extent to which key Group objectives are met. The objectives typically consist of financial and non-financial, corporate and individual measures of performance. Typically included are measures such as contribution to financing and capital raising objectives, risk management and relationship management with key stakeholders. These measures were chosen as they represent the key drivers for the short term success of the business and provide a framework for delivering long term value.

STI payments are made at the discretion of the Board and remuneration committee. Amounts are determined in line with the extent to which a key business objective has been met and the individuals responsibilities and contribution. The process occurs shortly after the key objective has been met and payments are delivered as a cash bonus upon approval, in order to closely align the achievement and reward.

STI Bonus for 2012

For the 2012 financial year, nil STI cash bonuses have been awarded to Executives. Payment of STI bonuses are discretionary and accordingly no STI bonus amounts have been forfeited during the 2012 financial year.

There have been no alterations to the STI bonus plan since the grant date.

Variable Remuneration - Long Term Incentive ("LTI")

Objective

The objective of the LTI plan is to reward executives in a manner that aligns remuneration with the creation of shareholder wealth.

Structure

LTI grants to executives are delivered in the form of share options under the Employees Share Option and Director Share Option plans. Share options are granted to executives based on their role and responsibilities. The options are granted on varying vesting terms designed to align the individuals' role and responsibilities with the vesting terms. The share options are granted over a period of five years before they lapse. Options granted as remuneration are determined as part of the overall review of performance and compensation. Criteria which are measured included relative share price performance over the period leading up to their grant. Details of LTI options granted and the value of options granted, exercised and lapsed during the year are set out in the tables following.

Service Agreements

Except as discussed below all executives and employees are employed under contracts of employment with standard commercial terms, such as having no fixed term of expiry, notice period of between one and three months, and termination payments only in lieu of notice. The Company has a service contract in place with Mr. Michael Carrick, Chief Executive Officer ("CEO"), which expires on 24 June 2013 and Ms Justine Magee, Chief Financial Officer ("CFO") which expires on 24 June 2013. In relation to directors and executives, in the case of serious misconduct, employment may be terminated without notice, and with no entitlement to termination payment. Details of the nature and amount of each element of the emolument of each director of the Company and each of the executive officers of the Company and the Consolidated Entity receiving the highest emolument for the financial year are as follows:

2012	Short-term			Post-employment Benefits	Long term Benefits	Share Based Payments			
	Salary & Fees	Bonus	Non-monetary Benefits	Superannuation benefits	Long Service Leave	Value of Options	Total	Total Performance Related	Total % of remuneration as options
	US$	US$	US$	US$	US$	US$	US$	%	%
Directors									
Mr Mark Savage	166,200	-	-	-	-	-	166,200	-	-
Mr Michael Carrick	523,223	-	58,698	47,581	17,678	-	647,180	-	-
Ms Justine Magee	381,619	-	19,465	21,834	12,526	-	435,444	-	-
Mr Robert Scott	55,446	-	-	4,990	-	-	60,436	-	-
Mr Phil Lockyer	55,446	-	-	4,990	-	-	60,436	-	-
Mr David Cruse	-	-	-	60,436	-	-	60,436	-	-
Executives									
Mr Mark Turner	381,060	-	34,573	34,295	-	-	449,928	-	-
Ms Hannah Hudson	171,093	-	-	14,729	17,274	-	203,096	-	-
Mr Wayne Foote	543,086	-	-	38,093	-	-	581,179	-	-
Mr Ray Mead	381,178	-	-	26,730	-	-	407,908	-	-
Ms Eliza Molloy	352,614	-	-	-	-	-	352,614	-	-
Total Remuneration	**3,010,965**	**-**	**112,736**	**253,678**	**47,478**	**-**	**3,424,857**	**-**	**-**

2011	Short-term			Post-employment Benefits	Long term Benefits	Share Based Payments			
	Salary & Fees	Bonus	Non-monetary Benefits	Superannuation benefits	Long Service Leave	Value of Options	Total	Total Performance Related	Total % of remuneration as options
	US$	US$	US$	US$	US$	US$	US$	%	%
Directors									
Mr Mark Savage	167,653	-	-	-	-	-	167,653	-	-
Mr Michael Carrick	490,299	215,396	20,905	84,683	34,169	-	845,452	25%	-
Ms Justine Magee	346,676	212,532[1]	18,720	67,259	24,497	-	669,684	32%	-
Mr Robert Scott	56,098	-	-	5,049	-	-	61,147	-	-
Mr Phil Lockyer	56,098	-	-	5,049	-	-	61,147	-	-
Mr David Cruse	-	-	-	61,147	-	-	61,147	-	-
Executives									
Mr Mark Turner	366,486	74,272	35,127	54,037	-	-	529,922	14%	-
Ms Hannah Hudson	147,956	50,771[1]	-	17,885	-	-	216,612	23%	-
Mr Wayne Foote	518,855	37,091	-	36,393	-	-	592,339	6%	-
Mr Ray Mead	364,173	49,841	-	25,537	-	-	439,551	11%	-
Ms Eliza Molloy	336,883	24,920	-	23,622	-	-	385,425	6%	-
Total Remuneration	**2,851,177**	**664,823**	**74,752**	**380,661**	**58,666**	**-**	**4,030,079**	**16%**	**-**

[1]Bonuses relate to both the 2010 & 2011 financial years, however the 2010 bonuses did not vest until the current financial year. The 2011 bonus figures represent two years of bonuses.

Options Granted to Directors and Executives

During the financial year, no options were granted to the executives of the Company and the Consolidated entity as part of their remuneration. Throughout the financial year 3,500,000 share options were exercised by directors and executives of the Company or their related parties. The value of options exercised during the year was $2,422,150.

During the previous financial year, no options were granted to the executives of the Company and the Consolidated entity as part of their remuneration. Throughout the 2011 financial year 185,000 share options were exercised by executives of the Company. The value of options exercised during the year was $216,277.

Options granted as remuneration are determined as part of the overall review of performance and compensation. Criteria which are measured included relative share price performance over the period leading up to their grant and are not dependent on the satisfaction of future performance criteria.

There were no alterations to the terms and conditions of the options granted as remuneration since their start date and there were no forfeitures during the period.

There were no executives of the Company or the Consolidated Entity other than the executives listed in the table above.

Options Granted as Part of Remuneration

	Value of options granted during the year US$	Value of options exercised during the year – Intrinsic value US$	Value of options lapsed during the year US$	Remuneration consisting of options for the year %
Directors				
Mark Savage	-	1,872,570	-	-
Michael Carrick	-	3,100,055[1]	-	-
Justine Magee	-	1,057,645[2]	-	-
Executives	-	-	-	-

(1) These relate to exercises by related party, which the director has no beneficial interest in.

(2) This relates to an exercise by an unrelated party which the director has no beneficial interest in.

Shares Issued on Exercise of Compensation Options

30 June 2012	Number of shares issued	Paid per share A$	Unpaid per share A$
Directors			
Mark Savage	1,500,000	0.65	-
Michael Carrick	2,000,000[1]	0.65	-
Justine Magee	750,000[2]	0.65	-
Executives	-	-	-

[1] This relates to exercises by related party, which the director has no beneficial interest in.
[2] This relates to an exercise by an unrelated party which the director has no beneficial interest in.

End of remuneration report.

13. INSURANCE OF DIRECTORS AND OFFICERS

Since the end of the previous financial year, the Company has paid insurance premiums of US$69,163 (2011: US$74,872) in respect of directors' and officers' liability contracts, for current and former directors and officers, including senior executives of the Company and directors, and senior executives and secretaries of its controlled entities. The insurance premiums relate to:

- costs and expenses incurred by relevant officers in defending proceedings, whether civil or criminal, whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a willful breach of duty or improper use of information or position to gain a personal advantage.

14. ENVIRONMENTAL REGULATION

The Consolidated Entity has a policy of complying with its environmental performance obligations. No material environmental issues have occurred during the year ended 30 June 2012 or up to the date of this report.

15. AUDITORS INDEPENDENCE DECLARATION AND NON AUDIT SERVICES

Throughout the year, the auditors performed non audit services for the Company in addition to their statutory duties. A total of US$526,794 was paid for these services (refer to Note 18 for further details).

The directors are satisfied that the provision of non audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. A copy of the auditors' independence declaration as required under section 307C of the Corporations Act is included at page 49 of the financial report and forms part of this report.

This report is made in accordance with a resolution of the directors.

MICHAEL CARRICK

Director
Perth

28 September 2012

CORPORATE GOVERNANCE STATEMENT

The board of directors of CGA Mining Limited is responsible for establishing the corporate governance framework of the Group having regard to the ASX Corporate Governance Council ("CGC") published guidelines as well as its corporate governance principles and recommendations. The board guides and monitors the business and affairs of CGA Mining Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

The table below summarises the Company's compliance with the CGC's recommendations.

Recommendation	Comply Yes/No	ASX Listing Rule/ Recommendation
Principle 1 – Lay solid foundations for management and oversight		
1.1 Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Yes	ASX LR 1.1
1.2 Companies should disclose the process for evaluating the performance of senior executives.	Yes	ASX LR 1.2
1.3 Companies should provide the information indicated in the guide to reporting on Principle 1.	Yes	ASX LR 1.3
Principle 2 – Structure the board to add value		
2.1 A majority of the board should be independent directors.	Yes	ASX LR 2.1
2.2 The chair should be an independent director.	Yes under ASX Rules but not in Canada	ASX LR 2.2
2.3 The roles of chair and chief executive officer should not be exercised by the same individual.	Yes	ASX LR 2.3
2.4 The board should establish a nomination committee.	Yes	ASX LR 2.4
2.5 Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Yes	ASX LR 2.5
2.6 Companies should provide the information indicated in the guide to reporting on Principle 2.	Yes	ASX LR 2.6
Principle 3 – Promote ethical and responsible decision-making		
3.1 Companies should establish a code of conduct and disclose the code or a summary of the code as to: • The practices necessary to maintain confidence in the Company's integrity. • The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders. • The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Yes	ASX LR 3.1

Recommendation	Comply Yes/No	ASX Listing Rule/ Recommendation
3.2 Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	Intend to comply and will report progress in 2013 Report	*ASX LR 3.2*
3.3 Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	Intend to comply and will report progress in 2013 Report	*ASX LR 3.3*
3.4 Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Intend to comply and will report progress in 2013 Report	*ASX LR 3.4*
3.5 Companies should provide the information indicated in the guide to reporting on Principle 3.	Yes	*ASX LR 3.5*
Principle 4 – Safeguard integrity in financial reporting		
4.1 The board should establish an audit committee.	Yes	*ASX LR 4.1*
4.2 The audit committee should be structured so that it: • Consists only of non-executive directors • Consists of a majority of independent directors • Is chaired by an independent chair, who is not chair of the board • Has at least three members	Yes	*ASX LR 4.2*
4.3 The audit committee should have a formal charter.	Yes	*ASX LR 4.3*
4.4 Companies should provide the information indicated in the guide to reporting on Principle 4	Yes	*ASX LR 4.4*
Principle 5 – Make timely and balanced disclosure		
5.1 Companies should establish written policies designed to ensure compliance with ASX listing rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes	*ASX LR 5.1*
5.2 Companies should provide the information indicated in the guide to reporting on Principle 5.	Yes	*ASX LR 5.2*
Principle 6 – Respect the rights of shareholders		
6.1 Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Yes	*ASX LR 6.1*

Recommendation	Comply Yes/No	ASX Listing Rule/ Recommendation
6.2 Companies should provide the information indicated in the guide to reporting on principle 6.	Yes	*ASX LR 6.2*
Principle 7 – Recognise and manage risk		
7.1 Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes	*ASX LR 7.1*
7.2 The board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	Yes	ASX LR 7.2
7.3 The board should disclose whether it has received assurance from the chief executive officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material aspects in relation to financial reporting risks.	Yes	*ASX LR 7.3*
7.4 Companies should provide the information indicated in the guide to reporting on principle 7.	Yes	*ASX LR 7.4*
Principle 8 – Remunerate fairly and responsible		
8.1 The board should establish a remuneration committee	Yes	*ASX LR 8.1*
8.2 The remuneration committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent director • has at least three members	Yes	*ASX LR 8.2*
8.3 Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Yes	*ASX LR 8.3*
8.4 Companies should provide the information indicated in the guide to reporting on principle 8.	Yes	*ASX LR 8.3*

CGA Mining Limited's corporate governance practices were in place throughout the year ended June 30 2012.

Various corporate governance practices are discussed within this statement. For further information on corporate governance policies adopted by CGA Mining Limited, refer to our website:

www.cgamining.com

Board functions

The board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

To ensure that the board is well equipped to discharge its responsibilities it has established guidelines for the nomination and selection of directors and the operation of the board.

The responsibility for the operation and administration of the Group is delegated, by the board, to the CEO and the executive management team. The board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the CEO and the executive management team.

Whilst at all times the board retains full responsibility for guiding and monitoring the Group, in discharging its stewardship it makes use of sub-committees. Specialist committees are able to focus on a particular responsibility and provide informed feedback to the board.

To this end the board has established the following committees:

- Audit
- Corporate Governance
- Remuneration
- Disclosure
- Nomination

The roles and responsibilities of these committees are discussed throughout this corporate governance statement.

The board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risk identified by the board. The board has a number of mechanisms in place to ensure this is achieved including:

- board approval of a strategic plan designed to meet stakeholders' needs and manage business risk.
- ongoing development of the strategic plan and approving initiatives and strategies designed to ensure the continued growth and success of the entity.
- implementation of budgets by management and monitoring progress against budget via the establishment and reporting of both financial and non financial key performance indicators.

Other functions reserved to the board include:

- Approval of the annual and half-yearly financial reports.
- Approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures.
- Ensuring that any significant risks that arise are identified, assessed, appropriately managed and monitored.
- Reporting to shareholders.

Structure of the board

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report are included in the directors' report. Directors of CGA Mining Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.

In the context of director independence, "materiality" is considered from both the Group and individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount.

Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual and or other arrangements governing it and other factors that point to the actual ability of the director in question to shape the direction of the Group.

In accordance with the definition of independence above, and the materiality thresholds set, the following directors of CGA Mining Limited are considered to be independent:

Name	Position
Robert N Scott	Non-Executive Director
Phil C Lockyer	Non-Executive Director
David A Cruse	Non-Executive Director

The board recognises the Corporate Governance Council's recommendation that the Chair should be an independent director. Mr Savage is considered an independent director under the ASX Listing Rules however the Canadian rules are more restrictive and Mr Savage is not considered independent under those rules.

There are procedures in place and agreed by the board, to enable directors in furtherance of their duties to seek independent professional advice at the Company's expense.

The term in office held by each director in office at the date of this report is as follows:

Name	Term in Office
Mark S Savage	Appointed 17 April 2000
Michael J Carrick	Appointed 6 January 2004
Justine A Magee	Appointed 23 November 2004
Robert N Scott	Appointed 9 January 2009
Phil C Lockyer	Appointed 9 January 2009
David A Cruse	Appointed 13 November 2009

For additional details regarding board appointments, please refer to our website.

Performance

The performance of the board and key executives is reviewed regularly against both measurable and qualitative indicators. During the reporting period, the Company conducted performance evaluations that involved an assessment of each board member's and key executive's performance against specific and measurable qualitative and quantitative performance criteria.

The performance criteria against which directors and executives are assessed are aligned with the financial and non-financial objectives of CGA Mining Limited.

Directors whose performance is consistently unsatisfactory may be asked to retire.

Trading policy

Under the Company's Securities Trading Policy, an executive or director must not trade in any securities of the Company at any time when they are in possession of unpublished, price-sensitive information in relation to those securities.

Before commencing to trade, an executive must first obtain the approval of the company secretary to do so and a director must first obtain approval of the chairman.

Only in exceptional circumstances will approval be forthcoming outside of the period which is four weeks after:

- one day following the announcement of the half yearly and full year results as the case may be;
- one day following the holding of the Annual General Meeting; and
- one day after any other form of earnings forecast update is given to the market.

As required by the ASX listing rules, the Company notifies the ASX of any transaction conducted by directors in the securities of the Company.

Nomination committee

The board has established a nomination committee to ensure that the board continues to operate within the established guidelines, including when necessary, selecting candidates for the position of director. The nomination committee comprises;

Robert Scott

Philip Lockyer

David Cruse

A charter for the nomination committee is in place.

Audit committee

The board has established an audit committee, which operates under a charter approved by the board. It is the board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The board has delegated responsibility for establishing and maintaining a framework of internal control and ethical standards to the audit committee.

The committee also provides the board with additional assurance regarding the reliability of financial information for inclusion in the financial reports. The majority of members of the audit committee are non-executive directors.

The members of the audit committee during the year were:

Robert N Scott	Chartered Accountant
Philip C Lockyer	Mining Engineer & Metallurgist
David A Cruse	Company Director

For details on the number of meetings of the audit committee held during the year and the attendees at those meetings, refer to the directors' report.

For additional details regarding the audit committee, including a copy of its charter, please refer to our website.

Risk

The board acknowledges the *Revised Supplementary Guidance to Principle 7* issued by the ASX in June 2008 and has continued its proactive approach to risk management. The identification and effective management of risk, including calculated risk-taking is viewed as an essential part of the Company's approach to creating long-term shareholder value.

In recognition of this, the board determines the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. In doing so the board has taken the view that it is crucial for all board members to be a part of this process and as such, has not established a separate risk management committee.

The board oversees an annual assessment of the effectiveness of risk management and internal compliance and control. The tasks of undertaking and assessing risk management and internal control effectiveness are delegated to management through the Chief Executive, including responsibility for the day to day design and implementation of the Company's risk management and internal control system. Management reports to the board on the Company's key risks and the extent to which it believes these risks are being adequately managed. The reporting on risk by management is an agenda items at quarterly board meetings.

Management is required by the board to carry out risk specific management activities in five core areas; strategic risk, operational risk, reporting risk, compliance risk and environmental and sustainability risk. It is then required to assess risk management and associated internal compliance and control procedures and report back on the efficiency and effectiveness of these efforts by benchmarking performance in accordance with Australian / New Zealand Standard for Risk Management (AS / NZS 4360 Risk Management) and the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") risk framework.

The board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the board. These include the following:

- Board approval of a strategic plan, which encompasses the company's vision, mission and strategy statements, designed to meet stakeholders' needs and manage business risk.
- Implementation of board approved operating plans and budgets and board monitoring of progress against these budgets, including the establishment and monitoring of KPIs of both a financial and non-financial nature.

For the purposes of assisting investors to understand better the nature of risks faced by CGA Mining Limited, the board has prepared a list of operational risks as part of these Principle 7 disclosures. However, the board notes that this does not necessarily represent an exhaustive list and that it may be subject to change based on underlying market events.

- Fluctuations in commodity prices, exchange rates and demand volumes.
- Political instability/sovereignty risk in some operating sites.
- The occurrence of force majeure events.
- Increasing costs of operations, including labour costs.
- Tightening of the credit market and availability of debt and equity finance.
- The uncertain and subjective nature of identifying, estimating and mining reserves and resources.

We refer readers to our Annual Information Form lodged on sedar.com for further details of risks facing the Company.

CEO and CFO certification

In accordance with section 295A of the *Corporations Act,* the chief executive officer and chief financial officer have provided a written statement to the board that:

- their view provided on the Company's financial report is founded on a sound system of risk management and internal compliance and control which implements the financial policies adopted by the board; and
- the Company's risk management and internal compliance and control system is operating effectively in all material respects.

The board agrees with the views of the ASX on this matter and notes that due to its nature, internal control assurance from the CEO and CFO can only be reasonable rather than absolute. This is due to such factors as the need for judgment, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in control procedures.

Remuneration

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the remuneration committee links the nature and amount of executive directors' and officers' remuneration to the Company's financial and operational performance. The expected outcomes of the remuneration structure are:

- retention and motivation of key executives;
- attraction of high quality management to the Company;
- performance incentives that allow executives to share in the success of CGA Mining Limited.

For a full discussion of the Company's remuneration philosophy and framework and the remuneration received by directors and executives in the current period please refer to the remuneration report, which is contained within the directors' report.

There is no scheme to provide retirement benefits to non-executive directors.

The board is responsible for determining and reviewing compensation arrangements for the directors themselves, the chief executive officer and executive team. The board has established a remuneration committee, comprising three directors. Members of the remuneration committee throughout the year were:

Mark S Savage

Robert Scott

David Cruse

For details on the number of meetings of the remuneration committee held during the year and the attendees at those meetings, refer to the directors' report.

Shareholder communication policy

Pursuant to Principle 6, CGA's objective is to promote effective communication with its shareholders at all times.

CGA Mining Limited is committed to:

- Ensuring that shareholders and the financial markets are provided with full and timely information about CGA's activities in a balanced and understandable way.
- Complying with continuous disclosure obligations contained in applicable the ASX listing rules and the *Corporations Act* in Australia and the TSX listing rules and the *Ontario Securities Act* In Canada.
- Communicating effectively with its shareholders and making it easier for shareholders to communicate with CGA Mining Limited.

To promote effective communication with shareholders and encourage effective participation at general meetings, information is communicated to shareholders:

- Through the release of information to the market via the ASX and TSX.
- Through the distribution of the annual report and Notices of Annual General Meeting.
- Through shareholder meetings and investor relations presentations.
- Through letters and other forms of communications directly to shareholders.
- By posting relevant information on CGA's website www.cgamining.com.

The Company's website www.cgamining.com has a dedicated Investor Relations section and for the purpose of publishing all important company information and relevant announcements made to the market. Furthermore, the board has established a disclosure committee. The Disclosure Committee comprises the following members, Robert Scott, Phil Lockyer and Justine Magee. The Company has a substantial and ongoing interest in, and is firmly committed to, disseminating accurate, consistent and timely information. The Company is also subject to, and is committed to complying fully with, laws and stock exchange requirements governing the nature, extent and timeliness of its disclosures and other disclosure-related matters.

The external auditors are required to attend the Annual General Meeting and are available to answer any shareholder questions about the conduction of the audit and preparation of the audit report.

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Auditor's Independence Declaration to the Directors of CGA Mining Limited

In relation to our audit of the financial report of CGA Mining Limited or the financial year ended 30 June 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Peter McIver

Peter McIver
Partner
Perth
28 September 2012

	Note	2012	2011
Continuing Operations		**US$**	**US$**
Revenue	3(a)	187,694,928	238,481,332
Cost of sales	3(b)	(147,855,451)	(158,112,878)
Gross profit		39,839,477	80,368,454
Administrative expenses	3(c)	(4,236,998)	(4,896,938)
Finance costs	3(h)	(3,781,558)	(5,042,470)
Movement in fair value of derivative financial instruments	3(f)	(863,693)	493,491
Impairment of investments		(6,869,837)	-
Gain on deconsolidation	28	-	2,929,066
Share of loss of associate	3(e)	(3,883,156)	(3,191,968)
SAG Mill expenses	3(g)	(6,213,083)	-
Other expenses	3(i)	(8,191,517)	(4,945,690)
Profit from continuing operations before income tax expense		**5,799,635**	**65,713,945**
Income tax (expense) / benefit	4	188,714	(353,827)
Net profit from continuing operations for the year		**5,988,349**	**65,360,118**
Discontinued Operations			
(Loss) from discontinued operations after tax	28	-	(277,854)
Net profit for the year		**5,988,349**	**65,082,264**
Other comprehensive income			
Movement in available for sale investments net of tax		(1,374,944)	1,687,074
Cashflow hedges:			
Loss taken to equity net of tax		(16,271,080)	(25,275,045)
Loss transferred to profit / (loss) for the period, net of tax		46,750,961	15,147,482
Other comprehensive income / (loss) for the year, net of tax		**28,654,937**	**(8,440,489)**
Total comprehensive income / (loss) for the year		**34,643,286**	**56,641,775**
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company			
Basic earnings per share (cents)	16	1.79	19.64
Diluted earnings per share (cents)	16	1.78	19.31
Earnings per share for profit / (loss) attributable to the ordinary equity holders of the company			
Basic earnings per share (cents)	16	1.79	19.56
Diluted earnings per share (cents)	16	1.78	19.23

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2012

	Note	2012	2011
ASSETS		**US$**	**US$**
Current Assets			
Cash and cash equivalents	5	79,671,526	107,336,345
Trade and other receivables	6	2,115,475	704,291
Prepayments	7	5,999,955	7,849,902
Inventories	8	25,765,293	17,063,423
Derivative financial assets	26	-	1,759,748
Total Current Assets		**113,552,249**	**134,713,709**
Non-Current Assets			
Available for sale financial assets	9	2,806,732	4,181,703
Investment in associate	24	86,412,984	71,574,437
Plant and equipment	10	191,842,654	191,355,070
Intangible assets	11	36,223,732	38,278,394
Other assets	27	22,554,390	19,532,657
Total Non-current Assets		**339,840,492**	**324,922,261**
TOTAL ASSETS		**453,392,741**	**459,635,970**
LIABILITIES			
Current Liabilities			
Trade and other payables	12	13,151,694	12,697,346
Interest bearing loans and borrowings	13	27,578,868	22,077,574
Derivative financial liabilities	26	38,783,810	37,770,654
Provisions	14	1,843,891	527,119
Total Current Liabilities		**81,358,263**	**73,072,693**
Non-Current Liabilities			
Interest bearing loans and borrowings	13	26,485,296	46,953,180
Provisions	14	1,247,542	911,306
Derivative financial liabilities	26	17,543,273	49,482,368
Deferred Tax Liability	4	5,494,977	6,116,880
Total Non-Current Liabilities		**50,771,088**	**103,463,734**
TOTAL LIABILITIES		**132,129,351**	**176,536,427**
NET ASSETS		**321,263,390**	**283,099,543**
Equity			
Contributed equity	15(a)	305,076,669	302,016,570
Reserves	15(b)	(39,751,596)	(68,866,996)
Retained profits	15(c)	55,938,318	49,949,969
TOTAL EQUITY		**321,263,390**	**283,099,543**

The above Balance Sheet should be read in conjunction with the accompanying notes

	Note	2012	2011
		US$	US$
Cash flows from operating activities			
Receipts from customers		184,694,778	235,280,284
Payments to suppliers and employees		(150,225,407)	(149,213,447)
Exploration and evaluation expenditure		-	(277,854)
Interest received		88,885	594,723
Other taxes paid		(4,574,435)	(864,420)
Net cash inflow from operating activities	5	**29,983,821**	**85,519,286**
Cash flows from investing activities			
Payments for property, plant and equipment		(11,984,958)	(10,856,435)
Loans to associate		(17,780,275)	(10,784,737)
Loans to non-related parties		-	(14,461,394)
Repayment of loan from non-related parties		-	14,458,626
Investments in associates		(4,900,000)	(16,896,067)
Disposal of controlled entity		-	(166,882)
Investments in available for sale financial assets		-	(1,011,941)
Net cash outflow from investing activities		**(34,665,233)**	**(39,718,830)**
Cash flows from financing activities			
Proceeds from the issue of shares and exercise of Warrants and options to acquire shares		3,060,099	2,469,125
Interest paid		(3,353,683)	(3,844,270)
Capital raising costs		-	(2,338)
Repayment of borrowings		(21,748,715)	(24,205,534)
Financing costs		(301,386)	(316,409)
Net cash inflow / (outflow) from financing activities		**(22,343,687)**	**(25,899,426)**
Net increase in cash and cash equivalents		**(27,025,099)**	**19,901,030**
Cash and cash equivalents at beginning of financial year		**107,336,345**	**87,787,357**
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		(639,720)	(352,042)
Cash and cash equivalents at end of the financial year	5	**79,671,526**	**107,336,345**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	Contributed Equity US$	*Retained Profits US$*	*Foreign Currency Translation Reserve US$*	*Share Based Payments Reserve US$*	*Cash Flow Hedge Reserve US$*	*Available for Sale Reserve US$*	*Total US$*
At 1 July 2011	**302,016,570**	**49,949,969**	**5,815,359**	**5,862,078**	**(82,678,901)**	**2,134,468**	**283,099,543**
Net gain/(loss) on cash flow hedges	-	-	-	-	30,029,881	-	30,029,881
Available for sale reserve	-	-	-	-	-	(1,374,945)	(1,374,945)
Profit for the period	-	5,988,349	-	-	-	-	5,988,349
Total comprehensive income for the year	**-**	**5,988,349**	**-**	**-**	**30,029,881**	**(1,374,945)**	**34,643,285**
Equity Transactions:							
Share-based payments	-	-	-	460,464	-	-	460,464
Exercise of options	3,060,098	-	-	-	-	-	3,060,098
At 30 June 2012	**305,076,668**	**55,938,318**	**5,815,359**	**6,322,542**	**(52,649,020)**	**759,523**	**321,263,390**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Contributed Equity US$	Retained Profits US$	Foreign Currency Translation Reserve US$	Share Based Payments Reserve US$	Cash Flow Hedge Reserve US$	Asset Revaluation Reserve US$	Total US$
At 1 July 2010	**299,576,520**	**(15,132,295)**	**5,815,359**	**4,941,151**	**(72,551,338)**	**447,394**	**223,096,791**
Net gain / (loss) on cash flow hedges	-	-	-	-	(10,127,563)	-	(10,127,563)
Available for sale reserve	-	-	-	-	-	1,687,074	1,687,074
Profit for the period	-	65,082,264	-	-	-	-	65,082,264
Total comprehensive income for the year	**-**	**65,082,264**	**-**	**-**	**(10,127,563)**	**1,687,074**	**56,641,775**
Equity Transactions:							
Transaction costs	(9,352)	-	-	-	-	-	**(9,352)**
Share-based payment	-	-	-	920,927	-	-	920,927
Exercise of options	2,449,402	-	-	-	-	-	2,449,402
At 30 June 2011	**302,016,570**	**49,949,969**	**5,815,359**	**5,862,078**	**(82,678,901)**	**2,134,468**	**283,099,543**

1. CORPORATE INFORMATION

The financial report of the Company for the year ended 30 June 2012 was authorised for issue in accordance with a resolution of directors on 26 September 2012.

CGA is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange and the Toronto Stock Exchanges. The country of domicile is Australia.

The principal activity of the Consolidated Entity during the course of the year was mineral exploration, development and production. There have been no significant changes in the nature of the principal activities of the Consolidated Entity during the year other than as disclosed in the "Significant Changes in the State of Affairs" section in the Directors Report.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements have been prepared as a general purpose financial report which complies with the requirements of the Corporations Act 2001 and Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements have also been prepared on a historical cost basis, except for derivative financial instruments and available for sale financials assets which have been measured at fair value.

The financial report is presented in United States Dollars (US$).

The Company is a for-profit entity.

(b) Statement of compliance

The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Since 1 July 2011, the Group has adopted all the amending Standards and Interpretations, mandatory for annual periods beginning on 1 July 2011, including:

- AASB 124 Related Party Disclosures

  The revised AASB 124 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition.

- AASB 2009-12 Amendments to Australian Accounting Standards

  This standard made numerous editorial amendments to the following standards:

  AASB 5, AASB 8, AASB 108, AASB 110, AASB 112, AASB 119, AASB 133, AASB 137, AASB 139, AASB 1023, AASB 1031, Interpretations 2, 4, 16, 1039 & 1052

- AASB 1054 Australian Additional Disclosures

  This standard relocates all Australian specific disclosures from other standards to one place.

- AASB 2010-4 Further amendments to Australian Accounting Standards arising from the annual improvements project

  This amendment affected the following standards:

  AASB 1, AASB 7, AASB 101, AASB 134 & Interpretation 13

- AASB 2010-5 Amendments to Australian Accounting Standards

The standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations. These amendments have no major impact on the requirements of the amended pronouncements. The amendments affect the following standards:

AASB 1, AASB 3, AASB 4, AASB 5, AASB 101, AASB 107, AASB 112, AASB 118, AASB 119, AASB 121, AASB 132, AASB 133, AASB 134, AASB 137, AASB 139, AASB 140, AASB 1023, AASB 1038, Interpretations 112, 115, 127, 132 & 1042

The amendment has no impact.

- AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures or Transfers of Financial Assets

  The amendments increase the disclosure requirements for transactions involving transfers of financial assets. The amendment had no impact

- AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project

  AASB 1, AASB 5, & AASB 107, AASB 108, AASB 121, AASB 132, AASB 134, Interpretations 2, 112 & 113. The amendment had no impact

Adoption of these Standards and Interpretations did not have any material effect on the financial position or performance of the Group.

The Group has not elected to early adopt any other new standards or amendments that are issued but not yet effective.

New and amended accounting standards and interpretations not yet effective.

The following standards and interpretations have been issued by the AASB but are not yet effective for the year ending 30 June 2012 and have not been early adopted by the Group.

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 2011-9	Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	This Standard requires entities to group items presented in other comprehensive income on the basis of whether they might be reclassified subsequently to profit or loss and those that will not.	1 July 2012	We have determined that this will impact future financial statement disclosures	1 July 2012

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 9	Financial Instruments	AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. d. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: ▶ The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ▶ The remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.	1 January 2015	We have not yet determined the impact, if any.	1 July 2015

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 10	Consolidated Financial Statements	AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and UIG-112 *Consolidation – Special Purpose Entities.* The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. Consequential amendments were also made to other standards via AASB 2011-7.	1 January 2013	We have not yet determined the impact, if any.	1 July 2013
AASB 11	Joint Arrangements	AASB 11 replaces AASB 131 Interests in Joint Ventures and UIG-113 Jointly- controlled Entities – Non-monetary Contributions by Ventures. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement.. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method. Consequential amendments were also made to other standards via AASB 2011-7 and amendments to AASB 128.	1 January 2013	We have not yet determined the impact, if any.	1 July 2013

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 12	Disclosure of Interests in Other Entities	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.	1 January 2013	We have not yet determined the impact, if any.	1 July 2013
AASB 13	Fair Value Measurement	AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendments were also made to other standards via AASB 2011-8.	1 January 2013	We have not yet determined the impact, if any.	1 July 2013
AASB 119	Employee Benefits	The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognized in full with actuarial gains and losses being recognized in other comprehensive income. It also revised the method of calculating the return on plan assets. The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. Consequential amendments were also made to other standards via AASB 2011-10.	1 January 2013	We have not yet determined the impact, if any.	1 July 2013

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	This interpretation applies to stripping costs incurred during the production phase of a surface mine. Production stripping costs are to be capitalised as part of an asset, if an entity can demonstrate that it is probable future economic benefits will be realised, the costs can be reliably measured and the entity can identify the component of an ore body for which access has been improved. This asset is to be called the "stripping activity asset". The stripping activity asset shall be depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. The units of production method shall be applied unless another method is more appropriate. Consequential amendments were also made to other standards via AASB 2011-12.	1 January 2013	We have not yet determined the impact, if any.	1 July 2013
AASB 2012-5	Annual Improvements 2009–2011 Cycle	This standard sets out amendments to various standards and the related bases for conclusions and guidance. The following items are addressed by this standard: AASB 1 First-time Adoption of International Financial Reporting Standards • Repeated application of AASB 1 • Borrowing costs AASB 101 Presentation of Financial Statements • Clarification of the requirements for comparative information AASB 116 Property, Plant and Equipment • Classification of servicing equipment AASB 132 Financial Instruments: Presentation • Tax effect of distribution to holders of equity instruments AASB 134 Interim Financial Reporting • Interim financial reporting and segment information for total assets and liabilities	1 January 2013	We have not yet determined the impact, if any	1 July 2013

The Group is currently assessing the impact of these new accounting standards and interpretations.

(c) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its controlled entities, referred to collectively throughout these financial statements as the “Consolidated Entity”, as at 30 June each year. Transactions between companies within the Consolidated Entity have been eliminated on consolidation.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent.

(d) Significant accounting estimates and assumptions

(i) Significant accounting judgements

Mineral reserve estimates

The valuation of certain assets held by the Group is dependent upon the estimation of mineral resources and ore reserves. There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may ultimately result in the reserves being restated. Such change in reserves could impact on depreciation and amortisation rates, asset carrying values and provisions for decommissioning and restoration.

Commercial production is considered to commence when the asset is first available for use when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

(ii) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share based payment transactions

The Group measures the costs of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The Group measures the cost of cash-settled share based payments at fair value at grant date using the binomial formula taking into account the terms and conditions upon which the instruments were granted, as discussed in Note 24.

Impairment of intangibles

Intangible assets with finite lives are reviewed for impairment when there is any indication that the carrying amount may not be recoverable. Where a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of ‘value in use’ (being the net present value of expected future cash flows of the relevant cash generating unit) and ‘fair value less costs to sell’.

In determining value in use, future cash flows are based on:

- Estimates of the quantities of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction;
- Future production levels;
- Future commodity prices; and
- Future cash costs of production.

Variations to the expected future cash flows, and the timing thereof, could result in significant changes to any impairment losses recognised, if any, which could in turn impact future financial results.

Carrying value of exploration and evaluation

Refer to note (i) for details.

Deferred tax assets and liabilities

The group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgment is required in determining deferred tax assets and liabilities. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Impairment of plant and equipment

The Company determines whether plant and equipment is impaired at least on a quarterly basis. This requires an assessment on whether there have been any impairment triggers, and where there have been triggers for impairment, an estimation of the recoverable amount of cash generating units to which the plant and equipment are allocated.

Estimating costs of environment rehabilitation

The cost of environmental rehabilitation is based on the estimated costs of rehabilitating fully mined-out areas of the mine site. These costs are adjusted for inflation based on the average annual inflation rate as of adoption date or re-evaluation of the asset dismantlement, removal or restoration costs. Such adjusted costs are then measured at present value using the market interest rate for a comparable instrument adjusted for the Company's credit standing. While management believes that its assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in the assumptions may materially affect the Company's provision for mine rehabilitation.

Loan to associate

The Company has recognised a receivable on its loan to its associate, Filminera Resources Corporation ("Filminera").The receivable is non-interest bearing and is repayable from the free cash flow of Filminera. This receivable has arisen as a result of the business combination and ongoing loan of funds and was initially measured as the fair value of future cash payments to be received from Filminera from its interest in the Masbate Gold Project. A notional interest value is accreted on the loan and recognised as revenue in the Group's accounts. Subsequent to initial recognition the loan is carried at amortised cost.

Finance leases

The Group is party to a mining services agreement between Leighton Contractors (Philippines) Incorporated ("Leighton") and its associate Filminera and has determined that mining equipment to be provided by Leighton pursuant to this agreement represents a lease.

Further, the Group has determined that the lease represents a finance lease and that the risks and benefits under this lease arrangement reside with Phil. Gold Processing and Refining Corp., a 100% owned subsidiary.

Derivative financial instruments

Refer to Note (aa) for a discussion on the Group's accounting policy.

(e) Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Such cost includes the cost of replacing parts that are eligible for capitalization when the cost of replacing the parts is incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Office, plant and equipment – over 1 to 10 years

Processing plant and equipment – units of production over the probable resource base.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

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.

If any indication of impairment exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. Any impairment losses are recognised in the profit and loss.

De-recognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit and loss in the period the item is derecognised.

(f) Revenue recognition

Revenue is recognised and measured at fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest revenue

Revenue is recognised as the interest accrues using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Gold sales

Revenue is recognised when the risk and reward of ownership has passed from the Group to an external party and the selling price can be determined with reasonable accuracy.

(g) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry–forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are recognised at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets relate to the same taxable entity and the same taxation authority.

(h) Other taxes

Revenues, expenses and assets are recognized net of the amount of goods and services tax (“GST” or “VAT”), except where the amount of GST or VAT incurred is not recoverable from the relevant taxation authorities, in which case the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and receivables and payables, which are stated with the amount of GST or VAT included.

The net amount of GST or VAT recoverable from, or payable to, the relevant taxation authorities is included as a receivable or payable in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST or VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST or VAT recoverable from, or payable to, the taxation authority.

(i) Exploration and evaluation

Exploration and evaluation expenditure is written off as incurred, except for acquisition costs and where an area of interest is established.

Exploration assets acquired from a third party are carried forward provided that either i) the carrying value is expected to be recouped through the successful development and exploitation or sale of an area of interest or ii) exploitation and / or evaluation activities in the area have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, active and significant operations in relation to the area are continuing and the rights of the tenure are current. If capitalised exploration and evaluation costs do not meet either of these tests, they are expensed to the profit and loss.

An area of interest is established where a discovery of economically recoverable resource is made. The area of interest will be established as a mineral project. All activity relating to the area of interest is then subsequently capitalised. Where development is anticipated, costs will be carried forward until the decision to develop is made.

Each area of interest is reviewed at least bi-annually to determine whether it is appropriate to continue to carry forward the capitalised costs.

Upon approval for the development of an area of interest, accumulated expenditure for the area of interest is transferred to capitalised development expenditure.

(j) Foreign currency translation

Both the functional currency and presentation currency of the Company is United States dollars (US$) (2011: US$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

The functional currency of the foreign operations, Philippine Gold Limited and Philippine Gold Processing and Refining Corporation is United States dollars (US$).

(k) Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to reporting date. Employee entitlements due to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of the expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds, which have terms to maturity approximating the estimated future cash outflows.

(l) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(m) Cash and cash equivalents

Cash and short term deposits in the balance sheet include cash at bank and short term deposits with an original maturity of three months or less.

For the purposes of the cash flow statement, cash and cash equivalents include cash and cash equivalents defined above, net of outstanding bank overdrafts.

(n) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date. It requires consideration as to whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

- (a) There is a change in contractual terms, other than a renewal or extension of the arrangement
- (b) A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
- (c) There is a change in the determination of whether fulfillment is dependent on a specified asset; or
- (d) There is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) and at the date of the renewal or extension period for scenario (b).

Group as a lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and the reduction of the lease liability so as to achieve a constant periodic rate of interest on the remaining balance of the liability. Finance charges are recognized in the statement of comprehensive income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that that the Group will obtain ownership by the end of the lease term.

A lease is classified as an operating lease if it does not transfer substantially all of the risks and rewards incidental to ownership.

Operating lease payments are recognized as an expense in the statement of comprehensive income on a straight line basis over the lease term.

(p) Earnings per share

Basic earnings per share (“EPS”) is calculated as net profit attributable to members of the parent, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares.

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(q) Impairment of assets other than financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the profit and loss.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the assets revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(r) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is represented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(s) Share based payment transactions

The Company provides benefits to employees of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). There is currently an employee options scheme ("EOS"), which provides benefits to employees of the Company. Directors are not eligible to participate in the EOS, however options may be issued to directors at the discretion of the Company.

The costs of equity-settled transactions with directors and employees is measured by reference to fair value at the date at which they are granted. The fair value is determined using a binomial model further details of which are given in Note 24.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of CGA if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except awards where vesting is conditional upon a market performance condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(t) Investments and other financial assets

Financial assets in the scope of AASB139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, or available for sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable to transaction costs.

Recognition and derecognition

All regular way purchases and sales of financial assets are recognised on the trade date i.e., the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Financial assets are derecognised when the right to receive cashflows from the financial assets has expired or when the entity transfers substantially all the risks and rewards of the financial assets. If the entity neither retains nor transfers substantially all of the risks and rewards, it derecognises the asset if it has transferred control of the assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets, principally equity securities, that are designated as available-for-sale or are not classified as Loans and Receivables, Held to Maturity Investments or Financial Assets at Fair Value through the Profit and Loss. After initial recognition available-for sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the reporting date.

(u) Trade and other receivables

Trade receivables, which generally have 30 day terms are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(v) Business combinations

Subsequent to 1 July 2009

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or a liability will be recognised in accordance with AASB 139 whether in the profit and loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

Prior to 1 July 2009

The purchase method of accounting was used to account for all business combinations regardless of whether equity instruments or other assets were acquired.

(w) Discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the income statement.

(x) Investments in associates

The Group's investments in its associates are accounted for using the equity method of accounting in the consolidated financial statements. The associates are entities over which the Group has significant influence and that are neither subsidiaries nor joint ventures.

Under the equity method, investments in associates are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Groups share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in the associate.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The reporting dates of the associates of the Group are identical and the associates' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

(y) Interest in joint ventures

The Group's interest in joint ventures is accounted for by proportionate consolidation, which involves recognising a proportionate share of the joint venture's assets, liabilities, income and expenses with similar items in the consolidated financial statements on a line-by-line basis.

(z) Intangibles

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in the accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit and loss in the expense category consistent with the function of the intangible asset.

The intangible assets held by the Group are contractual rights. Contractual rights have been acquired through business combinations and are carried at cost less accumulated amortisation and accumulated impairment losses. They represent the contractual right of Philippine Gold Processing and Refining Corporation ("PGPRC"), a wholly owned subsidiary of CGA, to purchase mineral ore from the Masbate Gold Project owned by Filminera Resources Corporation ("Filminera"), an associate of CGA, at a specified price.

The intangible asset has been assessed as having a finite life and is amortised using the units of production method over the reserve base of the Masbate Gold Project in the Philippines.

(aa) Derivative financial instruments

The Group uses derivative financial instruments (including gold forward sales contracts and gold options, fuel swaps and interest rate swaps) to hedge its risks associated with the commodity prices and interest rate fluctuations. Such derivative financial instruments are initially recorded at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value.

Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken to the profit and loss.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

For the purposes of hedge accounting, hedges are classified as:

- fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability (the Group does not currently have fair value hedges); or
- cash flow hedges when they hedge exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a forecast transaction.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

(i) Fair value hedges

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment other than foreign exchange rate risk, or an identified portion of such an asset, liability or firm commitment that is attributable to a particular risk and could affect profit or loss. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged, the derivative is remeasured to fair value and gains and losses from both are taken to the profit and loss.

The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation. Any adjustment to the carrying amount of a hedged financial instrument for which the effective interest method is used is amortised to the profit and loss. Amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

(ii) Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in the profit and loss.

Amounts taken to equity are transferred to the statement of comprehensive income when the hedged transaction affects profit or loss, such as when hedged income or expenses are recognised or when a committed and future sale or the asset is consumed. When the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to the statement of comprehensive income for the period.

(ab) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(ac) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed as incurred.

(ad) Inventories

Inventories are valued at the lower of cost and net realisable value (NRV).

Cost is determined by the weighted average method and comprises direct purchase costs and an appropriate portion of fixed and variable overhead costs, including depreciation, incurred in converting materials into finished goods for gold bullion, gold-in-circuit and ore stockpiles. Net realisable value of ore inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

For stores and consumables, cost is determined using the weighted average method and composed of purchase price, transport, handling and other costs directly attributable to their acquisition. Net realisable value of stores and consumables is the current replacement cost.

3. REVENUES AND EXPENSES

	2012	2011
	US$	**US$**
(a) Revenue		
Revenue from metals sales	184,285,215	235,313,629
Management fee	409,563	-
Interest – non related parties	88,885	561,378
Interest – accretion on loan to associate	2,911,265	2,606,325
	187,694,928	**238,481,332**
(b) Cost of sales		
Ore purchases net of inventory movements	53,977,029	68,187,366
Salaries and employee benefits	1,659,295	1,564,191
Contractors and professional fees	14,946,451	15,381,574
Consumables and supplies	44,619,248	41,696,706
Leases and rentals	1,631,168	1,884,396
Travel and accommodation	503,541	415,840
Utilities	25,322	28,498
Taxes and government charges	1,682,554	3,816,964
Other production overheads	11,836,905	8,983,449
Depreciation and amortisation	16,973,938	16,153,894
	147,855,451	**158,112,878**
(c) Administrative expenses		
Salaries and wages	2,745,894	3,073,262
Defined contribution / superannuation expense	274,775	341,034
Employee share option expense	460,464	920,927
Foreign exchange (gains) / losses	639,720	352,042
Depreciation	116,146	209,673
	4,236,998	**4,896,938**
(d) Lease payments		
Minimum lease payments – operating lease	381,498	139,424
(e) Share of loss of associates		
Share of net losses of associates	3,883,156	3,191,968
Refer to Note 24 for further details		

(f) Movement in fair value of derivative financial instruments – gain / (loss)		
Hedge ineffectiveness on gold forward sales contract	(343,074)	-
Movement in interest rate swap contracts	(552,981)	-
Mark to market movement in fuel hedges not qualifying for hedge accounting	1,759,748	493,491
	863,693	**493,491**

(g) SAG Mill expenses

Included within SAG Mill repairs & other costs for the current year are legal, consulting and other costs incurred in relation to the repair of the SAG Mill. An insurance claim has been lodged to compensate for costs incurred to repair the SAG Mill, however it is not at point of virtual certainty and therefore the costs have been expensed. Any insurance proceeds subsequently received will be disclosed as income in the period received. Please refer to Note 19 for further details.

(h) Finance costs		
Borrowing costs expensed	3,781,558	5,042,470

(i) Other expenses

Included within other expenses is $382,269 being a loss on disposal of assets during the 2012 year.

A provision for other transaction duties of $1,026,672 has been included in 2012.

4. INCOME TAX EXPENSE

The major components of income tax expense are:

Income Statement		
	2012	**2011**
Current income tax	**US$**	**US$**
Current income tax charge	-	-
Adjustments in respect of current income tax of previous years	-	-
Deferred Income tax		
Relating to origination and reversal of temporary differences	(188,714)	353,827
Income tax expense / (benefit) reported in the income statement	(188,714)	353,827

There is no current provision for income tax for the years ended 30 June 2012 and 2011 due to the Income Tax Holiday ("ITH") incentives available to the Group's Philippine operations. Effective July 2009, PGPRC is entitled to an ITH as one of the incentives granted by the Board of Investments in the Philippines as a non-pioneer enterprise.

Statement of changes in equity

Deferred income tax related to items charged or credited directly to equity	-	-
Income tax expense reported in equity	-	-

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Company's applicable income tax rate is as follows:

Accounting profit before income tax	5,799,635	65,436,091
At the Company's statutory income tax rate of 30% (2011: 30%)	1,739,890	19,630,827
Expenditure not deductible for income tax purposes	1,805,250	2,450,635
Foreign tax rate adjustments	(10,220,123)	(23,487,297)
Unrecognised tax losses - DTA not recognised	6,486,268	1,759,662
Income tax expense / (benefit) reported in the consolidated income statement	(188,714)	353,828

Deferred income tax	**Balance sheet**		**Statement of comprehensive Income**	
	2012	**2011**	**2012**	**2011**
	US$	**US$**	**US$**	**US$**
CONSOLIDATED				
Deferred tax liabilities				
Intangible asset	(4,639,631)	(4,902,797)	263,166	350,283
Other	(855,346)	(1,214,083)	358,737	(942,095)
Gross deferred income tax liabilities	(5,392,055)	(6,116,880)		
CONSOLIDATED				
Deferred tax assets				
Provisions	927,349	431,528	3,124,352	158,223
Capital raising costs	41,736	1,541,139	(1,499,403)	685,239
Carry forward revenue losses	11,329,504	9,273,594	2,055,909	4,297,819
Deferred tax assets not recognised	(12,298,589)	(11,246,261)	(4,114,047)	(4,903,526)
Deferred tax income / (expense)	-	-	188,714	(353,827)

In addition to the deferred tax assets not recognised in the table above, the consolidated entity has the following deferred tax assets that have not been recognised as their realisation is not probable:

- Unrecognised deferred tax asset relating to foreign exploration and evaluation expenditure of approximately $19,579,973 at a tax rate of 30% (2011: $15,906,189 at a tax rate of 30%).
- Unrecognised deferred tax asset relating to carry forward capital tax losses of $20,392,740.

Tax consolidation

Effective 1 January 2004, for the purposes of income taxation, CGA and its 100% owned Australian subsidiaries formed a tax consolidated group. Members of the group will participate in a tax sharing arrangement in order to allocate income tax expense to the wholly-owned subsidiaries on a pro-rata basis. The agreement will provide for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At the balance date, the possibility of default is remote. Under the terms of the tax funding arrangement CGA Mining Limited and each of the entities in the tax consolidated group has agreed to pay a tax equivalent payment to or from the head entity based on the current tax liability or tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax consolidated group.

The head entity of the tax consolidated group is CGA. CGA formally notified the Australian Taxation Office of its adoption of the tax consolidation regime when lodging its 30 June 2004 tax return.

5. CASH AND CASH EQUIVALENTS

	2012	2011
	US$	US$
Cash at bank and on hand	58,059,694	75,228,173
Deposits at call	21,611,832	32,108,172
	79,671,526	**107,336,345**

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months, depending on the Company's immediate cash requirements, and earn interest at short term deposit rates. The fair value of cash and cash equivalents is $79,671,526 (2011: $107,336,345).

Restricted Cash

Included in cash and cash equivalents is an amount of $9,000,000 held with BNP Paribas in line with the requirements of project financing facility agreement which requires two quarters of principal and interest payments due on the facility to be held on deposit.

Reconciliation to Cash Flow Statement

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise the following at 30 June:

Cash at bank and on hand	58,059,694	75,228,173
Deposits at call	21,611,832	32,108,172
	79,671,526	**107,336,345**

	2012	2011
	US$	**US$**
Reconciliation of net loss after tax to net cash flows from operations		
Net profit / (loss)after related income tax	5,988,349	65,082,264
Adjustment for non-cash income and expense items:		
Depreciation and amortisation	17,090,083	16,363,567
Unrealised foreign exchange (gain) / loss	639,720	352,042
Loss on disposal of assets	382,269	-
Proceeds on disposal of assets	2,236	-
Share-based payments	460,464	920,927
Share of loss of associate	3,883,156	3,191,968
Impairment of investments	6,869,837	-
Interest income on receivable from associate	(2,911,265)	(2,606,325)
Borrowing costs	4,082,944	5,042,470
Movement in fair value of derivatives	863,693	(493,491)
Other	27	(1,451)
Changes in assets and liabilities:		
(Increase) / decrease in assets:		
Trade and other receivables	(1,411,183)	(565,882)
Prepayments	1,849,946	(4,867,826)
Inventories	(8,701,870)	(5,866,525)
Tax assets	(3,021,734)	(1,452,689)
Other assets	-	3,306,820
Increase / (decrease) in liabilities:		
Trade and other payables	2,886,045	5,982,356
Deferred tax liabilities	(621,903)	591,812
Provisions	1,653,008	539,249
Net cash inflow / (outflow) from operating activities	**29,983,821**	**85,519,286**

Non cash financing activities

During the year there were leased asset additions of $6,306,081 (2011: $12,435,962).

6. TRADE AND OTHER RECEIVABLES (Current)

GST	47,387	43,710
Other debtors	2,068,088	660,581
	2,115,475	**704,291**

Other receivables are non-interest bearing and are generally on 30-90 day terms. There are no receivables past due or impaired. It is expected that these receivables will be received when due.

	2012	2011
	US$	US$

7. PREPAYMENTS

Security deposits	117,390	101,334
Other	5,882,565	7,748,568
	5,999,955	**7,849,902**

8. INVENTORIES

Gold on hand	6,501,031	2,986,430
Gold in circuit	4,837,256	3,311,213
Consumables	9,979,365	7,625,071
In-transit stores & consumables	50,449	-
Ore stockpiles	4,397,192	3,140,709
	25,765,293	**17,063,423**

9. OTHER FINANCIAL ASSETS

Investments		
Available for sale financial assets – at fair value	2,806,732	4,181,703
	2,806,732	**4,181,703**

The fair value of the available for sale investment has been determined directly by reference to published price quotations in an active market.

10. PLANT AND EQUIPMENT (Non-current)

Office, plant and equipment – at cost	1,087,137	971,658
Accumulated depreciation	(767,317)	(682,100)
Net carrying amount	**319,820**	**289,558**
Processing plant and equipment	196,126,451	183,993,808
Accumulated depreciation	(29,467,193)	(20,127,176)
Net carrying amount	**166,659,258**	**163,866,632**
Leased assets	38,163,997	35,473,105
Accumulated depreciation	(13,300,421)	(8,274,225)
Net carrying amount	**24,863,576**	**27,198,880**
Total Plant and Equipment	**191,842,654**	**191,355,070**

	2012	2011
	US$	**US$**
(a) Reconciliations		
Office, plant and equipment		
At 1 July, net of accumulated depreciation	289,558	449,428
Additions	115,479	33,133
Depreciation expense	(85,218)	(193,003)
At 30 June, net of accumulated depreciation	**319,820**	**289,558**
Processing plant and equipment		
At 1 July, net of accumulated depreciation	163,866,632	164,721,981
Additions	12,132,643	10,231,034
Depreciation expense	(9,340,017)	(11,086,383)
At 30 June, net of accumulated depreciation	**166,659,258**	**163,866,632**
Leased assets		
At 1 July, net of accumulated depreciation	27,198,880	17,752,086
Additions	6,306,081	12,435,962
Disposals	(3,615,189)	-
Depreciation expense	(5,026,196)	(2,989,168)
At 30 June, net of accumulated depreciation	**24,863,576**	**27,198,880**
Total plant and equipment		
At 1 July, net of accumulated depreciation	191,355,070	182,923,495
Additions	18,554,204	22,700,129
Disposals	(3,615,189)	-
Depreciation expense	(14,451,430)	(14,268,554)
At 30 June, net of accumulated depreciation	**191,842,654**	**191,355,070**

Property, plant and equipment pledged as security

Property, plant and equipment has been pledged as security as outlined in Note 13 (g).

11. INTANGIBLE ASSETS (Non-current)

(a) Reconciliation of carrying amounts at the beginning and end of the period

Contractual Rights		
Cost	43,173,940	43,173,940
Accumulated amortisation	(6,950,208)	(4,895,546)
Net carrying value	**36,223,732**	**38,278,394**
Balance at beginning of year	38,278,394	41,013,214
Amortisation	(2,054,662)	(2,734,820)
Balance at end of year	**36,223,732**	**38,278,394**

(b) Description of the Group's intangible assets

Contractual rights

Contractual rights have been acquired through business combinations and are carried at cost less accumulated amortisation and accumulated impairment losses. They represent the contractual right of PGPRC, a wholly owned subsidiary of CGA, to purchase mineral ore from the Masbate Gold Project owned by Filminera, an associate of CGA, at a specified price.

The intangible asset has been assessed as having a finite life and is amortised using the units of production method over the reserve base of the Masbate Gold Project in the Philippines.

	2012	2011
	US$	US$

12. TRADE AND OTHER PAYABLES (Current)

Trade payables – third parties	6,377,913	7,003,835
Trade payables to an associate	6,813,781	5,693,511
	13,151,694	**12,697,346**

Trade payables to third parties are non-interest bearing and are normally settled on 30 to 60 day terms.

Trade payables to an associate relate to payables for ore purchases, are non-interest bearing and are normally settled on 30 to 60 day terms.

Due to the short term nature of the payables, their carrying value is assumed to approximate their fair value.

13. INTEREST BEARING LIABILITIES (Current)

Loans(i)	17,748,210	16,272,330
Lease liabilities (ii)	7,398,961	5,805,244
Insurance Premium Funding (iii)	2,431,697	-
	27,578,868	**22,077,574**

INTEREST BEARING LIABILITIES (non-current)

Loans(i)	9,457,680	27,205,890
Lease liabilities (ii)	17,027,616	19,747,290
	26,485,296	**46,953,180**

(i) During the current period the Group made principal repayments of $16,272,330 on the BNP Paribas project financing facility. The drawn down portion of the facility currently accrues interest at 3.15% plus LIBOR per annum. The remaining loan is repayable over a 1.5 year period, on or before 31 December 2013. The current portion of the loan liability is $17,748,210 and the non-current portion is $9,457,680.

(ii) The Company has entered into a finance lease for certain equipment to be used in the mining process for the Masbate Gold Project. The lease details are specified in the Masbate Technical Contract with Leighton Contractors (Philippines) Incorporated and Leighton Holdings Limited. The term of the initially leased assets is for 72 months up to May 2016. The Company has also acquired an additional fleet during the current year which is for a term of 60 months and both are secured over the underlying assets.

(iii) During December 2011, the Group entered into a premium funding arrangement for the renewal of ISR Insurance. The term of the funding is for 10 months at an interest rate of 3.98%.

Summary of Material Terms of the Masbate Project Finance Documentation Repayments

(a) Repayment Schedule

The schedule of reduction dates and reduction amounts proposed for the Tranche A Facility (US$75.3M).

I Reduction Date	II Reduction Amount
29 September 2012	5.70%
30 December 2012	5.83%
31 March 2013	5.95%
30 June 2013	6.09%
29 September 2013	6.22%
29 December 2013	6.34%
Maturity Date	Balance

The Tranche B Facility (US$5M cost overrun facility) was repaid during the 2011 financial year.

(b) Representations and Warranties

The Facility Agreement contains standard representations and warranties of a facility of its nature. The representations and warranties in the Facility Agreement are taken to be made on:

- each drawdown date;
- each interest payment date; and
- on the last day of every month after the date of the Facility Agreement.

(c) Undertakings

The Facility Agreement includes undertakings standard for a facility of its nature including providing monthly financial and operational information (including environmental, social and safety matters).

(d) Project Ratios

The project operating companies, PGPRC and Filminera must satisfy the project ratios and attest to their satisfaction at the end of each quarter and each withdrawal of funds date. The project ratios are:

- project life ratio of 1.40;
- loan life ratio of 1.20;
- forward debt service cover ratio of 1.15
- historic debt service ratio of 1.10; and
- ore reserve tail of 15%.

(e) Project Undertakings

PGPRC and Filminera undertake amongst other things:

(i) to ensure that it maintains the Project authorisations necessary for it to develop and operate the Project in good standing and it does whatever may be reasonably required to keep those Project authorisations in full force and effect at all times;

(ii) to ensure that the Project and the Project assets are diligently developed, operated, managed and maintained in accordance with the life of mine plan and the project documents, and in accordance with best practice and all applicable legislation; and

(iii) without the prior written consent of the agent to the facility, to cause or permit all or part of the project to be abandoned or placed on a "care and maintenance" basis or to cause or permit operations at the Project to be suspended for a period of more than three days or periods in aggregate of more than 10 days in any 30 day period, except to the extent resulting from:

- requirements for scheduled or unscheduled maintenance or repair; or
- health or safety requirements including security concerns; or
- events or circumstances beyond its control, such as order of any Government Authority or inclement weather,

and it agrees to take all reasonable steps available to it to procure that the period of any such suspension of work is minimised;

(iv) to ensure that:

- it does not have a contaminant on any project area or cause or permit any discharge of any contamination to the environment from any project area or, in either case, otherwise in connection with the Project except in accordance with the Environmental Management Plan, the Environmental and Social Guidelines and any environmental approval for the project and otherwise not in violation of any environmental law; and
- all environmental approvals necessary for any such discharge are obtained and are valid and correct at the time of discharge and there is no breach of any of those environmental approvals.

(f) Events of Default

The Facility Agreement contains standard events of default of a facility of its nature. The following are events of default specific to the Facility Agreement.

If on any calculation date or any of the following financial ratios occurs:

- the loan life ratio is less than 1.20;
- the project life ratio is less than 1.40;
- the historic debt service cover ratio is less than 1.10;
- the forward debt service cover ratio is less than 1.15; or
- the ore reserve tail is less than 15%.

(g) Security

Security Documents

The following security has been granted to secure the moneys payable and the obligations under the Facility Agreement:

(i) pledge of receivables of the CGA Financing Company BV ("CGA Financing"), being the receivables CGA Financing has or may have vis-à-vis:

- PGPRC pursuant to the subordinated loan between CGA Financing and PGPRC;
- bank accounts held with ING Bank; and
- any other person in relation to any hedge transaction, to the extent that such receivables are governed by the laws of the Netherlands;

(ii) pledge of receivables of CGA Financing Holding Company BV ("CGA Holdings"), being the receivables CGA Holdings has or may have vis-à-vis:

- Filminera or PGPRC pursuant to the subordinated loans between CGA Holdings and Filminera or PGPRC;
- bank accounts held with ING Bank; and
- any other person in relation to any hedge transaction, to the extent that such receivables are governed by the laws of the Netherlands;

(iii) pledge of shares by CGA Holdings of its shares in the CGA Financing;

(iv) pledge of shares by CGX Holdings Pty Ltd of its shares in CGA Holdings;

(v) mortgage over real property and chattels by Philippine Gold Limited ("Phil Gold"), PGPRC and Filminera ("Mortgage");

(vi) assignment of rights in project documents and project accounts by Central Asia Gold Limited ("CAG"), CGA, PhilGold, PGPRC and Filminera;

(vii) equitable mortgage of shares in PhilGold by CAG;

(viii) pledge of shares in PGPRC by the CGA Financing and PhilGold;

(ix) pledge of shares in Filminera by Zoom;

(x) pledge of shares in Zoom by CAG;

(xi) a mortgage by PGPRC and Filminera over their right, title and interest in and to the project accounts; and

(xii) a fixed and floating charge by PhilGold over all of its rights, property and undertakings.

Release of security documents

With the exception of the Completion Guarantee, all of the securities will be released when:

i. there is no secured money to be repaid;

ii. all secured obligations have been performed; and

iii. the commitments of the lenders under the Facility Agreement have been cancelled or terminated.

The Completion Guarantee was released upon Project Completion occurring in June 2011 and the Project has now gone non-recourse to the Company.

	2012	2011
	US$	US$
14. PROVISIONS (Current)		
Employee entitlements	816,932	527,119
Other transaction duties	1,026,959	-
	1,843,891	**527,119**
PROVISIONS (Non-current)		
Employee entitlements	183,188	125,397
Provision for rehabilitation	1,064,354	785,909
	1,247,542	**911,306**

The provision for rehabilitation in relation to the Masbate Gold Project is largely recognised in the accounts of Filminera who holds the mining licenses and tenements over the project.

(a) Movements in provisions	*Provision for rehabilitation*	*Employee entitlements*	*Other taxes*	*Total*
	US$	**US$**	**US$**	**US$**
At 1 July 2011	785,909	652,516	-	1,438,425
Re-estimate of provision	278,445	-	-	278,445
Annual leave	-	233,890	-	233,890
Long service leave	-	55,923	-	55,923
Pension liability	-	57,790	-	57,790
Other taxes	-	-	1,026,959	1,026,959
At 30 June 2012	**1,064,354**	**1,000,120**	**1,026,959**	**3,091,433**
Current 2012	-	816,932	1,026,959	1,843,891
Non-current 2012	1,064,354	183,188	-	1,247,542
	1,064,354	**1,000,120**	**1,026,959**	**3,091,433**
Current 2011	-	527,119	-	527,119
Non-current 2011	785,909	125,397	-	911,306
	785,909	**652,516**	**-**	**1,438,425**

(b) Nature and timing of provisions

Employee entitlements

Refer to Note 2(k) for the relevant accounting policy applied in the measurement of this provision.

Rehabilitation provision

Refer to Note 2(r) for the relevant accounting policy and Note 2d(ii) for a discussion of the significant estimations and assumptions applied in the measurement of this provision. The current estimates assume these amounts will be paid in 2021 and 2022.

Other transaction duties

Refer to Note 2(r) for the relevant accounting policy. A provision has been raised based on preliminary calculations, which are yet to be finalised. The provision has been raised to recognise any potential liability that may arise. It is anticipated that any payments that may be due will be attended to in the 2013 year.

15. CONTRIBUTED EQUITY AND RESERVES

	2012	2011	2012	2011
	Number	Number	US$	US$
(a) Issued and paid up capital:	337,775,726	333,425,726	305,076,669	302,016,570

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Movement in ordinary shares on issue	2012	2011	2012	2011
	Number	Number	US$	US$
(i) Ordinary Shares				
Opening balance	333,425,726	331,294,976	302,016,570	299,576,520
Add: Shares issued on exercise of options	4,350,000	2,130,750	3,060,098	2,449,402
Less: share issue costs		-	-	(9,352)
Issued and fully paid	**337,775,726**	**333,425,726**	**305,076,669**	**302,016,570**

	2012	2011
	Number	Number
(ii) Options		
Unlisted options: Opening balance	10,821,250	11,902,000
Issued during the year	-	1,050,000
Exercised during the year	(4,350,000)	(2,130,750)
Closing Balance	**6,321,250**	**10,821,250**
Exercisable at A$0.65 on or before 30 June 2012	-	4,300,000
Exercisable at A$0.90 on or before 30 September 2012	200,000	200,000
Exercisable at A$1.80 on or before 31 March 2013	700,000	700,000
Exercisable at A$1.20 on or before 15 October 2013	400,000	400,000
Exercisable at A$1.15 on or before 17 November 2013	40,000	40,000
Exercisable at A$1.50 on or before 28 November 2013	3,000,000	3,000,000
Exercisable at A$1.70 on or before 2 April 2014	981,250	1,031,250
Exercisable at A$1.50 on or before 30 June 2014	100,000	100,000
Exercisable at A$2.97 on or before 27 December 2011	-	150,000
Exercisable at A$2.97 on or before 27 December 2012	75,000	75,000
Exercisable at A$2.97 on or before 31 December 2015	825,000	825,000
	6,321,250	**10,821,250**

Share options

The Company has a share based payment option scheme under which options to subscribe for the Company's shares have been granted to certain employees and consultants (refer Note 23).

(b) Reserves

	Foreign currency translation	Share-based payments	Cash flow hedge reserve	Asset revaluation reserve	Total
	US$	US$	US$	US$	US$
At 1 July 2011	5,815,359	5,862,078	(82,678,902)	2,134,468	(68,866,997)
Share-based payment	-	460,464	-	-	460,464
Net gain / (loss) on cash flow hedges net of tax	-	-	30,029,881	-	30,029,881
Revaluation of listed investments net of tax	-	-	-	(1,374,945)	(1,374,945)
At 30 June 2012	**5,815,359**	**6,322,542**	**(52,649,021)**	**759,523**	**(39,751,596)**
At 1 July 2010	5,815,359	4,941,151	(72,551,338)	447,394	(61,347,434)
Share-based payment	-	920,927	-	-	920,927
Net gain / (loss) on cash flow hedges net of tax	-	-	(10,127,564)	-	(10,127,564)
Revaluation of listed investments net of tax	-	-	-	1,687,074	1,687,074
At 30 June 2011	**5,815,359**	**5,862,078**	**(82,678,902)**	**2,134,468**	**(68,866,997)**

Nature and purpose of reserves

Share based payment reserve

The share based payment reserve is used to record the value of share based payments provided to employees, including key management personnel and directors, as part of remuneration. Refer to Note 23 for further details of these plans.

Foreign currency translation reserve

The foreign currency translation reserve used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. A functional currency translation reserve was recognized upon the change in functional and presentation currency of the Company from AUD to USD on 1 December 2007.

Cash flow hedge reserve

This reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

Asset revaluation reserve

This reserve records the increase or decrease in the fair value of listed investments.

	2012	2011
	US$	US$
(c) Retained Profits / (accumulated losses)		
Balance at 1 July	49,949,969	(15,132,295)
Net profit for the year	5,988,349	65,082,264
Balance at 30 June	**55,938,318**	**49,949,969**

Franking Credits

In respect to the payment of dividends by CGA in subsequent reporting periods (if any), the Company currently has franking credits available to the value of $5,645.

Dividends

No dividends were paid or proposed during or since the end of the financial year.

16. EARNINGS PER SHARE

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element. Diluted EPS is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

The following reflects the income and share data used in the basic and diluted earnings per share calculation:

(a) Earnings used in calculating earnings per share	2012	2011
	US$	US$
For earnings per share from profit from continuing operations		
Net profit attributable to ordinary equity holders of the parent	5,988,349	65,360,118
For earnings per share from continued & discontinued operations		
Net profit attributable to ordinary equity holders of the parent	5,988,349	65,082,264

(b) Weighted average number of shares	Number of shares	Number of shares
Weighted average number of ordinary shares used in calculating basic earnings per share	334,747,644	332,812,925
Effect of dilutive options	1,730,753	5,705,937
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**336,478,396**	**338,518,862**

(c) Information on the classification of securities

Options

Options granted to employees and directors are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent they are dilutive. These options have not been included in the determination of basic earnings per share. The number of these potential ordinary shares not included in calculation of dilutive earnings per share is 900,000 (2011: 1,050,000). These options have been excluded from the calculation as they are anti-dilutive.

Subsequent to year end, 90,000 of these dilutive options were exercised.

17. KEY MANAGEMENT PERSONNEL

	2012	2011
	US$	US$
Compensation of key management by category		
Short-term	3,123,701	3,590,752
Post-employment	278,403	380,661
Share-based payment	-	-
Long-term	47,478	58,666
	3,449,582	4,030,079

Option holdings of key management personnel

30 June 2012	Beginning of reporting period	Granted as compensation	Exercised	Other changes	End of reporting period	Vested and exercisable at 30 June 2012
Directors						
Mr Mark Savage	1,500,000	-	(1,500,000)	-	-	-
Mr Michael Carrick	5,000,000	-	-	(5,000,000)[1]	-	-
Ms Justine Magee	750,000	-		(750,000)	-	-
Mr Robert Scott	-	-	-	-	-	-
Mr Phil Lockyer	-	-	-	-	-	-
Mr David Cruse	-	-	-	-	-	-
Executives						
Mr Mark Turner	400,000	-	-	-	400,000	400,000
Ms Hannah Hudson	25,000	-	-	-	25,000	25,000
Mr Wayne Foote	40,000	-	-	-	40,000	40,000
Mr Ray Mead	220,000	-	-	-	220,000	220,000
Ms Eliza Molloy	200,000	-	-	-	200,000	200,000
Total	**8,135,000**	**-**	**(1,500,000)**	**(5,750,000)**	**885,000**	**885,000**

[1] Amounts relate to options transferred to related parties for which the director has no beneficial interest. 3,000,000 remain outstanding at 30 June 2012.

30 June 2011	Beginning of reporting period	Granted as compensation	Exercised	Other changes	End of reporting period	Vested and exercisable at 30 June 2011
Directors						
Mr Mark Savage	1,500,000	-	-	-	1,500,000	1,500,000
Mr Michael Carrick	5,000,000	-	-	-	5,000,000	5,000,000
Ms Justine Magee	750,000	-	-	-	750,000	750,000
Mr Robert Scott	-	-	-	-	-	-
Mr Phil Lockyer	-	-	-	-	-	-
Mr David Cruse	-	-	-	-	-	-
Executives						
Mr Mark Turner	400,000	-	-	-	400,000	400,000
Ms Hannah Hudson	50,000	-	(25,000)	-	25,000	25,000
Mr Wayne Foote	200,000	-	(160,000)	-	40,000	40,000
Mr Ray Mead	220,000	-	-	-	220,000	220,000
Ms Eliza Molloy	200,000	-	-	-	200,000	200,000
Total	**8,320,000**	**-**	**(185,000)**	**-**	**8,135,000**	**8,135,000**

Shareholdings of key management personnel

30 June 2012	Beginning of reporting period	Purchases	Received on exercise of options	Sales	End of reporting period
Directors					
Mr Mark Savage	^3,573,880	-	1,500,000	-	^5,073,880
Mr Michael Carrick	^1,155,000	-	-	-	+^1,155,000
Ms Justine Magee	^1,113,333	-	-	-	+^1,113,333
Mr Robert Scott	-	-	-	-	-
Mr Phil Lockyer	-	-	-	-	-
Mr David Cruse	20,000	99,600	-	-	119,600
Executives					
Mr Mark Turner	-	-	-	-	-
Ms Hannah Hudson	-	-	-	-	-
Mr Wayne Foote	-	-	-	-	-
Mr Ray Mead	-	-	-	-	-
Ms Eliza Molloy	-	-	-	-	-
Total	**#3,662,213**	**99,600**	**1,500,000**	**-**	**7,461,813**

30 June 2011	Beginning of reporting period	Purchases	Received on exercise of options	Sales	End of reporting period
Directors					
Mr Mark Savage	^3,573,880	-	-	-	^3,573,880
Mr Michael Carrick	^1,155,000	-	-	-	^1,155,000
Ms Justine Magee	^1,113,333	-	-	-	^1,113,333
Mr Robert Scott	-	-	-	-	-
Mr Phil Lockyer	-	-	-	-	-
Mr David Cruse	20,000	-	-	-	20,000
Executives					
Mr Mark Turner	-	-			-
Ms Hannah Hudson	-	-	25,000	(25,000)	-
Mr Wayne Foote	-	-	160,000	(160,000)	-
Mr Ray Mead	-	-	-	-	-
Ms Eliza Molloy	-	-	-	-	-
Total	**#3,662,213**	**-**	**185,000**	**(185,000)**	**3,662,213**

^Indirect interest relating to shares and options held by a non related entity for which all are directors, but have no beneficial interest. In total 1,100,000 shares held.

The above column totals do not add mathematically due to an indirect interest held by each of the directors for the same 1,100,000 shares.

Other transactions with key management personnel

Refer to Note 20 – Related Party Disclosure

18. AUDITORS REMUNERATION

The auditor of the Company is Ernst & Young.

		2012 US$	2011 US$
Amounts received or due and receivable by Ernst & Young (Australia) for:			
•	An audit or review of the financial report of the entity and any other entity in the consolidated group	198,041	211,836
•	Other services in relation to the entity and any other entity in the consolidated group		
-	Tax compliance	414,697	57,539
-	Other assurance services	22,056	-
		634,794	**269,375**
Amounts received or due and receivable by Ernst & Young (Philippines) for:			
•	An audit or review of the financial report of the entity and any other entity in the consolidated group	112,793	99,808
•	Other services in relation to the entity and any other entity in the consolidated group		
-	Tax compliance	13,684	8,488
-	Other assurance services	-	-
		126,477	**108,296**
Amounts received or due and receivable by Ernst & Young (UK) for:			
•	An audit or review of the financial report of the entity and any other entity in the consolidated group	30,248	22,048
•	Other services in relation to the entity and any other entity in the consolidated group		
-	Tax compliance	5,623	-
		35,871	**22,048**
Amounts received or due and receivable by Ernst & Young (Netherlands) for:			
-	Tax compliance	70,734	27,848
-	Other assurance services	-	-
		70,734	**27,848**

	2012	2011
	US$	US$

19. COMMITMENTS AND CONTINGENCIES

Operating lease commitments – Group as lessee		
Due within one year	381,498	167,184
After one year but no more than five years	540,456	-
Aggregate lease expenditure contracted for at balance date	**921,954**	**167,184**

Finance lease commitments – Group as lessee		
Due within one year	8,813,833	7,336,668
After one year but no more than five years	20,235,822	24,226,509
Aggregate lease expenditure contracted for at balance date	29,049,656	31,563,177
Less: Future interest expense	4,623,079	6,010,643
Net lease liabilities	**24,426,576**	**25,552,534**

Other commitments

(a) Mining services commitments	3,658,000	21,948,000
(b) Power services contract commitments	428,483	425,424
(c) Camp management commitments	90,731	86,301
(d) Laboratory services commitments	205,431	205,431
(e) Other capital commitments	5,081,482	2,434,635
	9,464,125	25,099,791

The Company is also party to a mining services contract between Leighton Contractors (Philippines) Limited and Filminera Resources Corporation which has been determined to contain a finance lease. The contract for mining services previously had a 6 month termination period, however the term of the contract ended at 31 March 2012, and the mining services contract is now on a month by month term and can be terminated at any time without the requirement to pay an extended termination notice period. Refer to Note 2(d)(ii) for further details. Under the Ore Purchase Agreement, PGPRC is contracted to purchasing ore from Filminera at cost plus a profit margin. The Company is also party to a contract for the operation of the power station at the Masbate Gold Project which has a 3 month termination notice period. The camp management commitments relate to capital commitments for camp improvements. Laboratory services agreements relate to a 3 month termination notice period on the laboratory services contract.

Contingent Assets

The Company has lodged an insurance claim to compensate for costs incurred in relation to the repair of the SAG Mill, with costs incurred to date totaling $6.2M, together with a claim for loss of revenue as a result of the breakdown of the SAG Mill. The insurance claim has not yet been granted indemnity, and potential insurance proceeds have not yet been quantified, and accordingly an asset has not been recognised in relation to the potential insurance proceeds that may be received. Should indemnity be granted, we would expect the claim to be somewhere in the order of US$45M.

20. RELATED PARTY DISCLOSURE

The consolidated entity consists of CGA and its controlled subsidiaries listed in the following table:

Name of Entity	Country of Incorporation	Equity Interest (%)		Investment (US$)	
		2012	2011	2012	2011
Controlled Entities					
Conex Oil Exploration Pty Ltd	Australia	100	100	2	2
Swanview Investments Pty Ltd	Australia	100	100	4,197,948	4,197,948
Central Asia Gold Limited	Bahamas	100	100	-	-
Philippine Gold Ltd	United Kingdom	100	100	-	-
Phil. Gold Processing & Refining Corp.	Philippines	100	100	-	-
CAGL(Taldy Bulak) Pty Ltd	Australia	100	100	885	885
Golden Moose LLC	Russia	100	100	394	394
China Gold Pty Ltd	Australia	100	100	-	-
Altyn Gold Pty Ltd	Australia	100	100	-	-
Altyn Gold Limited	British Virgin Islands	100	100	960	960
Zambian Holdings Pty Ltd	Australia	100	100	-	-
CGX Holdings Limited	Australia	100	100	-	-
CGA Financing Holding Company B.V.	The Netherlands	100	100	-	-
CGA Financing Company B.V.	The Netherlands	100	100	-	-
Total Investments				4,200,189	4,200,189
Allowance for impairment in the value of investments				(4,197,948)	(4,197,948)
				2,241	2,241

(a) Controlling entity

The ultimate controlling entity in the wholly owned group is CGA Mining Limited.

(d) Other transactions with related parties

The Group has entered into an Ore Sales and Purchase agreement with its associate, Filminera, which requires it to purchase ore mined from the associate's facility on a cost plus basis. The Group has purchased ore from its associate, pursuant to the agreement during the period amounting to $61,243,712.

The Group has a management services agreement with its associate Ratel Group for services provided to Ratel Group by the Group. The total services received by the Group during the year were $409,563.

21. SEGMENT INFORMATION

For management purposes, the Group is organised into one main operating segment, which involves mining exploration for gold and other minerals. All of the Group's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Makers) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

Four major customers make up 66%, 15%, 9% and 8% of the Group's total revenues.

Geographic Information

Revenue from external customers by geographical locations is detailed below. Revenue is attributed to the geographic location based on the location of the customers. The Company does not have external revenues from external customers that are attributable to any foreign country other than as shown.

	2012 US$	2011 US$
Australia	498,447	464,116
United Kingdom	143,598,303	221,068,186
United States	15,808,388	14,245,443
Other foreign countries	27,789,790	2,703,587
Total Revenue	187,694,938	238,481,332

The analysis of the location of non-current assets other than financial instruments and investments in associates is as follows:

Philippines	250,340,291	191,087,214
Australia	280,485	267,856
Other foreign countries	-	-
Total Assets	250,620,776	191,355,070

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and short-term deposits, receivables, payables, derivative instruments, borrowings and liabilities related to the finance leases. The Company currently has in place an active program of financial forecasting and budgeting both at a corporate and project level to manage both the application of funds and planning for future financial needs to ensure that any shortfall in revenue funds is adequately covered by cash reserves or planned new sources being either debt or equity based on the then most cost effective weighted average cost of capital.

Risk Management is carried out by the Board and management under policies approved by the Board. The Board also provide regular guidance for overall risk management, including guidance on specific areas, such as mitigating commodity price, foreign exchange, interest rate and credit risk, by using derivative financial instruments.

The Company does not enter into financial instruments, including derivative financial instruments, for trade or speculative purposes.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including the setting of limits for trading in derivatives, credit limits and future cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

Net fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 2, excluding the receivable from associate (fair value $47,441,621) and the loans and borrowings which are held at amortised cost (fair value $24,426,577). The group has derivative financial instruments in the form of gold forward sales contracts, diesel and heavy fuel oil swap contracts and interest rate swap contracts. Hedges that meet the strict criteria for hedge accounting are accounted as outlined in Note 2 (aa).

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs.

Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Group's maximum exposures to credit risk at the reporting date in relation to each class of financial asset is the carrying amounts of those assets as indicated in the Balance Sheet.

Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group has a significant concentration of credit risk in relation to the receivable from Filminera. At 30 June 2012, the receivable due from Filminera accounted for 62% of the Group's total receivables (2011: 55% of total receivables). The initial fair value of this receivable which arose as a result of the business combination is non-interest bearing and is repayable from the free cash flow of Filminera. It was initially measured as the fair value of future cash payments to be received from Filminera from its interest in the Masbate Gold Project. The balance of the receivable has arisen as a result of the ongoing loan of funds over the years and is interest bearing and is repayable from the free cash flow of Filminera. The Group has also recognised a tax asset in relation to its VAT incurred in the Philippines. The VAT represents tax paid on purchases of applicable goods and services which can be recovered as a tax credit against future tax liabilities of the Company upon approval by the Philippine BIR and / or the Philippine Bureau of customs. This tax asset has been valued at its expected recoverable amount.

The Group monitors credit risk through reviewing the inputs to the valuation model used to determine the future cash flows of Filminera to determine if any impairment exists. To date there have been no indicators which would cause the Group to impair the investment in Filminera.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The Group monitors this credit risk through holding its cash through banks with a Standard and Poors credit rating of 'A' or greater. The credit risk associated with cash and cash equivalents is considered negligible by the Group. The Group does not hold collateral as security. The Group does not have any receivables past due or impaired.

Commodity price risk

Gold price risk:

The Group is exposed to movements in the gold price. As part of the risk management policy of the Group and in compliance with the conditions required by the Group's financiers, a variety of financial instruments (such as gold forward sales contracts and gold put options) are used from time to time to reduce exposure to unpredictable fluctuations in the project life revenue streams. Within this context, the hedging programs undertaken are structured with the objective of retaining as much upside to the gold price as possible, but any event, by limiting hedging commitments to no more than 50% of the group gold reserves. The value of these financial instruments at any given point in time, will in times of volatile market conditions, show substantial variation over the short term. The Group hedge accounts for these instruments as at balance date.

Details of gold hedging contracts at 30 June 2012 and 30 June 2011 are shown in Note 26.

Diesel and heavy fuel oil price risk

The Group is exposed to movements in the diesel and heavy fuel oil price. The costs incurred purchasing diesel and heavy fuel oil for use by the Group's operations is significant. The Group entered into swaps agreements to hedge its exposure to diesel and heavy fuel oil price movements. The contracts expired in April 2012. The details of the hedging contracts at 30 June 2012 and 30 June 2011 are shown in Note 26.

Interest rate risk

At balance date, the Company had the following financial assets and liabilities exposed to variable interest rate risk that are not designated as cash flow hedges:

	2012	**2011**
Cash and cash equivalents	**US$**	**US$**
A$ balances held	395,362	385,980
PHP Balances held	667,235	382,665
Canadian Balances held	11,127	-
Euro Balances held	37,369	-
US$ balances held	78,560,433	106,567,700
Interest bearing loans and borrowings	13,605,890	19,778,220

The Group constantly analyses its interest rate exposure. Consideration is given to potential renewals of existing positions, alternative financing and the mix of fixed and variable interest rates.

The Group's policy is to manage its exposure to interest rate risk by holding cash in short term fixed rate deposits and variable rate deposits. The interest bearing liabilities associated with the BNP loan are exposed to movements in the LIBOR rate. The Group has managed its exposure to this risk through hedging a portion of the debt through an interest rate swap contract. The balance in the table above indicates the portion of the debt as at 30 June 2012 and 30 June 2011 not covered under the interest rates swap (refer Note 26).

Price risk

The Group holds an investment in Sierra Mining Limited (ASX listed) carried at its fair market value. The fair value is impacted by movements in the share price.

Foreign currency risk

The Group's policy is to manage its foreign currency exposure through holding its cash largely in USD, being the same currency as the majority of its costs. As a result the Group does not have a material exposure to foreign currency risk.

At balance date, the Group had the following exposure to foreign currencies on financial instruments:

	2012	2011
	US$	US$
Financial Assets		
Cash and cash equivalents	1,111,093	768,645
Trade and other receivables	779,190	601,038
	1,890,283	**1,369,683**
Financial Liabilities		
Trade and other payables	2,507,007	4,237,583
	2,507,007	**4,237,583**
Net exposure	**(616,724)**	**(2,867,900)**

Liquidity risk

The responsibility for liquidity risk rests with the Board of Directors. The Company manages liquidity risk through maintaining sufficient cash or credit facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term cash deposits. The Company's liquidity needs can likely be met through cash on hand and short and long-term borrowings, subject to the current forecast operating parameters being met.

The contractual maturities of the Group's financial liabilities are as follows:

	2012	2011
	US$	US$
Within one month		
Trade creditors	13,151,694	12,697,346
One Month or later and no later than one year		
Derivative liability net settled	38,783,810	37,770,654
External loans	17,748,210	16,272,330
Interest on external loans*	1,955,822	2,891,052
Finance lease liability	7,398,961	5,805,244

	2012	2011
	US$	**US$**
One year or later and no later than five years		
Derivative liability net settled	17,543,273	49,482,368
External loans	9,457,680	27,205,890
Interest on external loans*	3,217,366	5,029,326
Finance lease liability	17,027,616	19,747,290
Later than five years	-	-

Future capital needs can be met through our cash position, future operating cash flow and the issue of equity instruments. We expect that, in the absence of a material adverse change in a combination of our sources of liquidity and / or a significant decline in gold prices, present levels of liquidity be sufficient to meet our necessary capital requirements, subject to the current forecast operating parameters being met.

*Forecasted interest on external loans subject to variable interest rates is subjected to estimated projections on the variable rate.

Capital risk management

The Group's total capital is defined as equity attributable to equity holders of the parent which amounted to $321,263,390 at 30 June 2012 (2011: $283,099,543).

The Group's capital management objectives are to safeguard the business as a going concern, to maintain a debt to equity balance to reduce the cost of capital and to maximise returns for shareholders. Management may issue more shares or repay debts in order to maintain the optimal capital structure.

The Group does not have a target debt / equity ratio, but maintains a flexible financing structure so as to be able to take advantage of new investment opportunities that may arise. The Group monitors its capital risk management through annual cash flow projections and monthly reporting against budget.

PGPRC, a wholly owned subsidiary of the Group, monitors capital using the thin cap ratio, which is the ratio of infused capital to total financing. The Company's policy is to keep the thin cap ratio at not greater than 3:1 in favor of the debt, in line with the limit indicated in the Philippine Bureau of Internal Revenue's Thin Cap Rule.

Financial instruments measured at fair value

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

30 June 2012	**Quoted market price (Level 1)**	**Valuation technique – market observable inputs (Level 2)**	**Valuation technique – non market observable inputs (Level 3)**
	US$	**US$**	**US$**
Available for sale financial assets	2,806,732	-	-
Derivative assets	-	-	-
Financial liabilities			
Derivative liabilities	-	56,327,083	-

30 June 2011	**Quoted market price (Level 1)**	**Valuation technique – market observable inputs (Level 2)**	**Valuation technique – non market observable inputs (Level 3)**
	US$	**US$**	**US$**
Available for sale financial assets	4,181,703	-	-
Derivative assets	-	1,759,748	-
Financial liabilities			
Derivative liabilities	-	87,253,022	-

Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs. The fair value of the listed equity investments are based on quoted market prices.

For financial instruments not quoted in active markets, the Group uses valuation techniques such as present value techniques, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants.

Sensitivity Analysis

The following tables summarises the sensitivity of the Group's financial assets and liabilities to interest rate risk, foreign exchange rate risk, credit risk and commodity price risk. Had the relevant variables, as illustrated in the tables, moved, with all other variables held constant, post tax profit and equity would have been affected as shown.

Consolidated			Interest rate risk				Foreign exchange risk				Equity and Commodity Price Risk			
30 June 2012			**Negative movement**		**Positive movement**		**Negative movement**		**Positive movement**		**Negative movement**		**Positive movement**	
Financial assets	**Note**	**Carrying Amount $**	**Profit**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**
Cash and cash equivalents														
USD	2	78,560,433	(785,604)	(785,604)	785,604	785,604	-	-	-	-	-	-	-	
AUD	1,2	395,362	(3,954)	(3,954)	3,954	3,954	(39,536)	(39,536)	39,536	39,536	-	-	-	-
PHP	1	667,235	-	-	-	-	(66,724)	(66,724)	66,724	66,724	-	-	-	-
CAD	1	11,127	-	-	-	-	(1,113)	(1,113)	1,113	1,113	-	-	-	-
EUR	1	37,369	-	-	-	-	(3,737)	(3,737)	3,737	3,737	-	-	-	-
Financial liabilities														
Trade and other payables	1	2,507,007	-	-	-	-	250,701	250,701	(250,701)	(250,701)	-	-	-	-
Derivative Financial instruments – gold forward sales	3	56,176,731	-	-	-	-	-	-	-	-	-	(12,761,473)	-	12,761,473
Derivative financial instruments – interest rate swap	4	150,352	-	(552,454)	-	547,259	-	-	-	-	-	-	-	-
Interest bearing liabilities - loans	4	27,205,890	(272,059)	(272,059)	272,059	272,059	-	-	-	-	-	-	-	

1. The sensitivities show the net effect of a 10% movement in the USD against the foreign currencies. Sensitivity rates have been based on 12 month averages.
2. The sensitivities show the net effect of a 1% movement in AUD and USD interest rates, respectively. Sensitivity rates have been based on 12 month averages.
3. The sensitivities show the net effect of a 10% movement in the projected gold price.
4. The sensitivities show the net effect of a 1% movement in the projected LIBOR interest rate.

Consolidated			Interest rate risk				Foreign exchange risk				Equity and Commodity Price Risk			
30 June 2011			**Negative movement**		**Positive movement**		**Negative movement**		**Positive movement**		**Negative movement**		**Positive movement**	
Financial assets	**Note**	**Carrying Amount $**	**Profit**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**
Cash and cash equivalents														
USD	2	106,567,701	(1,065,677)	(1,065,677)	1,065,677	1,065,677	-	-	-		-	-	-	-
AUD	1,2	385,980	(3,860)	(3,860)	3,860	3,860	(38,598)	(38,598)	38,598	38,598	-	-	-	-
Derivative financial instruments - fuel	5	1,759,748	-	-	-	-	-	-	-	-	(393,323)	(393,323)	393,323	393,323
Financial liabilities														
Trade and other payables	1	4,237,583	-	-	-	-	423,758	423,758	(423,758)	(423,758)	-	-	-	-
Derivative Financial instruments – gold forward sales	3	86,750,602	-	-	-	-	-	-	-	-	-	(20,639,486)	-	20,639,486
Derivative financial instruments – interest rate swap	4	502,420	-	(1,419,896)	-	1,397,913	-	-	-	-	-	-	-	-
Interest bearing liabilities - loans	4	43,478,220	(43,478)	(43,478)	43,478	43,478	-	-	-	-	-	-	-	-

1. The sensitivities show the net effect of a 10% movement in the USD against the AUD. Sensitivity rates have been based on 12 month averages.
2. The sensitivities show the net effect of a 1% movement in AUD and USD interest rates, respectively. Sensitivity rates have been based on 12 month averages.
3. The sensitivities show the net effect of a 10% movement in the projected gold price.
4. The sensitivities show the net effect of a 1% movement in the projected LIBOR interest rate.
5. The sensitivities show the net effect of a 10% movement in the projected diesel and heavy fuel oil price.

23. SHARE BASED PAYMENT PLANS

(a) Employee Option Scheme ("EOS")

An Employee Option Scheme has been established where CGA, at the discretion of the directors, may grant options over the ordinary shares of CGA to eligible employees and consultants of the Company. Directors are ineligible to participate. The Company has adopted this incentive plan to enable eligible employees and consultants to acquire an ownership interest in CGA.

The options issued under the CGA EOS are not quoted on the ASX or TSX.

The Company issued the following options to its eligible employees and consultants in prior financial years:

- 1,950,000 options issued September 2004 and expiring 30 June 2009 at an exercise price of A$0.60.
- 1,950,000 options issued March 2007 and expiring 30 June 2012 at an exercise price A$0.65.
- 2,025,000 options issued September 2007 and expiring 30 September 2012 at an exercise price of A$0.90.
- 950,000 options issued May 2008 and expiring 31 March 2013 at an exercise price of A$1.80.
- 400,000 options issued October 2008 and expiring 15 October 2013 at an exercise price of A$1.20.
- 200,000 options issued November 2008 and expiring 17 November 2013 at an exercise price of A$1.15.
- 1,690,000 options issued April 2009 and expiring 2 April 2014 at an exercise price of A$1.70
- 150,000 options issued 30 June 2009 and expiring 30 June 2014 at an exercise price of A$1.50.
- 150,000 options issued 31 August 2009 and expiring 31 August 2014 at an exercise price of A$1.79.
- 150,000 options issued 28 December 2010 and expiring 27 December 2011 at an exercise price of A$2.97.
- 75,000 options issued 28 December 2010 and expiring 27 December 2012 at an exercise price of A$2.97.
- 825,000 options issued 28 December 2010 and expiring 31 December 2015 at an exercise price of A$2.97

During the 2012 financial year, the Company did not issue any further options to its eligible employees and consultants:

The options are issued for nil consideration, and are only exercisable if the Company's shares have been quoted on the ASX throughout the 12 month period immediately preceding the exercise of the options, without suspension during that period exceeding in total 2 trading days. Once exercised, the shares rank equally with the existing shares of the Company.

During the 2012 financial year, 100,000 employee options were exercised comprising of 50,000 options at A$1.70 and 50,000 options at A$0.65.

As at 30 June 2012 the following were on issue under the Employee Option Scheme:

- 200,000 options with an exercise price of A$0.90 and an expiry date of 30 September 2012
- 700,000 options with an exercise price of A$1.80 and an expiry date of 31 March 2013
- 400,000 options with an exercise price of A$1.20 and an expiry date of 15 October 2013
- 40,000 options with and exercise price of A$1.15 and an expiry date of 17 November 2013
- 981,250 options with an exercise price of A$1.70 and an expiry date of 2 April 2014
- 100,000 options with an exercise price of A$1.50 and an expiry date of 30 June 2014
- 75,000 options with an exercise price of A$2.97 and an expiry date of 27 December 2012
- 825,000 options with an exercise price of A$2.97 and an expiry date of 31 December 2015

23. SHARE BASED PAYMENT PLANS (cont.)

(b) Information with respect to the number of options granted under Employee Option Plan:

							Number of Options at End of Year		Options Exercised			
Grant Date	**Expiry Date**	**Exercise Price**	**Number of Options at the Beginning of the Year**	**Options Granted**	**Options Exercised**	**Options Cancelled**	**On Issue**	**Vested**	**Proceeds Received**	**Number of shares Issued**	**Fair Value of Options at Grant Date**	**Fair Value Aggregate**
		(A$)							**(US$)**		**(US$)**	**(US$)**
2012												
28 Dec 2010	27 Dec 2011	2.97	150,000	-	-	150,000	-	-	-	-	0.444	-
28 Dec 2010	27 Dec 2012	2.97	75,000	-	-	-	75,000	75,000	-	-	0.822	61,650
28 Dec 2010	31 Dec 2015	2.97	825,000	-	-	-	825,000	825,000	-	-	1.514	1,249,050
30 Jun 2009	30 Jun 2014	1.50	100,000	-	-	-	100,000	100,000	-	-	0.753	75,300
2 Apr 2009	2 Apr 2014	1.70	1,031,250	-	50,000	-	981,250	981,250	93,458	50,000	0.853	837,006
17 Nov 2008	17 Nov 2013	1.15	40,000	-	-	-	40,000	40,000	-	-	0.495	19,800
15 Oct 2008	15 Oct 2013	1.20	400,000	-	-	-	400,000	400,000	-	-	0.633	253,200
7 May 2008	31 Mar 2013	1.80	700,000	-	-	-	700,000	700,000	-	-	0.809	566,300
30 Sept 2007	30 Sep 2012	0.90	200,000	-	-	-	200,000	200,000	-	-	0.408	81,600
19 Mar 2007	30 Jun 2012	0.65	50,000	-	50,000	-	-	-	32,686	50,000	0.238	-
			3,571,250	-	100,000	150,000	3,321,250	3,321,250	126,144	100,000		

23. SHARE BASED PAYMENT PLANS (cont.)

						Number of Options at End of Year		Options Exercised			
Grant and Vesting Date	Expiry Date	Exercise Price	Number of Options at the Beginning of the Year	Options Granted	Options Exercised	On Issue	Vested	Proceeds Received	Number of shares Issued	Fair Value of Options at Grant Date	Fair Value Aggregate
		(A$)						(US$)		(US$)	(US$)
2011											
28 Dec 2010	27 Dec 2011	2.97	-	150,000	-	150,000	150,000	-	-	0.444	66,600
28 Dec 2010	27 Dec 2012	2.97	-	75,000	-	75,000	75,000	-	-	0.822	61,650
28 Dec 2010	31 Dec 2015	2.97	-	825,000	-	825,000	175,000	-	-	1.514	1,249,050
30 Jun 2009	30 Jun 2014	1.50	150,000	-	50,000	100,000	100,000	75,000	50,000	0.753	75,300
2 Apr 2009	2 Apr 2014	1.70	1,690,000	-	658,750	1,031,250	1,031,250	1,119,875	658,750	0.853	879,656
17 Nov 2008	17 Nov 2013	1.15	200,000	-	160,000	40,000	40,000	184,000	160,000	0.495	19,800
15 Oct 2008	15 Oct 2013	1.20	400,000	-	-	400,000	400,000	-	-	0.633	253,200
7 May 2008	31 Mar 2013	1.80	950,000	-	250,000	700,000	700,000	450,000	250,000	0.809	566,300
30 Sept 2007	30 Sep 2012	0.90	462,000	-	262,000	200,000	200,000	235,800	262,000	0.408	81,600
19 Mar 2007	30 Jun 2012	0.65	50,000	-	-	50,000	50,000	-	-	0.238	11,900
			3,902,000	1,050,000	1,380,750	3,571,250	2,921,250	2,064,675	1,380,750		

23. SHARE BASED PAYMENT PLANS (cont.)

(c) Summaries of options granted under EOS arrangements

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options issued during the year:

	2012	2012	2011	2011
	No.	WAEP (US$)	No.	WAEP (US$)
Outstanding at the beginning of the year	3,571,250	2.08	3,902,000	1.31
Granted during the year	-		1,050,000	2.98
Exercised during the year	(100,000)	1.18	(1,380,750)	1.47
Expired during the year	(150,000)	2.97	(150,000)	1.79
Outstanding at the end of the year	3,321,250	1.94	3,421,250	2.08
Exercisable at the end of the year	3,321,250	1.94	2,771,250	1.48

(d) Weighted average remaining contractual life of the unlisted employee options:

The weighted average remaining contractual life for the share options outstanding as at 30 June 2012 is 1.8 years (2011: 2.5 years).

(e) Range of exercise price of the unlisted employee options:

The range of exercise prices for options outstanding at the end of the year was A$0.90-A$2.97 (2011: A$0.65-A$2.97).

(f) Weighted average fair value of the unlisted employee options:

The weighted average fair value of options granted during the 2011 financial year was US$1.31. No options were issued during the 2012 financial year.

The terms and conditions of the unlisted employee options are as follows:

1. The expiry date for options granted is:

   30 June 2012 for options granted 19 March 2007;

   30 September 2012 for options granted 30 September 2007;

   31 March 2013 for options granted 7 May 2008;

   15 October 2013 for options granted 15 October 2008;

   17 November 2013 for options granted 17 November 2008;

   2 April 2014 for options granted 2 April 2009;

   30 June 2014 for options granted 30 June 2009;

   27 December 2011 for 150,000 options granted 28 December 2010;

   27 December 2012 for 75,000 options granted 28 December 2010; and

   31 December 2015 for 825,000 options granted 28 December 2010.

2. The exercise price of each option granted 19 March 2007 is A$0.65, granted 30 September 2007 is A$0.90, granted 7 May 2008 is A$1.80, granted 15 October 2008 is A$1.20, granted 17 November 2008 is A$1.15, granted 2 April 2009 is A$1.70, granted 30 June 2009 is A$1.50 and granted 28 December 2010 is A$2.97.

3. Each option exercised will entitle the holder to one Share in the capital of the Company.

4. The options are not exercisable unless the Shares have been quoted on the ASX throughout the 12 month period immediately preceding the exercise of the Options, without suspension during that period exceeding in total 2 trading days and upon payment of the exercise price.
5. Exercise of the options is affected by completing the notice of exercise of options form and forwarding it to the Company, together with payment of the relevant Exercise Price.
6. All Shares issued upon exercise of the options will rank pari passu in all respects with the Company's then existing Shares.
7. There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of securities offered to Shareholders of the Company during the currency of the options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
8. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, on or prior to the Expiry Date, the options will be reorganised in accordance with the Listing Rules of ASX.
9. The production to the Directors of such documents or other evidence as the Directors may reasonably require to establish that entitlement.

The binomial approach to options valuation was adopted in estimating their fair value at grant date. The following factors and assumptions were used in determining the fair value of options granted during the prior financial year.

Grant Date	Expiry Date	Fair Value per Option	Exercise price	Price of Shares on Grant Date	Estimated Volatility	Risk Free Interest Rate
		US$	A$	A$		
28 Dec 2010	27 Dec 2012	0.822	2.97	2.97	55%	4.75%
28 Dec 2010	31 Dec 2015	1.514	2.97	2.97	55%	4.75%

(g) Directors Options

In November 2008, the Company issued 3,000,000 options to Michael Carrick.

In March 2007, the Company issued 5,500,000 options to directors. The granting of the 2007 options was only made after specific performance criteria were met, and were determined as part of the overall review of performance and compensation. Criteria which were measured included relative share price performance over the period leading up to their grant. As the performance criteria were met before the granting, the options vested immediately and are not dependent on the satisfaction of future performance criteria. The issue was approved by shareholders. Further details of these options are included below.

Information with respect to the number of options granted to directors:

						Number of Options at End of Year						
Grant and Vesting Date	Expiry Date	Exercise Price	Number of Options at the Beginning of the Year	Options Granted	Options Exercised	On Issue	Vested	Proceeds Received	Date of Issue	Number of shares Issued	Fair Value of Options at Grant Date	Fair Value Aggregate
		A$						(US$)			(US$)	(US$)
28 Nov 2008	28 Nov 2013	1.50	3,000,000	-	-	3,000,000	3,000,000	-	-	-	0.37	1,110,000
19 Mar 2007	30 Jun 2012	0.65	250,000	-	(250,000)	-	-	174,281	24 Jan 2012	250,000	n / a	n / a
19 Mar 2007	30 Jun 2012	0.65	1,000,000	-	(1,000,000)	-	-	700,205	31 Jan 2012	1,000,000	n / a	n / a
19 Mar 2007	30 Jun 2012	0.65	3,000,000	-	(3,000,000)	-	-	2,059,468	30 Mar 2012	3,000,000	n / a	n / a
			7,250,000	-	(4,250,000)	3,000,000	3,000,000					

The binomial approach to options valuation was adopted in estimating their fair value at grant date. The following factors and assumptions were used in determining the fair value of options on grant date:

Grant Date	Expiry Date	Fair Value per Option	Exercise price	Price of Shares on Grant Date	Estimated Volatility	Risk Free Interest Rate
		US$	A$	A$		
28 Nov 2008	28 Nov 2013	0.37	1.50	0.92	55%	5.51%
19 Mar 2007	30 Jun 2012	0.238	0.65	0.65	52%	5.40%

The terms and conditions of the unlisted Directors options are as follows:

1. The expiry date for the options issued in 2007 is 30 June 2012, and 28 November 2013 for those issued in 2008.
2. The exercise price of each option expiring on 30 June 2012 is A$0.65,and A$1.50 for the options issued in November 2008.
3. Each option exercised will entitle the holder to one Share in the capital of the Company.
4. The options are not exercisable unless the Shares have been quoted on the ASX throughout the 12 month period immediately preceding the exercise of the Options, without suspension during that period exceeding in total 2 trading days and upon payment of the exercise price.
5. Exercise of the options is affected by completing the notice of exercise of options form and forwarding it to the Company, together with payment of the relevant Exercise Price.
6. All Shares issued upon exercise of the options will rank pari passu in all respects with the Company's then existing Shares.
7. There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of securities offered to Shareholders of the Company during the currency of the options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
8. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, on or prior to the Expiry Date, the options will be reorganised in accordance with the Listing Rules of ASX.

24. INVESTMENT IN ASSOCIATES

	2012	2011
	US$	US$
FILMINERA RESOURCES CORPORATION		
Loan	73,320,490	53,568,163
Share of cumulative losses of associate	(5,504,709)	(3,518,489)
	67,815,781	50,049,674
Reconciliation of movements		
At 1 July	50,049,674	43,582,833
Net loans during period	16,841,062	4,672,038
Share of associate's net profit / (loss)	(1,986,220)	(811,522)
Notional interest accretion on loan	2,911,265	2,606,325
At 30 June	67,815,781	50,049,674
RATEL GROUP LIMITED		
Investment at cost	2,846,271	2,846,271
Share of cumulative losses of associate	(1,673,210)	(746,008)
	1,173,061	2,100,263
Reconciliation of movements		
At 1 July	2,100,263	-
Acquisition Cost during the period	-	1,882,833
Fair Value of shares acquired during spin off of Ratel Group	-	963,438
Share of associate's net loss	(927,202)	(746,008)
At 30 June	1,173,061	2,100,263
ST AUGUSTINE GOLD & COPPER LIMITED		
Investment at cost less impairment	10,460,235	17,330,072
Share of cumulative losses of associate	(2,558,639)	(1,634,454)
	7,901,596	15,695,618
Reconciliation of movements		
At 1 July	15,695,618	-
Initial carrying value of Investment	-	3,500,000
Acquisition Cost during the period	-	14,793,510
Fair Value of distribution of capital during spin off of Ratel Group	-	(963,438)
Impairment of Investment	(6,869,837)	-
Share of associate's net loss	(924,185)	(1,634,454)
At 30 June	7,901,596	15,695,618

An impairment loss of $6,869,837 has been recognised in the Statement of Comprehensive Income to write down the carrying value of the investment in St Augustine Gold & Copper Limited to its recoverable amount at 30 June 2012. The recoverable amount was determined to be its market value.

MASMINERO RESOURCES CORPORATION

Investment	6,734,312	3,727,844
Share of cumulative profits / (losses) of associate	(29,060)	614
	6,705,252	3,728,458
Reconciliation of movements		
At 1 July	3,728,458	-
Investment	3,006,467	3,727,844
Share of associate's net profit / (loss)	(29,673)	614
At 30 June	6,705,252	3,728,458

	2012	2011
	US$	US$
ARORY RESOURCES INC		
Investment at cost	2,833,767	-
Share of cumulative losses of associate	(16,473)	(597)
	2,817,294	(597)
Reconciliation of movements		
At 1 July	(597)	-
Investment	2,833,767	-
Share of associate's net loss	(15,876)	(597)
At 30 June	2,817,294	(597)

(a) The Group has a 40% direct ownership interest in Filminera, which holds mineral tenements in the Philippines including the Masbate Gold Project.

The Group also has a 40% direct ownership interest in Zoom Minerals Holdings Inc, who owns the remaining 60% interest in Filminera. The remaining 60% interest in Zoom is held by an unrelated Philippine individual. The net assets of Zoom are not material. The Group's investments in the associates are accounted for in accordance with the accounting policy described in Note 2(x). Filminera and Zoom are both companies incorporated in the Philippines and have 30 June reporting dates.

The Group has a 40% (2011: 20.5%) direct ownership interest in Aroroy Resources Inc, which also has a 60% direct ownership interest in Masminero Resources Corporation. The Group also has a direct 40% (2011: 20.5%) ownership interest in Masminero Resources Corporation, which combined with the 24% (2011: 12.3%) indirect ownership interest through Aroroy Resources Inc results in a total ownership interest in Masminero Resources Corporation of 64% (2011: 32.8%).

The Group has a 20.75% (2011: 22.8%) direct ownership interest in St Augustine Gold & Copper Limited. The remaining 79.25% interest in St Augustine Gold & Copper Limited is held by unrelated parties.

The Group has a 19.15% direct ownership interest in Ratel Group Limited. The remaining 80.85% interest in Ratel Group Limited is held by unrelated parties. Ratel Group Limited and CGA have a common board member, and Ratel Group Limited is supported by the management team of CGA.

(b) Summarised financial information

The following table illustrates summarised financial information relating to the Group's associates:

Extract from the associate's balance sheet

30 June 2012	Filminera Resources Corporation	Ratel Group Limited	St Augustine Gold & Copper Limited	Masminero Resources Limited	Aroroy Resources Inc
	US$	US$	US$	US$	US$
Current assets	27,663,729	290,290	10,793,000	240,955	3,737
Non-current assets	54,876,240	2,232,826	79,446,000	4,596,766	4,840,370
	82,539,969	**2,523,116**	**90,239,000**	**4,837,721**	**4,844,107**
Current liabilities	103,076,482	308,441	2,011,000	4,871,896	1,771
Non-current liabilities	6,144,216	-	-	5	4,966,821
	109,220,698	**308,441**	**2,011,000**	**4,871,901**	**4,968,592**
Net assets / (liabilities)[1]	**(26,680,729)**	**2,214,675**	**88,228,000**	**(34,180)**	**(124,845)**
Share of associates net profit / (loss)	(1,986,220)	(927,201)	(924,185)	(29,674)	(15,876)
Extract from the associates income statements					
Revenue	61,278,277	4,140	578,000	318	8
Net Profit / (Loss) (before notional interest accretion on loan)	(192,204)				
Net Profit / (Loss)		(4,841,784)	(4,453,614)	(46,365)	(39,689)

Extract from the associate's balance sheet

30 June 2011	Filminera Resources Corporation	Ratel Group Limited	St Augustine Gold & Copper Limited	Masminero Resources Limited	Aroroy Resources Inc
	US$	US$	US$	US$	US$
Current assets	19,039,737	6,977,288	40,125,666	249,173	3,649
Non-current assets	42,419,299	611,203	68,225,004	4,009,669	4,252,936
	61,459,036	**7,588,491**	**108,350,670**	**4,258,842**	**4,256,585**
Current liabilities	69,458,522	343,259	4,190,970	1,729	2,305
Non-current liabilities	18,489,041	-	8,988,305	4,249,478	4,251,430
	87,947,563	**343,259**	**13,179,275**	**4,251,207**	**4,253,735**
Net assets / (liabilities)[1]	**(26,488,527)**	**7,245,232**	**95,171,395**	**7,635**	**2,850**
Share of associates net loss	(811,522)	(746,005)	(1,634,508)	614	(597)

30 June 2011	Filminera Resources Corporation	Ratel Group Limited	St Augustine Gold & Copper Limited	Masminero Resources Limited	Aroroy Resources Inc
	US$	US$	US$	US$	US$
Extract from the associates income statements					
Revenue	67,344,983	6,644	-	4,418	54
Net Profit / (Loss) (before notional interest accretion on loan)	1,338,322				
Net Profit / (Loss)		(3,895,964)	(7,162,374)	1,871	(92,914)

1. The net liability position is inclusive of the loans owing to the Company.

There are no contingent liabilities of the associates at 30 June 2012.

25. PARENT ENTITY INFORMATION

Information relating to CGA Mining Limited:	**2012**	**2011**
	US$	**US$**
Current assets	17,246,601	259,894,504
Total assets	258,440,993	264,344,048
Current liabilities	781,139	412,217
Total liabilities	**972,880**	**824,414**
Issued Capital	305,076,669	302,016,570
Retained earnings	(68,112,013)	(59,914,874)
Foreign currency translation reserve	13,421,392	13,421,392
Share based payments reserve	7,082,065	7,996,546
Total shareholders equity	**257,468,113**	**263,519,634**
Loss of the parent entity	(8,197,139)	(7,619,533)
Total comprehensive loss of the parent entity	(8,197,139)	(7,619,533)
Commitments and Contingencies		
Operating lease commitments – Parent as lessee		
Due within 1 year	381,498	139,244
Due after 1 year but no more than 5 years	540,456	-
Total	**921,954**	**139,244**

26. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial assets - current		
Fuel swaps	-	1,759,748
		1,759,748
Derivative financial liabilities - current		
Gold forward sales contracts	38,650,698	37,770,654
Interest rate swaps	133,112	-
	38,783,810	**37,770,654**
Derivative financial liabilities - non current		
Gold forward sales contracts	17,526,033	48,979,948
Interest rate swaps	17,240	502,420
	17,543,273	**49,482,368**

The US$80,300,000 senior debt facility arranged by BNP Paribas required limited hedging which was executed in the 2008-2009 year. A hedging program of puts covering 46,079 ounces and forward sales covering 214,337 ounces was successfully executed during the September 2008 quarter. In March 2009, the Company subsequently executed further hedging comprising fuel hedges and interest rate swaps. The derivative financial assets and liabilities represent the fair value placed on the derivatives as at 30 June 2012. The effective portion of changes in the fair value of these derivatives that have been designated and qualify as cash flow hedges are recognised in equity in the cash flow hedge reserve. The gain or loss relating to the ineffective portion or portion that does not qualify for hedge accounting is immediately recognised in the profit and loss. If the forecast transaction is no longer expected to occur, amounts recognised in equity are transferred to the profit and loss.

Summary of gold forward sales contracts

Expiry Date	Settlement Date	Total Ounces	Average Price (US$)
27 Jul 2012 – 26 Jun 2013	31 Jul 2012 – 28 Jun 2013	54,139	894
29 Jul 2013 – 27 Dec 2013	31 Jul 2013 – 31 Dec 2013	25,318	922
		79,457	

Summary of interest rate swap contract

Start Date	End Date	Total Loan Amount (US$)	Fixed interest rate
30 Jun 2012	30 Sep 2012	13,600,000	2.41%
30 Sep 2012	31 Dec 2012	5,710,000	2.41%
31 Dec 2012	31 Mar 2013	4,600,000	2.41%
31 Mar 2013	30 Jun 2013	3,500,000	2.41%
30 Jun 2013	30 Sep 2013	2,350,000	2.41%
30 Sep 2013	31 Dec 2013	1,200,000	2.41%

The HFO fuel and diesel swap contracts expired on 30 April 2012.

27. OTHER ASSETS

	2012	2011
	US$	**US$**
Value Added Tax (VAT) (i)	28,673,031	26,043,540
Less: allowance for impairment losses (i)	(7,168,256)	(6,510,883)
Value Added Tax (VAT)	21,504,775	19,532,657
Other	1,049,615	-
Total Other Assets	**22,554,390**	**19,532,657**
Movement in allowance account		
At 1 July	(6,510,883)	(4,432,331)
Allowance for impairment losses – VAT incurred	(657,373)	(2,015,552)
At 30 June	**(7,168,256)**	**(6,510,883)**

(i) The VAT asset represents tax paid on purchases of applicable goods and services which can be recovered as a tax credit against certain future tax liabilities of the Company upon approval by the Philippine Bureau of Internal Revenue. Movement in the allowance for losses has been charged to the Statement of Comprehensive Income.

28. DISCONTINUED OPERATIONS

There were no discontinued operations during the current financial year.

On 6 August 2010, the Company announced that the offering of common shares in Ratel Gold Limited (“Ratel”), a wholly owned subsidiary of the Company, had closed successfully. Pursuant to the offering, Ratel issued 70,000,000 common shares at a price of C$0.20 per common share, for aggregate gross proceeds of C$14 million. Upon completion of the offering, the Company held 20% of Ratel’s issued shares, resulting in a gain on deconsolidation of $2,929,067.

As a result Ratel is disclosed in the financial report as a discontinued operation and was previously represented in the “Exploration Activities (Africa)” segment in the Segment Information note.

The results of the discontinued operations for the year until disposal are presented below:

(a) Results of discontinued operations	2012	2011
	US$	**US$**
Revenue	-	-
Expenses	-	(277,854)
Loss for the year from discontinued operations	-	(277,854)
Profit / (loss) from discontinued operations	-	(277,854)

29. EVENTS AFTER BALANCE SHEET DATE

Subsequent to year end 40,000 A$1.15 and 50,000 A$0.90 options have been exercised.

On September 4, 2012, the Company entered into a loan facility agreement with Ratel Group ("Borrower") to provide a funding facility up to $2.5M to Ratel Group. The term is for 24 months and the agreement includes provision that a portion of the principal can be converted to shares at the Borrower's request, subject to requisite regulatory and shareholder approval.

On September 18, 2012, CGA entered into a Merger Implementation Agreement with B2Gold Corp. ("B2Gold") to combine the two companies at an agreed exchange ratio of 0.74 B2Gold common shares for each CGA share held by a CGA shareholder (a copy of the agreement is available on SEDAR). B2Gold also proposes to acquire all outstanding CGA options and issue B2Gold shares as consideration for the cancellation of the options based on the in the money amount of such CGA options on September 17, 2012. The merger will be implemented by way of a Scheme of Arrangement under the Australian Corporations Act 2001 ("Scheme"). The merger is subject to regulatory, Australian Court, shareholder, and third party approvals, together with other customary conditions. Regulatory approvals include approval by the Australian Foreign Investment Review Board, and ASX and TSX approvals. A Scheme Booklet setting out the terms of the Scheme and an Independent Expert's Report will be circulated to all CGA shareholders in connection with a meeting of CGA shareholders expected to take place later in the year. The Scheme requires approval by 75% of the number of votes cast, and 50% of the number of CGA shareholders present and voting, at the meeting of CGA shareholders. If the Scheme is implemented, CGA will become a subsidiary of B2Gold and cease to be a reporting issuer in Canada and will de-list from the ASX and TSX.

In accordance with a resolution of the directors of CGA Mining Limited, I state that:

In the opinion of the Directors:

(a) the financial statements, notes and additional disclosures included in the directors report designated as audited of the Consolidated Entity are in accordance with the Corporations Act 2001 including:

  (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2011 and of their performance for the year ended on that date; and

  (ii) complying with Accounting Standards and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) the financial statements and notes also comply with International Financial Reporting Standards

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2012.

On behalf of the Board.

MICHAEL CARRICK

Director
Perth

Perth, 28 September 2012

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Independent auditor's report to the members of CGA Mining Limited

Report on the financial report

We have audited the accompanying financial report of CGA Mining Limited, which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. We confirm that the Auditor's Independence Declaration would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

a. the financial report of CGA Mining Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the remuneration report

We have audited the Remuneration Report included in pages 8 to 16 of the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of CGA Mining Limited for the year ended 30 June 2012, complies with section 300A of the *Corporations Act 2001*.

Ernst + Young

Ernst & Young

P McIver
Partner
Perth
28 September 2012

The shareholder information set out below was applicable as at 31 August 2012.

1. TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of each class of listed securities are listed below:

Rank	Name	Units Held	% of Issued Capital
1	CDS & Co	299,481,023	88.66%
2	Jayvee & Co TR Franklin Gold and Precious Metals Fund	8,850,000	2.62%
3	Mark Stuart Savage	3,973,880	1.18%
4	Jayvee & Co TR Franklin Gold and Precious Metals Fund	3,750,000	1.11%
5	JP Morgan Nominees Australia Limited <Cash Income Account>	3,102,574	0.92%
6	Citicorp Nominees Pty Ltd	2,724,143	0.81%
7	Lusman Partners LP	1,737,000	0.51%
8	HSBC Custody Nominees (Australia) Limited	1,700,825	0.50%
9	Mountainside Investments Pty Ltd <The Oasis Super Fund>	1,100,000	0.33%
10	National Nominees Limited	1,070,360	0.32%
11	First Eagle America Gold Fund <A / C S71X>	1,000,000	0.30%
12	Jayvee & Co TR Franklin Gold and Precious Metals Fund	1,000,000	0.30%
13	Spaceface Pty Ltd	619,440	0.18%
14	Osiris Investment Partners LP	500,000	0.15%
15	Goldman Sachs & Co	467,146	0.14%
16	M & M Holdings Pty Ltd	300,000	0.09%
17	Merril Lynch (Australia) Nominees Pty Limited	281,844	0.08%
18	Goldman Sachs & Co <A / C 002 371250>	276,184	0.08%
19	Creve & Company	250,000	0.07%
20	Spaceface Pty Limited	209,445	0.06%
		332,393,864	**98.41%**
	Remaining balance	5,381,862	1.59%
	Total Issued Capital	**337,775,726**	**100.00%**

2. DISTRIBUTION OF EQUITY SECURITIES

(a) Analysis of security by size of holding – number of security holders

	Number of Holders
1-1,000	848
1,001-5,000	354
5,001-10,000	97
10,001-100,000	87
100,001 and over	17
	1,403

(b) Analysis of security by size of holding – number of securities held

	Ordinary shares
1-1,000	358,970
1,001-5,000	1,049,618
5,001-10,000	808,834
10,001-100,000	2,174,182
100,001 and over	333,384,122
	337,775,726

(c) Number of holders of unmarketable parcels

Number of Holders	Ordinary shares
356	51,667

3. SUBSTANTIAL SHAREHOLDERS

Substantial shareholders are

Name	Number of shares
Franklin Resources Inc, and its affiliates	34,608,750
Deans Knight Capital Management Ltd	25,916,925
Van Eck Associates Corporation	24,497,367
FMR LLC & FIL	19,301,400

4. ON-MARKET BUY BACK

There is currently no on-market buy back program for any of CGA's listed securities.

DIRECTORS:

Mark S Savage (Chairman)

Michael J Carrick

Justine A Magee

David A T Cruse

Robert N Scott

Phil C Lockyer

SECRETARY:

Hannah C Hudson

REGISTERED AND PRINCIPAL OFFICE:

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BANKERS:

Australia and New Zealand Banking Group Limited

77 St Georges Terrace
Perth WA 6000

BNP Paribas

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Singapore 049319

AUDITORS:

Ernst & Young

11 Mounts Bay Road
Perth WA 6000

STOCK EXCHANGE:

Australian Stock Exchange Limited

Exchange Code:

CGX – Fully paid ordinary shares

Toronto Stock Exchange Inc

Exchange Code:

CGA – Fully paid ordinary shares

SHARE REGISTER:

Australian Register

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or + 61 8 9323 2000

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CGA
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