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Management's Discussion and Analysis

The Management's Discussion and Analysis ("MD&A") provides an analysis to enable readers to assess material changes in financial condition and results of operations for the 12 month period ended June 30, 2011. This MD&A, prepared as of September 27, 2011 is intended to complement and supplement our Annual Financial Statements. It should be read in conjunction with the MD&A for the period ended March 31, 2011, our audited consolidated Annual Financial Statements for the year ended June 30, 2011 and our Annual Information Form for 30 June 2011. Our financial statements and this MD&A are intended to provide investors with a reasonable basis for assessing our results of operation and our financial performance.

Our Consolidated Financial Statements are prepared in accordance with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("IFRS"). All dollar amounts contained in this MD&A are expressed in US dollars, unless otherwise specified.

Where we say "we", "us", "our", the "Company" or "CGA", we mean CGA Mining Limited and/or one or more of all of its subsidiaries, as it may apply.

Background and Review of Operations

CGA is incorporated and domiciled in Australia. The Company has been listed on the Australian Stock Exchange ("ASX") since April 1991 and on the Toronto Stock Exchange ("TSX") since February 2005.

During the 2007 year, the Company entered into agreements to acquire interests in a number of new resource projects: a gold project in the Philippines, the Masbate Gold Project, a copper project in Zambia, the Mkushi Copper Project, and the Segilola Gold Project in Nigeria.

The Company executed a joint venture agreement on May 30, 2007 between Seringa Mining Limited ("SML"), a then wholly owned subsidiary of the Company, African Eagle Resources plc ("AFE") and Katanga Resources Limited ("Katanga"), a wholly owned subsidiary of AFE whereby CGA acquired a 51% interest in the Mkushi Copper Project in Zambia, with AFE retaining a 49% interest.

On May 27, 2007, the Company through its then wholly owned subsidiary, Segilola Gold Limited ("SGL"), entered into a joint venture agreement ("the JV Agreement") with Tropical Mines Limited ("TML"), to earn a 51% interest in the Segilola Gold Project in Nigeria, considered to be the most advanced gold exploration project in the country. TML is a Nigerian company owned in joint venture by local investors and the Government.

On January 31, 2007, the Company entered into a Sale and Purchase Agreement ("SPA") for the acquisition of 100% of Thistle Mining Inc's interest in the Masbate Gold Project located in the Republic of the Philippines. The agreed purchase consideration was $51M, and the transaction was completed on March 19, 2007 through an issue of 40,985,538 shares and cash payments of $25M.

During the 2008 financial year, the Company's activities were focused on the Masbate Gold Project development in the Philippines. During the December 2007 quarter, the Company secured the necessary equity funding to enable a commitment to development of the Masbate Gold Project and construction was commenced. A private placement of 48,200,000 ordinary shares in the capital of the Company and 25,000 units, for a total capital raising of approximately $65M was closed on November 22, 2007. Each unit comprised of one 12% senior unsecured promissory note with a par value of US$1,000 issued by CGA Financing Holding Company B.V., a wholly owned subsidiary of the Company, and 250 transferable share purchase warrants issued by the Company.

The Company completed an additional private placement on June 12, 2008, of 21,212,000 ordinary shares in the capital of the Company. The shares were sold at C$1.65 per share, raising C$35M. The proceeds, in combination with existing cash reserves, an $80.3M senior debt facility arranged by BNP Paribas (discussed below), and the $10M loan facility with Meridian Capital CIS Fund ("Meridian") and Casten Holdings Limited ("Casten") drawn down during the 2009 year, were used to fund construction of the Masbate Gold Mine in the Philippines, including the construction of a power plant. Both private placements made during the 2008 fiscal year were marketed on a best efforts basis by way of a brokered private placement with Haywood Securities Inc. as agent.

On May 26, 2008, the Company announced that the $80.3M project finance facility documentation had been signed with BNP Paribas and Standard Chartered Bank. Subsequently, two additional banks joined the syndicate, West LB and DZ Bank who are now also parties to the facility documentation. The funds available under the BNP Paribas arranged facility were applied to the development of the Masbate Gold Project in the Philippines with repayment over a 4.5 year term to 31 December 2013.

The Company completed a private placement, which closed on February 9, 2009, of 20M ordinary shares in the capital of the Company at C$1.25 per share for a total capital raising of C$25M. On June 12, 2009, the Company closed an additional private placement of 14,815,000 ordinary shares in the capital of the Company. The shares were sold at C$1.35 per share, raising C$20,000,250. The proceeds, in combination with existing cash reserves, were utilised to supplement working capital during the initial months of production at the Masbate Gold Mine.

During the 2009 year, the Company's focus continued to be the development and commissioning of the Masbate Gold Project with the construction of the processing plant completed in the 2009 March quarter and the power plant in the 2009 June quarter. The Masbate Gold Project achieved its first gold pour on 12 May 2009. Prior to commencement of commercial production, most costs were capitalised as development costs.

On October 30, 2009 the Company completed a private placement of 14,705,000 ordinary shares in the capital of the Company at C$1.70 per share for a total capital raising of C$24,998,500. The net proceeds, after costs of the issue, in combination with existing cash reserves, were utilised to fund further enhancements in the plant and exploration activities at the Masbate Gold Mine.

A further private placement was completed on February 5, 2010 on a bought deal basis, of 39.1M ordinary shares in the capital of the Company at C$2.20 per share for total gross proceeds of C$86M. The net proceeds from the sale of the shares were used to repay indebtedness, including the early repayment of the loan facility with Meridian and Casten, the $25M Senior Promissory Notes, to increase exploration activity at the Masbate Gold Project and for general corporate purposes.

During the June 2010 quarter, the Company entered into a strategic alliance with Sierra Mining Limited ("Sierra"), which holds prospective gold exploration interests in the Philippines. Projects include the property immediately adjacent to Medusa Mining Limited's (TSX:MLL) rich Co-0 gold mine (December 2010 quarter – average grade 13.09g/t and cash costs of $185/oz) and other properties to the south of the King-king gold and copper deposit. This will leverage CGA's exploration expenditure and further capitalise on the success to date in the Philippines. In November 2010, the Company purchased a further 4M shares in Sierra, increasing its holding at 31 March 2011, to 19.7M shares or approximately 9.5%.

In 2010, the Company incorporated a new entity, Ratel Gold Limited ("Ratel") now called St Augustine Gold and Copper Limited ("SAU") which acquired the Company's African assets. During the June 2010 quarter, the Company announced a proposed spin-off of Ratel from the Company, with Ratel undertaking an initial public offering of common shares (the "Offering") in Ratel. The Offering closed successfully on 6 August 2010, with Ratel issuing 70M common shares at a price of C$0.20 per common share, for aggregate gross proceeds of C$14M. The Offering, along with a subsequent issue of 2.5M shares by Ratel, diluted the Company's holding in Ratel to 19.4%. Accordingly the African assets, being the Segilola Gold Project and the Mkushi Copper Project, are no longer controlled by the Company or consolidated into its financial statements.

In October 2010 the Company entered into a strategic alliance with Ratel (now called SAU) in connection with Ratel's agreement to acquire the interests held by Russell Mining & Minerals, Inc. and their subsidiaries (the "RMMI Group"), in the 20.7M equivalent gold ounce King-king Copper-Gold Project in the Philippines ('the King-king Interests"). As part of the acquisition Company agreed to provide a loan facility to the RMMI Group to fund the initial settlement payments to Benguet Corporation ("Benguet") and debt holders of Benguet, together with working capital, which was fully secured against the King-king Interests. The total amount loaned was $14,489,202, which was fully repaid to the Company on 7 January 2011, along with interest of $336,705. The acquisition was conditional on the successful completion of a C$25M capital raising at C$0.30 ('the Ratel Placement") per share and securing all necessary shareholder and TSX approval for the acquisition, share issue to the RMMI Group and the Ratel Placement. The Company subscribed to a total of 50M additional shares in the Ratel Placement, increasing its interest in Ratel Gold Limited (now called SAU) to its current interest of 23%. The Ratel Placement along with the acquisition of the King-king interests was successfully closed on 7 January 2011.

With the closure of the Ratel Placement, Ratel (now called SAU) completed a spin-off of its existing African assets, by way of an entitlement issue back to shareholders of shares in Ratel Group Limited ("Ratel Group"), a TSX-listed company trading under the symbol "RTG". Under the terms of the reorganization, the Company was issued a further 9,722,222 Ratel Group shares. The Company also participated in a capital raising of Ratel Group, taking up 19M shares at C$0.10 each. As a result the Company now holds a 19.1% interest in Ratel Group.

Operations at the Masbate Gold Project continued to progress well through the 2010-11 year. Mill throughput continued to improve with a ninth consecutive quarterly record set in the June 2011 quarter. Total tonnes milled for the 2011 financial year was 6,152,561 tonnes. The commissioning of a fourth mining fleet in the June 2011 quarter will support further throughput improvements as the Company finalises the 6.5Mtpa plant upgrade, with commissioning of the supplementary crusher having already occurred in September 2011. Work on the comprehensive scoping study to lift production rates to 10Mtpa is also well advanced and 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 WA has finalised the study to identify equipment requirements and capital costs. The 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.

During June 2011, the Company successfully achieved Project Completion for the project finance facility for the Masbate Gold Project. Having now satisfied Project Completion, the following additional benefits apply to the facility:

- the margin has reduced from LIBOR plus 3.65% to LIBOR plus 3.15%;
- any guarantees from CGA have been released and the project is non-recourse to CGA;
- the Project will be able to flow all excess funds (above and beyond the Debt Service Reserve Account) to any other entity within the CGA group, with any payment out of the security structure to be applied as to 25% to a further prepayment of the principal outstanding under the facility, subject to the satisfaction of normal financial ratios.

On 10 July 2011, cracks were detected in the SAG mill at the Masbate Gold Project. The SAG mill was shut down and is currently being repaired, and interim production was re-established on 21 July 2011 with a reconfiguration of the grinding circuit and ore now being fed directly into the ball mills. Production rates will be steadily increased as the revised circuit is bedded down and the supplementary crushing circuit is ramped upThe repairs to the SAG mill will be done in situ and take approximately 3 months to complete. The Company has an insurance policy for both repairs and loss of profits, subject to the normal deductibles and clauses.

During the 2011-12 year, the Company plans to extend its exploration program, with a focus on materially enhancing the reserve and resource base of the project. This exploration program is well underway with $8.123M spent as at 30 June 2011, and a further $20M expenditure planned in the coming year. The expansion of the exploration program over the next 12 months will include additional diamond core and RC rigs being brought to site.

During the June 2011 quarter 160,000 employee options were exercised for gross proceeds of A$184,000. At 30 June 2011, the Company had 10,821,250 options on issue and the total issued capital was 333,425,726 fully paid ordinary shares.

The business of the Company and its shares should be considered speculative given the volatility in world stock markets (particularly with respect to mining and exploration companies) and the uncertain nature of mining and exploration activities generally. Amongst other things, some of the key risk factors faced by CGA include:

- foreign exchange movements;
- movements in commodity prices (in particular the gold price and costs of production);
- access to new capital (both debt and equity) and meeting liquidity requirements;
- meeting forecast operating parameters, including grade, operating costs and throughput;
- the uncertain nature of exploration and development activities;
- commissioning risks in new development projects including the use of second hand equipment;
- satisfying banking requirements and covenants;

- increases in capital expenditures necessary to advance the Company's projects;
- the ability to profitably exploit new development projects;
- political, security and sovereign risks of the Philippines;
- permitting, local community and small scale miners support;
- environmental obligations; and
- weather conditions.

For further information on these and other risks inherent in the Company's business, we direct readers to Section 9 of this MD&A and the Company's Annual Information Form ("AIF") for the most recently completed financial year lodged on SEDAR at sedar.com.

1. Financial and Operating Highlights
(In thousands of dollars, except amounts per ounce, per tonne and per share)

	Three-month period ended		Year to date ended
	June 30, 2011	March 31, 2011	June 30, 2011
Gold ounces produced	46,281	45,069	190,033
Gold ounces sold	53,714	36,149	188,949
Proceeds – Gold and silver sales	72,857	43,483	235,314
Masbate Project operating gross profit[1]	28,575	12,010	84,612
Group net profit/(loss) [2]	18,800	7,263	65,082
Basic earnings per share	5.65	2.16	19.56
Diluted earnings per share	5.55	2.14	19.23
Group net revenue [3]	73,625	44,272	238,481
Masbate Project cash flow from operating activities [4]	35,202	19,469	113,445
Masbate Project operating cash flow per share [4]	10.56	5.85	34.07
Average realized gold price (per ounce)	1,332	1,173	1,222
Cash operating cost (per ounce sold) [4]	699	658	638
Adjusted cash operating cost (per tonne processed) [4]	20.45	19.31	19.67

[1] The Masbate Project operating gross profit shows a combination of the operating results of our subsidiary, Phil. Gold Processing and Refining Corp. ("PGPRC") and our associate, Filminera Resources Corporation ("FRC"), excluding financing costs, fair value movements on derivative instruments and foreign exchange movements.

[2] Group net profit or loss represents the consolidated group and accordingly includes amounts that may not be related to the Masbate Gold Project, does not consolidate FRC and includes the margin on ore sales between PGPRC and FRC.

[3] Group net revenue adjusts revenue from the sale of gold and silver for refining / selling costs, interest income and notional interest accretion.

[4] Masbate Project cashflow from operating activities and adjusted cash operating cost per ounce reflects a combination of the operating results of PGPRC and FRC and excludes changes in working capital items, and adjusts for gold inventory and stockpile movements, capital expenditure, all taxes, royalties and corporate costs.

2. Consolidated Results
(In thousands of dollars, except amounts per ounce, per tonne and per share)

Profit and Loss

	Three-month period ended			Year to date
	June 30, 2011	March 31, 2011	Variation	June 30, 2011
Revenues	73,625	44,272	29,353	238,481
Group net profit/(loss) from continuing operations	18,800	7,263	11,537	65,360
Depreciation and amortisation[1]	3,647	4,143	385	16,364
Interest	932	1,036	104	4,118
Basic earnings per share (continuing operations)	5.65	2.16	3.49	19.64

[1] Depreciation and amortisation reflects the accounting expense booked by the consolidated group so excludes depreciation and amortisation expensed by FRC.

The consolidated profit and loss results reflect the consolidated CGA group results and accordingly include a consolidation of PGPRC and do not consolidate the results of FRC. On this basis, it includes the margin paid by PGPRC to FRC for the acquisition of ore, and some of the costs of FRC such as taxes paid, depreciation and other costs which are on charged to PGPRC as included in the mining fee. For the comparison of the quarter and year to date to the previous quarter and periods, please refer to Section 10 of this MD&A.

Consolidated Cash Flows from Operating Activities
(In thousands of dollars)

	Three-month period ended		Year to date
	June 30, 2011	March 31, 2011	June 30, 2011
Reconciliation of net loss after tax to net cash flows from operations			
Net profit/(loss)after related income tax	18,800	7,263	65,082
Adjustment for non-cash income and expense items:			
Depreciation and amortisation	3,647	4,153	16,364
Gain on deconsolidation	2,929	-	-
Unrealised foreign exchange (gain)/loss	539	11	352
Share-based payments	460	460	920
Movement in fair value of Warrants	-	-	
Share of loss of associate	1,018	1,562	3,192
Interest income on receivable from associate	(652)	(651)	(2,606)
Borrowing costs	1,818	1,042	5,042
Movement in fair value of derivatives	535	(854)	(493)
Other	(1)	-	(1)
Changes in assets and liabilities:			
Change in working capital	8,236	(11,737)	(2,333)
Net cash inflow/(outflow) from operating activities	**37,329**	**1,239**	**85,519**

Consolidated cash flows from operations reflect the consolidated CGA group results and accordingly include a consolidation of PGPRC and do not consolidate the results of FRC. On this basis, it includes the margin paid by PGPRC to FRC for the acquisition of ore, and some of the costs of FRC such as taxes paid, depreciation and other costs which are on charged to PGPRC as included in the mining fee. These cash flows also reflect the operating cash flows of the corporate entities within the group, which include activities not directly related to the Masbate Gold Project.

Cash flows from operating activities were $85.519M for the year ended 30 June 2011 (2010: $48.129M). The 77% increase from the prior year is largely due to the successful ramp up to steady state operations at the Masbate Gold Project, with consistent record increases in quarterly throughput and a 27% increase in gold production from 150,143oz in 2010 to 190,033oz in 2011. Cash flows from operating activities for the June quarter were $37.329M as compared to $1.239M for the March quarter. The low March figure is due predominantly to the timing of gold sales, with a significant balance of gold being held as inventory at 31 March, which was subsequently sold in the June quarter. Revenue from metal sales for the June quarter increased by $29.458M or 68% from the previous quarter, whilst production was marginally higher in the June quarter as compared to the March quarter.

3. Mining Operations
(In thousands of dollars, except amounts per ounce, per tonne and per share)

Masbate Gold Project	**Three-month period ended**			**Year to date ended**
Operating Data	**June 30, 2011**	**March 31, 2011**	**Variance**	**June 30, 2011**
Ore mined (tonnes)	1.76M	1.50M	0.26M	6.02M
Ore processed (tonnes)	1.60M	1.55M	0.05M	6.15M
Head grade (g/t) (processed)	1.06	1.06	-	1.14
Recovery (%)	86.3%	84.5%	1.8%	85.1%
Gold ounces produced	46,261	45,069	1,192	190,033
Gold ounces sold	53,714	36,149	17,565	188,949
Financial Data (in thousands of dollars)				
Revenues – Gold and silver sales	72,941	43,483	29,458	238,481
Masbate Project cash operating costs	37,564	23,799	13,765	121,001
Excise tax[1]	1,139	1,384	(245)	4,915
Depreciation and amortisation	5,326	4,858	468	
Corporate / Makati administration	781	697	84	2,526
Interest[2]	941	884	57	3,798
Masbate Project gross profit	28,575	12,010	16,565	84,612
Masbate Project net profit/(loss)	23,561	11,514	12,047	76,280
Masbate Project cashflow from operating activities[3]	35,152	19,469	15,683	113,395
Mining fleet capital payments	1,424	1,001	423	4,296
Total capital expenditure	9,830	5,405	4,425	22,515
Deferred mining expenditure	-	-	-	3,307
Tax related payments [4]	3,451	2,708	743	11,062

Masbate Gold Project	Three-month period ended			Year to date ended
Statistics ($)	June 30, 2011	March 31, 2011	Variance	June 30, 2011
Average realized price (per ounce)	1,332	1,173	159	1,222
Cash operating cost (per ounce sold) [2]	699	658	41	638
Adjusted cash operating cost (per tonne processed) [2]	20.45	19.31	19.67	19.33

[1] Excise tax reflects tax paid rather than tax accrued for as there are quarterly payments that cross over accounting periods.

[2] Interest expense includes interest payments in relation to the BNP finance facility and the finance lease held by PGPRC for the Masbate project mine equipment.

[3] Masbate Project cashflow from operating activities and adjusted cash operating cost per ounce reflects a combination of the operating results of PGPRC and FRC and excludes changes in working capital items, and adjusts for gold inventory and stockpile movements, capital expenditure, all taxes, royalties and corporate costs.

[4] Taxes includes the VAT payments which are in part recoverable, and accordingly capitalised and not recognised in the net income figures, and other local taxes but excludes excise tax.

Masbate Operations

The financial and operating results set out above for the Masbate Gold Project are not based on the consolidated group financial statements as FRC, the entity that mines the ore and sells it to PGPRC for processing is not consolidated. The specific purpose analysis set out above is done as an illustration of the operating results of the project if you were to combine the financial results of PGPRC and FRC as if it were a group.

Revenue from metal sales for the June quarter increased by $29.458M or 68% from the previous quarter. Production for the June quarter was marginally up from the prior quarter, however the increase in sales was due largely to the higher than usual balance of gold inventory on hand at the end of the March quarter of 17,247oz, which was sold during the June quarter. The strengthening gold price also contributed to an increase in revenue for the current quarter with an average realised gold price of $1,332/oz for the June quarter as compared to $1,173/oz for the March quarter.

Mill throughput continued to improve with a ninth consecutive quarterly record set. There were 1,601,739 tonnes treated (1,554,096 tonnes in the March quarter) to produce 46,621 ounces (45,069 ounces) of gold. Gold production improved due to higher ore tonnes treated and an improvement in recovery brought about by an increase in oxide ore in the feed blend. Annual production for the project has increased 27% from the prior year to 6,152,561 tonnes @ 1.13g/t for 190,033 oz at cash costs of $638/oz (June 2010: 150,143oz at cash costs of $548/oz).

Adjusted cash costs per tonne milled were $20.45/t compared to $19.31/t during the previous quarter, adjusted for waste deferral and ore stockpile valuation changes. Cash operating costs were up 6% to US$699/oz (US$658/oz in the March quarter) in line with the temporarily lower head grade for this quarter, along with some inflationary increases to cost of some key consumable such as fuel, lime and cyanide.

4. Consolidated Balance Sheet
(In thousands of dollars, except amounts per ounce, per tonne and per share)

	For the period ended		
	June 30, 2011	March 31, 2011	Variation
Cash and cash equivalents[1]	107,336	86,285	21,051
Cash and liquid assets[2]	204,621	196,666	7,955
Current assets	**134,714**	**117,339**	**17,375**
Restricted cash[1]	9,000	52,223	43,223
Property, plant and equipment	191,355	176,871	14,484
Mining fleet finance lease	27,199	14,823	12,376
Investments and other assets	71,574	70,306	1,268
VAT receivable	19,533	19,990	(476)
Total Assets	**459,636**	**429,340**	**30,296**
BNP project finance facility	43,478	47,326	(3,848)
Derivative liabilities	87,253	86,988	265
Mining fleet finance lease	25,552	14,541	11,011
Total Liabilities	**176,536**	**164,019**	**12,517**
Shareholders' Equity	**283,099**	**265,321**	**17,778**

[1] Cash and cash equivalents at 30 June 2011 include an amount of $9,000,000 (31 March 2011: $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 and an amount of $nil (31 March 2011: $43,222,841) being proceeds from metals sales which are restricted to funding the Masbate gold project operations, which were released in the June quarter following the satisfaction of Operational Completion Tests.

[2]Cash and liquid assets includes cash and cash equivalents, held by the consolidated group, cash held by the consolidated group's associate, FRC, investments in listed securities valued as at the balance date, and gold on hand, valued at as at the balance date.

Total assets for the Company at 30 June 2011 have increased by $30.296M from 31 March 2011. The increase is largely attributable to a higher cash balance due to higher gold sales during the June quarter with 53,714oz of gold sold at an average price of $1,332/oz in the June quarter as compared to sales of 36,149oz at an average sale price of $1,173/oz during the March quarter. As discussed in Masbate operation analysis above, there was a small increase in gold produced from the previous quarter, however the large increase in sales is primarily due to there being a higher than average gold inventory balance at 31 March 2011, much of which has been sold during the current quarter. In addition, the total assets of the group have increased as the Company has also brought on and commissioned a fourth fleet of mining vehicles during the quarter which are recognised on the balance sheet as a finance lease under property plant and equipment (with the associated liability also recognised under interest bearing liabilities). The VAT receivable reflects the payments made for VAT as at the balance date and represents an estimate of proceeds to be refunded or realised from a sale of those tax credits to other parties. The decrease in the VAT receivable from the March quarter is due to an increase in the provision against the receivable based on further detailed work around the potential factors affecting recovery of the receivable.

Restricted cash for the Group has decreased to $9M in the current quarter, following the satisfaction of Operational Completion Tests which released the restrictions over the metals proceeds account. Going forward the project will be able to flow all excess funds (above and beyond the Debt Service Reserve Account) to any other entity within the CGA group, with any payment out of the security structure to be applied as to 25% to a further prepayment of the principal outstanding under the facility, subject to the satisfaction of normal financial ratios.

Overall, total shareholders equity has increased by $17.778M from the March 2011 quarter. The increase is largely due to the additional gold sales for the quarter increasing the Company's cash reserves, with the increase in the leased assets balance being largely offset by the corresponding finance lease liability on the balance sheet. The group has also repaid $3.848M in principal on the BNP finance facility during the current quarter, bringing the outstanding principal balance to $43.478M at 30 June 2011.

5. Derivative Financial Instruments

A hedging program of puts covering 46,079 ounces (which expired during the 2010 financial year) and forward sales covering 214,337 ounces was successfully executed during the September 2008 quarter. 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 income statement. If the forecast transaction is no longer expected to occur, amounts recognised in equity are transferred to the income statement. In March 2009, the Company subsequently executed further hedging comprising fuel hedges and interest rate swaps. The fuel hedges do not qualify for hedge accounting and all changes to the fair value of the fuel derivatives are recognised in the profit and loss. The gain or loss relating to the ineffective portion or portion that does not qualify for hedge accounting is immediately recognised in the income statement. If the forecast transaction is no longer expected to occur, amounts recognised in equity are transferred to the income statement. The amount reflected in the group consolidated profit and loss for hedge related expenses is a gain of $0.535M for the quarter, which is the result of gains on its HFO and diesel fuel swap contracts of $0.535M which do not qualify for hedge accounting. The remaining balance of gold forward sales contracts as at 30 June, 2011 is 137,339 ounces at an average price of $883/oz.

Summary of gold forward sales contracts

Expiry Date	Settlement Date	Total Ounces	Average Price (US$)
27 Jul 2011 – 28 Dec 2011	29 Jul 2011 – 31 Dec 2011	28,968	847.57
27 Jan 2012 – 31 Dec 2012	27 Jan 2012 – 31 Dec 2012	58,146	870.02
29 Jan 2013 – 27 Dec 2013	31 Jan 2013 – 31 Dec 2013	50,225	907.22

Summary of interest rate swap contract

Start Date	End Date	Total Loan Amount (US$)	Fixed interest rate
30 Sep 2011	31 Dec 2011	19,800,000	2.41%
31 Dec 2011	31 Mar 2012	17,800,000	2.41%
31 Mar 2012	30 Jun 2012	15,700,000	2.41%
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%

Summary of HFO fuel swap contracts

Expiry Date	Settlement Date	Total Barrels	Average Price (US$)
1 July 2011 – 30 April 2012	1 July 2011 – 30 April 2012	28,480	56.77

Summary of diesel swap contracts

Expiry Date	Settlement Date	Total Barrels	Average Price (US$)
1 July 2011 – 30 April 2012	1 July 2011 – 30 April 2012	9.450	78.00

6. Commitments and Contingencies

	Consolidated 2011 US$	Consolidated 2010 US$
Operating lease commitments – Group as lessee		
Due within one year	167,184	334,210
After one year but no more than five years	-	121,574
Aggregate lease expenditure contracted for at balance date	**167,184**	**455,784**
Finance lease commitments – Group as lessee		
Due within one year	7,336,668	5,128,000
After one year but no more than five years	24,226,509	19,316,000
Aggregate lease expenditure contracted for at balance date	**31,563,177**	**24,444,000**
Other Commitments		
(a) Mining services commitments	21,948,000	19,424,294
(b) Power services contract commitments	425,424	370,553
(c) Camp Management commitments	86,301	86,301
(d) Laboratory services commitments	205,431	180,330
(e) Other capital commitments	2,434,635	1,373,361

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. 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. The contract 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.

BNP project finance debt facility	30 June 2011	30 June 2010
Due within one year	16,272,330	19,909,400
After one year but no more than five years	27,205,890	43,478,220
	43,478,220	**63,387,620**

	Payments due by period				
Contractual Obligations	**Total**	**Less than 1 year**	**1 – 3 years**	**4 - 5 years**	**After 5 years**
Debt	46,117,441	17,875,393	28,242,048	-	-
Finance Lease Obligations	31,563,177	7,336,668	18,770,742	5,455,767	-
Operating Leases	167,184	167,184	-	-	-
Purchase Obligations	2,434,635	2,434,635	-	-	-
Other Obligations	-	-	-	-	-
Total Contractual Obligations	80,282,437	27,722,880	47,012,790	5,455,767	-

7. Liquidity and Capital Resources

As at 30 June, 2011, the Company had cash and cash equivalents of $107.3M as compared to $86.3M at 31 March 2011, 2010 and $87.6M at 30 June, 2010. Cash and liquid assets of the Company were $204.6M at 31 March 2011 (31 March, 2011: $196.6M). The increase from the prior quarter is principally due to the increase in the net profit from the current quarter's metal sales, which was further supported by the strengthening average gold price in the current quarter.

During the prior financial year the Group completed a private placement, 39.1M ordinary shares at C$2.20 per share in February 2010, raising a total of C$111.018M. The net proceeds from this issue were used, amongst other things, to repay the $25M promissory notes and $10M loan facility from Meridian and Casten and were used to increase exploration activity at the Masbate Gold Project.
During the current quarter, the Company has made $3.8M in principal repayments and $0.5M in interest payments on the financing facility with BNP Paribas, reducing the balance owing at 30 June 2011 to $43.5M.

The Company manages liquidity risk through cash reserves, credit facilities and equity capital raising to meet the operating requirements of the business, 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 current forecast operating parameters being met.

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. 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.

8. Subsequent Events

On 10 July 2011, cracks were detected in the SAG mill at the Masbate Gold Project. The SAG mill was shut down and is currently being repaired. Interim production was re-established on 21 July 2011 with a reconfiguration of the grinding circuit and ore now being fed directly into the ball mills. Production rates will be steadily increased as the revised circuit is bedded down and the supplementary crushing circuit is commissioned. The repairs to the SAG mill will be done in situ and take approximately 3 months to complete.The Company has an insurance policy for both repairs and loss of profits, subject to the normal deductibles and clauses.

Additionally, subsequent to year end 50,000 options have been exercised.

9. Risks and Uncertainties

As a mining company, the Company faces the financial, operational, political and environmental risks inherent to the nature of its activities. These risks may affect the Company's profitability and level of operating cash flow. The Company also faces risks stemming from other factors, such as fluctuations in gold prices, oil prices, interest rates, exchange rates, tax or royalty rates or the adoption of new interpretation relating thereto and financial market conditions in general. As a result, the securities of the Company must be considered speculative. Prospective purchasers of the common shares of the Company should give careful consideration to all of the information contained or incorporated by reference in this Management's Discussion and Analysis including the Annual Information Form for June 2010 and, in particular, the following risk factors.

Financial Risks

Fluctuation in Gold Prices

The profitability of CGA's operations will be significantly affected by changes in the market price of gold. Gold production from mining operations and the willingness of third parties, such as central banks, to sell or lease gold affects the gold supply. Demand for gold can be influenced by economic conditions, gold's attractiveness as an investment vehicle and the strength of the US dollar and local investment currencies. Other factors include the level of interest rates, exchange rates, inflation and political stability. The aggregate effect of these factors is impossible to predict with accuracy. Gold prices are also affected by worldwide production levels. In addition, the price of gold has on occasion been subject to very rapid short-term changes because of speculative activities. Fluctuations in gold prices may adversely affect CGA's financial performance and results of operations.

Fluctuation in Oil Prices

Because CGA uses diesel and heavy fuel oil to power its mining equipment and power stations to supply its mining operations, CGA's operating results and financial results may be adversely affected by rising petroleum prices. A portion of the costs until April 2012 are the subject of fuel hedges.

Exchange Rate Fluctuations

The operations of CGA in the Philippines are subject to currency fluctuations and such fluctuations may materially affect the financial position and results of CGA. Gold is currently sold in US dollars and although the majority of the costs of CGA are also in US dollars, certain costs are incurred in other currencies. The appreciation of non-US dollar currencies against the US dollar can increase the cost of exploration and production in US dollar terms, which could materially and adversely affect CGA's profitability, results of operations and financial condition.

Access to Capital Markets

To fund its growth, CGA is often dependent on securing the necessary capital through loans or permanent capital. The availability of this capital is subject to general economic conditions and lender and investor interest in CGA's projects.

Hedging Risk

The Group is exposed to movements in the gold price, other commodities and interest rates. 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 in any event, by limiting hedging commitments to no more than 50% of the group gold reserves. The Group has also entered into a number of other derivative instruments including interest rate swaps and fuel hedging contracts. In the event that the Group cannot deliver into these contracts due to insufficient gold production at the Masbate Gold Project, an early repayment of the loans or reduced fuel needs, the Group could be exposed to material mark to market adjustments which could cause material liquidity requirements which may not be able to be funded from the cashflow from operations.

Banking Covenants

Construction of the Masbate Project has in part been financed by project finance from commercial banks which has representations, financial commitments, banking ratios and other covenants which must be satisfied at all times. Given the risks to operating cashflow as described above, the Company is exposed to potential Events of Default which could make all amounts due and payable immediately or expose the group to working capital needs which may not be able to be funded by proceeds from operations. Such exposures can also cause cross-defaults on other debt facilities, making those due and payable immediately which may not be able to be funded from cash reserves.

Concentration of Share Ownership

Majority or significant shareholders may be are able to exercise significant influence over all matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions and such parties may not act in the best interests of the Company.

Thistle, PGO Loan and Inter-Company Loans

Some of the Philippine Gold Limited ("PGO") (which was acquired from Thistle) loans and inter-company loans have been in place for a number of years. In 2005 and 2006, PGO, FRC and PGPRC undertook a restructuring of the inter-company loans acting on the advice of its tax consultants. Some inter-company loans were converted into interest-bearing loans, and a portion of the inter-company loans were converted into "additional paid-in capital".

There is a risk that the past and current structure of the inter-company loans may have adverse tax consequences.

Operational Risks

Uncertainty of Reserve and Resource Estimates

The figures for reserves and resources presented are estimates based on limited information acquired through drilling and other sampling methods. No assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. The ore grade actually recovered may differ from the estimated grades of the reserves and resources. Such figures have been determined based upon assumed gold prices and operating costs. Future production could differ dramatically from reserve estimates for, among others, the following reasons:

- mineralization or formations could be different from those predicted by drilling, sampling and similar examinations;
- increases in operating mining costs and processing costs could adversely affect reserves;
- the grade of the reserves may vary significantly from time to time and there is no assurance that any particular level of gold may be recovered from the reserves; and
- declines in the market price of gold may render the mining of some or all of the reserves uneconomic.

Any of these factors may require CGA to reduce its reserves estimates or increase its costs. Short-term factors, such as the need for the additional development of a deposit or the processing of new different grades, may impair CGA's profitability. Should the market price of gold fall, CGA could be required to materially write down its investment in mining properties or delay or discontinue production or the development of any new projects.

Production

No assurance can be given that the intended or expected production schedules or the estimated direct operating cash costs will be achieved in respect of the operating gold mine in which CGA has an interest. Many factors may cause delays or cost increases, including, without limitation, labour and local issues, disruptions in power, transportation or supplies, and mechanical failure. The revenues of CGA from the operating gold mines will depend on the extent to which expected operating costs in respect thereof are achieved. In addition, short-term operating factors, such as the need for the orderly development of ore bodies or the processing of new or different ore grades, may cause a mining operation to be unprofitable in any particular period.

Nature of Mineral Exploration and Mining

CGA's profitability is significantly affected by CGA's exploration and development programs. The exploration and development of mineral deposits involves significant financial risks over a significant period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a gold-bearing structure may result in substantial rewards, few properties explored are ultimately developed into mines. Major expenses may be required to establish and replace reserves by drilling, and to construct mining and processing facilities at a site. It is impossible to ensure that the current or proposed exploration programs on CGA's exploration properties will result in profitable commercial mining operations.

CGA's operations are, and will continue to be, subject to all of the hazards and risks normally associated with the exploration, development and production of gold, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage. CGA's activities may be subject to prolonged disruptions due to weather conditions depending on the location of operations in which CGA has interests. Hazards, such as unusual or unexpected formations, rock bursts, pressures, cave-ins, flooding or other conditions may be encountered in the drilling and removal of material. While CGA may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which CGA cannot insure or against which it may elect not to insure. The potential costs which may be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting CGA's earnings and competitive position in the future and, potentially, its financial position and results of operations.

Whether a gold deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as its size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of gold, revenue repatriation and environmental protection. The effects of these factors cannot be accurately predicted, but the combination of these factors may result in CGA not receiving an adequate return on invested capital.

Depletion of the Company's Mineral Reserves

CGA must continually replace mining reserves depleted by production to maintain production levels over the long term. This is done by expanding known mineral reserves or by locating or acquiring new mineral deposits. There is, however, a risk that depletion of reserves will not be offset by future discoveries of mineral reserves. Exploration for minerals is highly speculative in nature and involves many risks. Many projects are unsuccessful and there are no assurances that current or future exploration programs will be successful. Further, significant costs are incurred to establish mineral reserves, open new pits and construct mining and processing facilities. Development projects have no operating history upon which to base estimates of future cash flow and are subject to the successful completion of feasibility studies, obtaining necessary government permits, obtaining title or other land rights and the availability of financing. In addition, assuming discovery of an economic mine or pit, depending on the type of mining operation involved, many years may elapse before commercial operations commence. Accordingly, there can be no assurances that CGA's current programs will result in any new commercial mining operations or yield new reserves to replace and/or expand current reserves.

Licenses and Permits

CGA requires licenses and permits from various governmental authorities. CGA believes that it holds all necessary licenses and permits under applicable laws and regulations in respect of its properties and that it is presently complying in all material respects with the terms of such licenses and permits. Such licenses and permits, however, are subject to change in various circumstances. There can be no guarantee that CGA will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities and properties under exploration or development or to maintain continued operations that economically justify the cost.

Competition

The mineral exploration and mining business is competitive in all of its phases. CGA competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than CGA, in the search for and the acquisition of attractive mineral properties and, increasingly, human resources. There is no assurance that CGA will continue to be able to compete successfully with its competitors in acquiring properties or prospects and in attracting and retaining human resources.

Cash Cost of Gold Production

CGA's cash operating cost to produce an ounce of gold is dependent on a number of factors, including the grade of reserves, recovery and plant throughput. In the future, the actual performance of CGA may differ from the estimated performance. As these factors are beyond CGA's control, there can be no assurance that CGA's cash operating cost will continue at historical levels or perform as forecast.

Title Matters

While CGA has no reason to believe that the existence and extent of any mining property in which it has a participating interest is in doubt, title to mining properties is subject to potential claims by third parties. The failure to comply with all applicable laws and regulations, including failure to pay taxes and carry out and file assessment work, may invalidate title to portions of the properties where the mineral rights are not held by CGA.

Outside Contractor Risk

The mining and exploration activities are conducted by outside contractors. As a result, CGA's operations at these sites will be subject to a number of risks, some of which will be outside CGA's control, including:

- negotiating agreements with contractors on acceptable terms;
- the inability to replace a contractor and its operating equipment in the event that either party terminates the agreement;
- reduced control over such aspects of operations that are the responsibility of the contractor;
- failure of a contractor to perform under its agreement with CGA;
- interruption of operations in the event that a contractor ceases its business due to insolvency or other unforeseen events;
- failure of a contractor to comply with applicable legal and regulatory requirements, to the extent that it is responsible for such compliance; and

- problems of a contractor with managing its workforce, labour unrest or other employment issues.

In addition, CGA may incur liability to third parties as a result of the actions of a contractor. The occurrence of one or more of these risks could have a material adverse effect on CGA's business, results of operations and financial condition.

Safety and Other Hazards

The mining industry is characterised by significant safety risks. To minimize these risks, the Company has established an Occupational Health Safety & Environment Management Plan ("OHS&E"). The Company provides OHS&E training and awareness programs to its employees and contractors to continuously improve work practices and the work environment however there are no guarantees that this will prevent safety issues, accidents or other hazards.

Political Risks

CGA currently holds interests in gold projects in the Republic of the Philippines, which may be considered to have high political and sovereign risk. The Company also has its head office operations located in Australia. Any material adverse changes in government policies or legislation of Australia, Nigeria, the Republic of Zambia (given the investment in Ratel Group) or the Republic of the Philippines or any other country that the Company has economic interest in that affect mineral exploration activities, may affect the viability and profitability of the Company.

While the government in the Philippines has historically supported the development of their natural resources by foreign companies, there is no assurance that the government will not in the future adopt different policies or interpretations respecting foreign ownership of mineral resources, royalties rates, taxation, rates of exchange, environmental protection, labour relations, repatriation of income or return of capital or the obligations of CGA under its respective mining codes. The possibility that the government may adopt substantially different policies or interpretations, which might extend to the expropriation of assets, may have a material adverse effect on CGA. Political risk also includes the possibility of civil disturbances and political instability.

Small Scale Miners

Small scale miners have been operating in Aroroy, Masbate since the time Atlas operated in the area. While their processing operations are not on FRC's property, there has been evidence of contamination from tailing and effluent discharges within the Company's boundary. Although FRC is not liable for their contamination, the Company has been diligent in attempting to limit the activities of these miners and informing the public about the risk of contamination. In line with attempts to limit and control their activities the Company, in coordination with local and National government is endeavouring to enter into agreements with small scale miners. The agreements will form local cooperatives to legally work on some areas of the Company's mineral tenements outside of its operations that are not suitable for large scale mining. There is also a natural conflict in objectives between small scale miners and the Company and FRC as the small scale miners have no legal rights to mine and are keen to access as much ore as possible. In contrast, the Company and FRC have a stated position of allowing some level of activity however, require it to be contained to nominated areas only. Accordingly, there are risks that conflict can arise which could materially adversely affect the operations of CGA and/or FRC.

Dependence on Key Management Personnel and Executives

The Company will be dependent upon the continued support and involvement of a number of key management personnel. The loss of the services of one or more of such personnel could have a material adverse effect on the Company. The Company's ability to manage its exploration and development activities and, hence, its success, will depend in large part on the efforts of these individuals. The

Company faces intense competition for qualified personnel and there can be no assurances that the Company will be able to attract and retain personnel.

Land Holdings

In general, Filminera has valid title to or preferential rights to use and possess the parcels of land needed for its mining operations at the Masbate Gold Project. The following are outstanding issues:

(i) titles to three parcels of land are being judicially confirmed by applying for registration under the Land Registration Act; and
(ii) three claimants have filed an action contesting the title of FRC to three parcels of land.

While FRC anticipates that these land issues will be resolved, no assurance can be given that the matters will be resolved in FRC's favour in a timely manner, or at all.

Community Relations

At the Masbate Gold Project, community support is critical to the continued successful operation of the project, including equitable and sensible co-operation with local small scale mining activities. The Philippines operates on a relatively decentralised system and accordingly, all constituents potentially have an impact on the operations of the project and may have interests that conflict with those of the project, which may have a material adverse effect on the project and the Company.

Regulations in the Philippines

The Philippines Constitution provides that all natural resources are owned by the State which may enter into a co-production, joint venture or production sharing agreement with citizens of the Philippines or corporations or associations at least 60% of whose capital is owned by Philippine citizens.

Commonwealth Act No. 108, as amended (otherwise known as the "Anti-Dummy" Act), provides penalties for, amongst others: (a) Filipinos who permit aliens to use them as nominees or dummies so that the aliens could enjoy privileges otherwise reserved for Filipinos or Filipino corporations, and (b) aliens or foreigners who profit from the adoption of these dummy relationships. It also penalises the act of falsely simulating the existence of minimum stock or capital as owned by citizens of the Philippines or any other country in cases in which a constitutional or legal provision requires that before a corporation or association may exercise or enjoy a right, franchise or privilege, not less than a certain percentage of its capital must be owned by such citizens.

The Anti-Dummy Act likewise prohibits aliens from intervening in the management, operation, administration or control of nationalised business or enterprises, whether as officers, employees or labourers, with or without remuneration, except that aliens may take part in technical aspects only, provided (a) no Filipino can do such technical work, and (b) it is with express authority from the Secretary of Justice. The Anti-Dummy Act also allows the election of aliens as members of the boards of directors or the governing bodies of corporations or association engaged in partially nationalised activities in proportion to their allowable participation or share in the capital of such entities. Although we have advice our structure complies with all Philippine regulations, there is a risk that it could be questioned or challenged given limited precedents to date in country.

Environmental Risks and Hazards

All phases of CGA's operations are subject to environmental regulation. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. Environmental hazards which are unknown to CGA at present and which have been caused by previous or existing owners or operations of the properties may exist on CGA's properties. Failure to comply with applicable environmental laws and regulations may result in enforcement actions there under and may include corrective measures that require capital expenditures or remedial actions. There is no assurance that future changes in environmental laws and regulations and permits governing operations and activities of mining companies, if any, will not materially adversely affect CGA's operations or result in substantial costs and liabilities to CGA in the future.

Production at CGA's mines involves the use of sodium cyanide which is a toxic material. Should sodium cyanide leak or otherwise be discharged from the containment system, CGA may become subject to liability for clean-up work that may not be insured. While all steps have been taken to prevent discharges of pollutants into ground water and the environment, CGA may become subject to liability for hazards that it may not be insured against.

10. Annual and Quarterly Information

Selected Annual Information

($US in thousands, except for per share information)

	2011 Annual Total	2010 Annual Total	2009 Annual Total
Total revenues	238,481	158,024	2,257
Net profit/(loss) from continuing operations	65,360	18,948	(4,848)
Net profit/(loss) from discontinued operations	(278)	(2,956)	n/a
Net profit/(loss) for the period	65,082	15,992	(10,209)
Earnings per share for profit/ (loss) from continuing operations			
undiluted cents per share	19.64	6.35	(1.62)
diluted cents per share	19.31	6.28	(1.61)
Earnings per share for profit/ (loss)			
undiluted cents per share	19.56	5.36	(4.22)
diluted cents per share	19.23	5.30	(4.89)
Total assets	459,636	394,277	319,241
Total long-term financial liabilities	103,464	118,530	119,572

Fluctuations in the annual financial position over the three year period ended June 30, 2011 are predominantly due to the following factors:

- The finalisation of the development of the Masbate Gold Project in the 2009 financial year and the commencement of commercial production at the project on 1 July 2009. The Company recorded a maiden gross profit of $47.367M in its first year of operations and a gross profit of $80.368M in the current year.
- the development of the Masbate Gold Project in the 2009 financial year, which has been funded through new equity issues and debt during the 2009 and 2010 financial years (details set out in the Background and Review of Operations section of this MD&A);

- hedge accounting for the gold forward contracts, interest rate swap and fuel swaps done for the Masbate Gold Project and depreciation of gold put options; and
- exploration activities in Zambia and Nigeria for the periods up to 30 June 2010 and notional gain on the deconsolidation of the entities holding these project in quarter 1 of the 2011 financial year; and
- fluctuations in the theoretical fair value on the warrants in the 2009 and 2010 which were required to be recognised in the profit and loss statement each period. These amounts do not represent either a current or future cash flow or loss to the Company. The Warrants expired in February 2010 hence there is no impact in the 2011 financial year.

Selected Quarterly Information
($US in thousands, except for per share information)
(unaudited, in accordance with IFRS)

	2011 Annual Total	Q4 Jun - 11	Q3 Mar – 11	Q2 Dec – 10	Q1 Sep – 10	2010 Annual Total	Q4 Jun – 10	Q3 Mar – 10	Q2 Dec – 09	Q1 Sep – 09
Gold and silver sales	235,314	72,942	43,483	68,539	50,350	155,476	47,270	40,477	39,066	28,663
Total revenues	238,481	73,625	44,272	69,542	51,042	158,024	47,360	41,358	39,808	29,498
Net profit/(loss)	65,082	18,800	7,263	26,983	12,036	15,992	2,940	5,413	3,983	3,656
Per share (undiluted US$ cents per share)	19.56	5.65	2.16	7.93	3.83	5.36	0.99	1.63	1.45	1.51
Per share (diluted US$ cents per share)	19.23	5.55	2.14	7.88	3.79	5.30	0.97	1.61	1.36	1.42

Fluctuations in the quarterly net loss or profit amounts over the two year period ended 30 June 2011 are predominantly due to the following factors:

- the ramp up of production at the Masbate Gold Project which commenced during the 2010 financial year and achieved a steady state in the 2011 financial year;
- Additional borrowing costs across the 2010 financial year in relation the Meridian and Casten loan facility and the promissory notes, both of which were repaid in quarter 3 of the 2010 financial year;
- the recognition of fair value mark to mark movements of the Company's derivative instruments which do not qualify for hedge account, or the ineffective portion of those that do;
- exploration activities in Zambia and Nigeria for the periods up to 30 June 2010 and notional gain on the deconsolidation of the entities holding these project in quarter 1 of the 2011 financial year; and
- the recognition of a notional expense on share options and warrants issued by the Company which expired in February 2010. Fluctuations in the theoretical fair value on the warrants were required to be recognised in the profit and loss statement each period. These amounts do not represent either a current or future cash flow or loss to the Company;

Quarterly Results

Three Months Ended June 30, 2011 Compared to the Three Months Ended March 31, 2011 and the Three Months Ended June 30, 2010

The Company's result for the three months ended June 30 was a net profit of $18.800M or 5.65 cents per share (undiluted) as compared to a net profit of $7.263M or 2.16 cents per share (undiluted) for the March 2011 quarter and a net profit of $2.940M or 0.99cents per share (undiluted for the June 2010 quarter). The result for the most recent quarter reflects revenue from gold and silver sales at the Masbate Gold Project of $72.941M (March quarter: $43.483M), offset against a cost of sales of $48.187M (March 2011: $32.417M) (including depreciation, amortisation and tax expenses). The cost of sales includes a mark-up margin of 10% charged to PGPRC by FRC on the ore sales of $1.262M for the June 2011 quarter as compared to $1.192M for the March 2011 quarter, as FRC is an associate of the group and is therefore not consolidated for accounting purposes.

In prior quarters the Company has regularly incurred exploration and evaluation expenses in relation to activities at the Mkushi Copper Project and Segilola Gold Project. During the September 2010 quarter, these projects were spun off from the Company through the initial public offering and listing on the TSX of Ratel Gold, hence there is no exploration and evaluation expense for the Company during the current quarter. These projects are now held by Ratel Group, a 19.1% held associate of the Company. As such the Company has taken up its proportional share of their loss for the period, along with its other associates being SAU, Masminero Resources, Aroroy Resources and FRC. The total loss from associates taken up by the Company during the current period is $1.018M ($1.156M March 2011 quarter).

Revenues

The Company earned $73.625M in revenue for the June 2011 quarter as compared to $44.272M in revenue for the prior quarter and $47.360M in revenue for the June 2010 quarter. The increase in revenues by $29.353M or 66% from the prior quarter is in line with a increase in gold ounces sold of 17,565oz or 48% for the March 2011 quarter. Gold production for the quarter was marginally higher than the previous quarter, however there was a higher than average balance of gold inventory on hand at 31 March 2011, which formed part of the ounces sold in the June 2011 quarter. In addition, as a result of the acquisition of the Masbate Gold Project in late March 2007, the Company has recognised a receivable from its associate, FRC. The acquisition accounting for the business combination through which the Project was acquired requires the accretion of the interest on the discounted receivable to be recognised as revenue during each period. As FRC is an associate, it is required to be equity accounted by the group, with the Company recognizing its ownership portion of the FRC loss in the Company's accounts. As the notional interest accretion gain is recognised as income in the consolidated group and recognised as an expense in Filminera accounts, the amounts are largely offset. The notional interest accretion recognised for the 3 months ended June 30, 2011 was $0.652M (March, 2011: $0.652M and June 30, 2010 $0.592M).

During June 2011, the Company successfully achieved Project Completion for the project finance facility for the Masbate Gold Project. Having now satisfied Project Completion, the following additional benefits apply to the facility:

- the margin has reduced from LIBOR plus 3.65% to LIBOR plus 3.15%;
- any guarantees from CGA have been released and the project is non-recourse to CGA;
- the Project will be able to flow all excess funds (above and beyond the Debt Service Reserve Account) to any other entity within the CGA group, with any payment out of the security structure to be applied as to 25% to a further prepayment of the principal outstanding under the facility, subject to the satisfaction of normal financial ratios.

Cost of Sales

Cost of sales for the June 2011 quarter were $48.187M as compared to $32.416M for the March 2011 quarter and $36.864M for the June 2010 quarter.

Cash operating costs for the project (based on a combination of the results of FRC and PGPRC before depreciation, amortisation and taxes) were $699/oz as compared to $658/oz in the March 2011 quarter. Total project cash operating costs for the current quarter increased by $13.764M or 58% as compared to the March 2011 quarter, largely due to the 48% increase in gold ounces sold from the prior quarter.

Consumables and supplies expense was $12.153M for the June 2011 quarter as compared to $10.711M for the March 2011 quarter, an increase of$1.442M or 13.4%. There has been a marginal increase in the tonnes milled for the June quarter, however the increase in consumable expenses is largely due to inflationary pressures around items such as fuel, lime and cyanide. The inflationary increase is in part related to the increasing strength of the gold price for which the increased sales revenues have more than offset the increases in consumable costs.

The cost of ore (purchased from the Company's associate, FRC) was $22.994M for the June quarter, as compared to $9.990M for the March 2011 quarter, an increase of $13.004M. The movement in this expense is largely due to the higher than average balance of gold inventory on hand at 31 March 2011, which formed part of the ounces sold in the June 2011 quarter, as previously discussed in the MD&A. The production costs associated with gold on hand are adjusted out of the cost of ore expense and capitalised on the balance sheet as gold inventory (which is valued at the lower of net realisable value or cost). These costs are expensed when the inventory is sold, in line with matching our revenues with our expenses. Hence the production costs associated with producing the gold inventory as at 31 March have been capitalised on the balance sheet and subsequently expensed during the June quarter, in line with the receipt of the associated revenue.

Taxes and government charges for the June quarter were $2.019M as compared to $0.603M for the March quarter, an increase of $1.416M. The increase in the current quarter is attributable to an additional write-off of PGPRC's VAT receivable. As a result of further detailed analysis of the VAT receivable balance, the Company decided to increase its provision for non-recovery by 5% for a total provision of 25% of the receivable balance, which has been expensed during the current quarter.

Production costs disclosed in the interim financial statements also include non-cash costs including depreciation, amortisation, refining and treatment charges and tax expenses, along with the cost mark up on purchases of ore from its associate, FRC, of $1.261M for June 2011 quarter ($1.192M March 2011 quarter).

Other Expenses

Net other expenses (after cost of sales) for the June 2011 quarter were $6.236M as compared to $4.640M for the March 2011 quarter and $7.556M in the prior year comparative quarter.

Specific Items Contributing to Changes

Movement in fair value of derivative financial instruments

Income of $0.535M was recognised in the profit and loss statement in June 2011 being movement in the fair value of the Company's commodity hedges. A gain of $0.854M was recognised in the profit and loss for the March 31, 2011 quarter. In the June 2010 quarter a net loss of $1.860M was recognised in the profit and loss statement, this related largely to a decrease in the mark to market value of the Company's fuel hedges during the period.

Finance costs

The Company incurred finance costs of $1.818M during the period as compared to $1.041M during the March 2011 quarter. Lease interest expense increased during the current quarter with the arrival of the fourth mining fleet at the Masbate Gold Project; however this was offset by the reducing interest due on the loan facility with BNP as the group continues to pay down the principal owing on this facility. Capitalised borrowing costs relating to the construction of the Masbate Gold Mine was amortised during the current quarter.

Exploration costs written off

Mineral property evaluation expenses for the current quarter and previous quarter were nil as compared to $0.456M for the June 2010 quarter. Exploration costs relate to expenditure at the Segilola Gold Project and Mkushi Copper Project. Subsequent to June 30, 2010 these projects were spun-off from the group through the initial public offering of Ratel Gold which closed on the 6th of August, 2010, hence no expense is recorded in the Company's books this quarter.

Share of Loss of Associates

In the June 2011 quarter the Company has recognised a loss of $1.017M in relation to its interests in the results of its associates FRC, Ratel Group, SAU, Aroroy Resources, Inc. ("Aroroy") and Masminero Resources Corporation ("Masminero"). The previous quarter loss taken up was $1.561M, and is largely due to losses taken up relating to the King-King project, held by SAU, the acquisition of which was closed in January 2011, as discussed previously in this MD&A. In the 2010 June quarter the Company recognised a loss of $0.184M, which related entirely to FRC.

Administration and other costs

In the current quarter the Company incurred costs of $2.865M as compared to $2.891M for the previous quarter and $2.718M in March 2010.

Year to Date Results

Year Ended June 30, 2011 Compared to the Year Ended June 30, 2010

The Company made a net profit of $65.082M for the year ended 30 June 2011 or 19.56 cents per share as compared to a net profit of $15.992M or 5.36 cents per share for the prior year. The result for the current year reflects revenue from gold and silver sales at the Masbate Gold Project of $235.314M, offset against a cost of sales of $158.113 (including depreciation, amortisation and tax expenses).

Revenues

For the year ended June 30, 2011, the Company earned $238.481M in revenue as compared with $158.024M in the prior year. The prior year period included the ramp up of the Masbate Gold Project, which commenced commercial production on 1 July 2009. The revenue in the current period is predominantly from the proceeds of gold and silver sales, along with a non-cash notional interest accretion on the receivable from the associate of $2.606M. The total gold sales for the current period were 188,949oz at an average price of $1,222/oz, compared to 146,735oz at an average price of $US1,052/oz for the prior year.

Cost of Sales

Cost of sales for the year ended June 30 2011 was $158.113M as compared to $110.657M in the prior year. This represents an increase of $47.456M or 43% from the prior year. The overall increase to cost of sales is due to an increase in production from the 2010 year as the project continues to consistently improve on record throughput rates. The Masbate Gold project commenced commercial production on 1 July 2009, hence the 2010 year included the ramp up of production at the project. The project has consistently improved its throughput rates with its ninth consecutive quarter of record throughput rates achieved in the June 2011 quarter. Annual production for the 2011 year was up 27% to 6,152,561 tonnes @ 1.13g/t for 190,033 oz at cash costs of $638/oz as compared with June 2010 of 150,143oz at cash costs of $548/oz.

As discussed in the quarterly results analysis, above, production costs disclosed in the interim financial statements also include non-cash costs including depreciation, amortisation, refining and treatment charges and tax expenses, along with the cost mark up on purchases of ore from its associate, FRC, of $4.761M for June 2011 year ($5.026M June 2010 year).

Other Expenses

Expenses for the year ended June 2011 (after cost of sales) were $14.655M as compared with $28.512M for the 2010 year. The prior year result included finance costs of $14.466M in relation to interest expense and accretion of capitalised costs relating the $10M loan facility from Meridian Capital CIS Fund and Casten Holdings Limited and the $25M outstanding promissory notes, as compared to an expense of $4.161M in the current year, largely related to interest on the BNP financing facility and the leased mining fleet. Both of these were fully repaid in the 2010 financial year hence have no effect on current period result. Total expenses in the current period have also been offset through a one off gain of $2.929M recognised on the deconsolidation of Ratel Gold (now SAU).

Specific Items Contributing to Changes

Movement in fair value of derivative financial instruments and warrants

The Company recognised a loss of $3.583M in the prior year in relation to the movement in the notional fair value of the Company's warrants. These warrants expired in the previous year and therefore there is no result recognised for them in the current year period. The Company has recognised a net gain of $0.493M in the 2011 year as compared to a loss of $3.507M in the prior year for the movement in fair value of the Company's derivative financial instruments which includes commodity hedges and interest rate swaps. A stronger oil price during the current period has resulted in the recognition of a net gain in the value of the Company's fuel hedges. The fuel hedges do not qualify for hedge accounting, therefore any gains or losses are recognised directly in the profit and loss statement.

Finance costs

Finance costs were $5.042M for the current year to date period as compared with $14.466M in the prior comparable period, a decrease of $9.424M or 65%. The prior year expense was comprised of a $3.915M interest expense in relation to the $80.3M project finance facility with BNP Paribas, interest payments of $3.112M on the $10M cost overrun facility with Meridian Capital CIS Fund and Casten Holdings Limited and the $25M outstanding promissory notes, both of which were fully repaid in the 2010 financial year. In the current year period, the Company has continued to pay down its debt facility with BNP, resulting in a lower year to date interest expense of $2.849M, along with $1.014M lease interest costs, $0.881M amortised borrowing costs relating to the construction of the Masbate Gold Mine and $0.298M lending and other fees.

Exploration costs written off

Mineral property evaluation expense for the year ended 2011 was $0.278M as compared to $2.955M in the previous year. The exploration costs relate to expenditure at the Segilola Gold Project and Mkushi Copper Project. Subsequent to June 30, 2010 these projects were spun-off from the Group through a listing of Ratel Gold (now SAU), hence the one month of costs incurred has been recorded as a loss on discontinued operations.

Administration and other costs

In the current year the Company incurred $4.946M in administration and other costs as compared to $1.044M for the comparable period, an increase of $3.902M or 374%. The previous year result included a gain on foreign exchange of $1.923M recognised due to the gain made on the conversion of Canadian funds into US dollars from the February 2010 capital raising, as compared to a foreign exchange loss of $0.352M recognised in the current period. In addition, the Company has also recognised an expense of $0.921M on the amortisation of the notional value of employee options issued during the current year to date as opposed to a nil expense in the prior year.

11. Information on Outstanding Shares

As at September 27, 2011 the Company had 333,475,726 common shares outstanding and 10,771,250 unlisted options on issue. Each option is exercisable into one common share in the capital of the Company.

12. Disclosure Controls and Procedures

In accordance with Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, an evaluation of the effectiveness of the Company's disclosure controls and procedures (DC&P) and its internal control over financial reporting ("ICFR") was conducted. Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that DC&P and ICFR were effective as of the three-month period ended June 30 ,2011, and that, as a result, ICFR design provides reasonable assurance that material information relating to the Company, is made known to them by others within those entities, particularly during the period in which the annual filings are being prepared, and the information that the Company must present in its annual documents, its interim documents or in other documents it files or submits under securities regulations is recorded, processed, condensed and presented within the times frames prescribed by this legislation. Furthermore, ICFR design provides reasonable assurance that the Company's financial information is reliable and that its financial statements have been prepared, for the purpose of publishing financial information, in accordance with the Company's GAAP. Lastly, no changes to the ICFR that have had or are likely to have a significant effect on this control mechanism were identified by management during the accounting period commencing on April 1, 2011 and ending on June 30, 2011.

13. Critical Accounting Estimates

The significant accounting policies used by CGA are disclosed in Note 2 to the annual financial statements for the year ended June 30, 2011. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on a regular basis. The emergence of new information and changed circumstances may result in actual results or changes to estimated amounts that differ materially from current estimates.

14. Transactions between the group and its related parties

During the quarter ended June 30, 2011, the Company entered into transactions with related parties in the wholly-owned group:

- loans were advanced and repayments received on short term inter-company accounts; and
- loans were received from controlled entities on short term inter-company accounts.

During the quarter ended June 30, 2011 the Company entered into loan advances totalling $1.036M on short term intercompany accounts with its 40% associate, Filminera.

These transactions were undertaken on commercial terms and conditions except that:

- there is no fixed repayment of loans between the related parties; and
- no interest is payable on the loans at present.

During the financial year, the Company entered into the following transactions with related parties:

- Office accommodation and administrative support were provided at commercial rates to Ratel Group, in which the Company holds 19.1% of the outstanding share capital. In the current quarter Ratel Group was charged $106,749 (excluding GST) in relation to the provision of these services.

15. Additional Information and Continuous Disclosure

This MD&A has been prepared as of September 27, 2011. Additional information on the Company is available through regular filings of press releases, financial statements and its Annual Information Form on SEDAR (sedar.com). You may also find these documents and other information about CGA on our website at www.cgamining.com.

16. Forward-Looking Statements

This MD&A contains forward-looking statements. These forward-looking statements include, but are not limited to, statements regarding expectations of the Company as to the market price of gold, strategic plans, future commercial production, production targets, timetables, mining operating expenses, capital expenditures, and mineral reserve and resource estimates. Forward-looking statements involve known and unknown risks and uncertainties and accordingly, actual results and future events could differ materially from those anticipated in such statements. Factors that could cause future results or events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to, fluctuations in the market price of precious metals, mining industry risks, uncertainty as to calculation of mineral reserves and resources, risks related to hedging strategies, risks of delays in construction, requirements of additional financing, increase in tax or royalty rates or adoption of new interpretations related thereto and other risks described in this MD&A and in the Company's other documents filed from time to time with Canadian securities regulatory authorities. Although the Company is of the opinion that these forward-looking statements are based on reasonable assumptions, those assumptions may prove to be incorrect. Accordingly, readers should not place undue reliance on forward-looking statements. Readers can find further information with respect to risks in the Annual Information Form of the Company and other filings of the Company with Canadian securities regulatory authorities available at sedar.com. The Company disclaims any obligation to update or revise these forward-looking statements, except as required by applicable law.

17. Future Outlook

During the 2011-12 financial year, the Company's activities will focus on finalising the 6.5Mtpa plant upgrade, with commissioning of the supplementary crusher having already occurred in September 2011. Work on the comprehensive scoping study to lift production rates to 10Mtpa is also well advanced and 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 WA has finalised the study to identify equipment requirements and capital costs. The 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.

During the 2011-12 year, the Company plans to extend its exploration program, with a focus on materially enhancing the reserve and resource base of the project. This exploration program is well underway with $8.123M spent as at 30 June 2011, with a further $20M expenditure planned in the coming year. Subsequent to 30 June 2011 the Company announced that it has agreed to acquire 100% of the interests of Bloomsbury Holdings Limited in the companies owning a direct and indirect interest in the highly prospective Pajo MPSA, immediately to the north of our Colorado Pit. Exploration activities have already commenced on the MPSA with the first hole drilled, returning 85m @ 0.85g/t Au including 14m @ 1.26g/t Au from surface. The assays were conducted by SGS at their onsite laboratory using Fire Assay techniques with a 50g charge. The Pajo MPSA is part of an expansion of the exploration program over the next 12 months which will include additional diamond core and RC rigs being brought to site. The rigs will focus on:

- deep drilling beneath Colorado and Main Vein to assess the potential for underground resources
- resource definition drilling on near mine targets (Blue Quartz, Old Lady, Pajo);
- infill drilling to upgrade Inferred Resources to Indicated within the current mining areas;
- exploration drilling of multiple outcropping mineralised quartz vein targets on EP10; and
- resource drilling at Pajo Hill.

Additional exploration activities will include:

- IP programs over the identified Baleno copper anomaly to test for porphyry ore bodies at depth;
- regional mapping and sampling over all of EP10 and the Vicar JV tenement; and
- geophysical surveys including ground IP and Resistivity which, combined with previously acquired helimag, will be used to identify non outcropping (buried) target zones and extensions of known mineralisation.