



**G - Resources Group Ltd.**

**國際資源集團有限公司**

---

## **G-Resources Group Limited**

**G-Resources Ore Reserve**

**Explanatory Notes**

**as at 20 October 2009**

---

# G-RESOURCES ORE RESERVE EXPLANATORY NOTES

Hong Kong, 20 October 2009

## Introduction

These notes are intended to provide additional information to support the G-Resources 2009 Ore Reserve Statement released on 20 October 2009.

G-Resources' Ore Reserves as at 20 October 2009 are estimated to contain 2.49 million ounces of gold and 32.41 million ounces of silver, contained entirely within the Pit 1 deposit at the Martabe project site in North Sumatra, Indonesia.

In late 2007 an Ore Reserve Estimate was determined as part of the Martabe Project Definitive Feasibility Study (DFS). Following additional drilling in early 2008, the Mineral Resources and Ore Reserves were revised in June 2008 and reported in December 2008 by OZ Minerals Ltd, the former owners of the project. The Ore Reserve estimated and discussed here was undertaken during September 2009 by Mr. Quinton de Klerk of Cube Consulting Pty Ltd on behalf of PT Agincourt Resources (PTAR).

## Mineral Resource Estimate

These Martabe Pit 1 Ore Reserves are based on the recently updated Mineral Resource estimate which was conducted by Quantitative Group (QG) and PTAR in September 2009 and released on 30 September 2009. The Mineral Resource is shown in Table 1 below.

Table 1. Pit 1 Mineral Resource

Deposit 0.5 g/t Au cut-off grade	Category	Tonnes (Mt)	Gold Grade (g/t Au)	Silver Grade (g/t Ag)	Contained Metal	
					Gold (Moz)	Silver (Moz)
<b>Pit 1</b>	Measured	4.36	3.1	53	0.43	7.46
	Indicated	36.44	2.0	24	2.36	28.46
	Inferred	41.24	1.3	17	1.74	22.54
	<b>TOTAL</b>	<b>82.04</b>	<b>1.7</b>	<b>22</b>	<b>4.53</b>	<b>58.46</b>

## Mining Depletion

No mining or production has yet occurred at Martabe.

## Metal Prices

Metal price assumptions for the Ore Reserve calculations were US\$820/oz for gold and US\$12.50/oz for silver.

## **JORC Compliance**

The accompanying statement of Ore Reserves conforms to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 edition). The Ore Reserve estimate was completed by Mr. Quinton de Klerk, a Member of the AusIMM and a Director and Principal Consultant of Cube Consulting Pty Ltd and a “Competent Person” under the JORC Code. All information in the Ore Reserve Statement and these Explanatory Notes is based on and accurately reflects information compiled under the supervision of Mr. de Klerk. Mr. de Klerk has reviewed the Ore Reserve Statement and these Explanatory Notes and has given his consent for the release of the material in the form and context in which it appears.

## **Classification**

The Ore Reserve is based on the Measured and Indicated Mineral Resources after consideration of all mining, metallurgical, social, environmental and financial aspects of the operation.

The Proved Ore Reserves are derived from the Measured Mineral Resource and the Probable Ore Reserves are derived from the Indicated Mineral Resource category.

## **Mining and Processing Factors and Assumptions**

The Ore Reserve Estimate is based on conventional open pit mining operations using drilling and blasting, and small excavators loading all wheel drive articulated trucks. The method of estimating mining loss and dilution was modified from the global dilution (10%) and recovery (95%) applied in the 2008 Ore Reserve estimate as follows. An ore reserves block model was prepared by averaging the grades of the ore and non-ore proportions across full resource model block volumes for all elements reported in the resource model. This effectively dilutes the ore proportion of the block with the non-ore proportion of the same block, in this way simulating mining dilution based on a selective mining unit no smaller than a full resource block model size (12.5m x 25m x 10m). Mining ore losses result from blocks with small ore proportions which are effectively diluted to the extent that the average grade is below the economic cut off of the reported Ore Reserves.

Contained within the pit design on which the Ore Reserves are based, is a total of 46.4 Mt of waste material resulting in a waste:ore strip ratio of 1.3:1. Included in this waste tonnage is 7.4 Mt of material classified as an Inferred resource, above the reserve cut off grade. The average grade of this Inferred material is 1.2 g/t gold and 18.8 g/t silver. No value has been assigned to this Inferred material in the estimation of these Ore Reserves.

This strip ratio is an increase from the 0.7:1 estimated in the 2007 Definitive Feasibility Study (DFS). The increase in strip ratio is partly due to the tighter controls used on the orebody interpretation and partly due to the 2009 Reserve including deeper material in the north of the deposit that was not included in earlier Ore Reserve estimates. This material has been included on the basis of improved understanding of gold and silver recoveries due to additional metallurgical test work since the DFS.

Extensive work has been carried out to determine the metallurgical recovery for the ore of this deposit. The most recent work relating to metallurgical recovery was completed in April 2009 and provides a set of formulae for gold and silver recovery based on lithology, alteration, grade and sulphide-sulphur. These formulae were derived from extensive test work on recent drilling.

The application of these formulae results in unique recoveries for each resource model block with stipulated maximum recoveries of 95% and 77% for gold and silver respectively. The ore reserves block model was coded with metallurgical recovered grades for both gold and silver using the relative formula based on the lithology and alteration criteria as coded in each of the resource blocks.

Average recoveries over the full reserve tonnage are 77% and 64% for gold and silver respectively.

Since the completion of the 2007 DFS, there have been revisions and updates which have resulted in revised operating costs to reflect the latest physical assumptions as well as to take into account cost modifications to operating consumables; these have been incorporated into the current Ore Reserve estimation.

The mine planning work done to define the 2009 Ore Reserve has shown that the size and shape of the Pit 1 open pit design is very robust and would not change significantly due to changes in gold and silver prices, ore recovery estimates and operating cost inputs.

### **Cut-off Grade**

The cut off grade used in the estimation of the Ore Reserves is the non-mining, break-even gold equivalent grade taking into account mining recovery and dilution, metallurgical recovery, all non-mining operating costs, royalties and revenues.

The Ore Reserves were derived from the individual block-by-block variable processing cost, block-by-block variable recoveries for Gold and Silver based on the metallurgical formula and selling cost and price for Gold and Silver. As most inputs to the cut-off grade calculations are variable, an economic ratio (revenue:cost) of processing each individual block in the block model was calculated based on the aforementioned inputs. The Ore Reserves were calculated by summing all blocks or proportions thereof contained within the designed pit and with an economic ratio greater than 1.

Table 2. Martabe Ore Reserve estimates

<b>Martabe Pit 1 Ore Reserves</b>	<b>Category</b>	<b>Tonnes (Mt)</b>	<b>Gold Grade (g/t Au)</b>	<b>Silver Grade (g/t Ag)</b>	<b>Contained Metal</b>	
					<b>Gold (koz)</b>	<b>Silver (koz)</b>
	Proved Reserves	4.4	3.0	53.5	428	7,548
	Probable Reserves	30.6	2.1	25.3	2,066	24,860
<b>TOTAL ORE RESERVES</b>		<b>35.0</b>	<b>2.2</b>	<b>28.8</b>	<b>2,494</b>	<b>32,408</b>

Significant figures do not imply precision. Figures are rounded according to JORC Code guidelines.

Ore Reserves are estimated using a gold price of US\$820/oz and silver price of US\$12.50/oz.

Competent Persons: The information in this report is based on and accurately reflects reports prepared by Mr. Quinton de Klerk. Mr. de Klerk is a Director and Principal Consultant of Cube Consulting Pty Ltd and qualifies as a “Competent Person” under the JORC Code for Reporting of Mineral Resources and Ore Reserves (JORC, 2004 Edition). Mr. de Klerk has given his consent to the inclusion of the material in the form and context in which it appears.



Figure 1. Location of the Martabe site and Contract of Work area, North Sumatra, Indonesia.

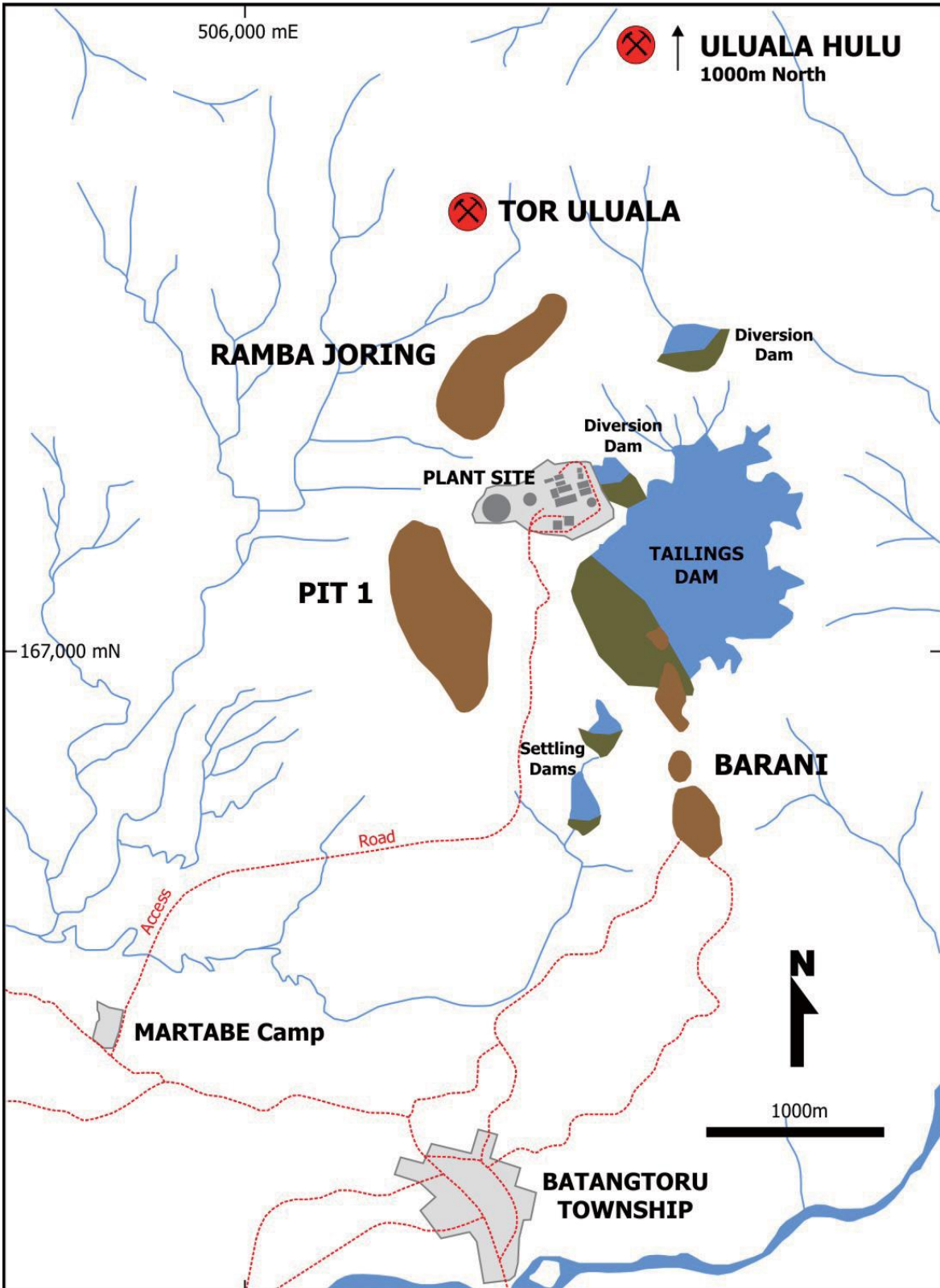


Figure 2. Map of the Martabe site showing the relative locations of each deposit and planned infrastructure.