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

ANNOUNCEMENT

G-RESOURCES – MARTABE MINE QUARTERLY UPDATE, THIRD QUARTER 2015 OPERATIONS RESULTS

Hong Kong, 22 October 2015

PRODUCTION HIGHLIGHTS

Gold Poured, ounce	
Q3 2015	70,302
Q2 2015	72,096
Costs AISC, \$/ounce sold	
Q3 2015	520
Q2 2015	537
Average Gold Price, \$/ounce	
Q3 2015	1,126
Q2 2015	1,193

G-Resources Group Limited (HKSE: 1051 – “G-Resources” or the “Company”) is pleased to update the market with performance at G-Resources Martabe gold and silver mine in Indonesia for the third quarter of 2015.

HIGHLIGHTS

Martabe has continued its good performance in the third quarter of 2015. The process plant milled 1,083,000 tonnes of ore at 2.52 g/t head grade, yielding gold production of 70,302 ounces. In the third quarter, silver poured was 609,178 ounces, equivalent to over 2.43 million ounces on an annualized basis. A total of 394,000 tonnes of ore was milled in August, which is a record month for Martabe.

As a consequence of the good production and also continued focus on Martabe Improvement Programme (“MIP”), the All-In Sustaining Costs (“AISC”) for the third quarter were \$520/ounce sold. After reviewing production and cost forecasts for the remainder of the year, and as a result of good performance in the third quarter, the Company maintains its full year 2015 guidance of 285,000 ounces of gold, 2.3 million ounces of silver with AISC forecast to be in the range of \$600-\$700/ounce sold.



The key events and achievements during the quarter were:

- **70,302 ounces of gold poured.**
- **609,178 ounces of silver poured.**
- **Gold and silver revenue received from sales of \$82.5M for the quarter.**
- **Site operating costs for the quarter were well under budget as a result of the continued focus on the MIP, and favourable energy costs.**
- **AISC under the World Gold Council (“WGC”) guidelines were \$520/ounce sold for the quarter.**

PRODUCTION STATISTICS

	Q3 2015	Q2 2015
Tonnes Mined Ore	1,128,000	991,000
Tonnes Mined Waste	1,762,000	2,269,000
Tonnes Milled	1,083,000	993,000
Gold Head Grade, g/t	2.52	2.81
Silver Head Grade, g/t	26.38	30.61
Gold Recovery, %	80.6	81.1
Silver Recovery, %	66.4	66.4
Gold Poured, ounces	70,302	72,096
Silver Poured, ounces	609,178	631,189

OPERATIONS

Safety performance in the quarter remained generally good, with no lost time injury recorded.

Total mine material movements of ore and waste were 2.89 million tonnes for the quarter, which was slightly under the forecast. The waste to ore strip ratio was at 1.56:1 for the third quarter. The process plant has continued to perform well with gold recovery 3.5% over plan for the quarter and silver 0.2% above plan. Mill throughput at 1,083,000 tonnes for the third quarter is the highest milling result for a quarter achieved at Martabe.



As advised in the previous quarterly report, the major equipment of a secondary crusher has been selected after a competitive tender and independent expert verification process while the FEED study is ongoing.

Watermelon harvest in Batangtoru.



GOVERNMENT AND COMMUNITY RELATIONS

Community and Government Relations remain in good standing.

Through the quarter, the team continued to address a number of ongoing permitting requirements, and all were satisfactorily achieved or advanced during the quarter.

The Company's social license is a key component of the company's business success strategy. Harmonious relationships with local stakeholders continue to be achieved through positive communication strategies and the successful implementation of community development programmes in the key areas of health, education, local business development, infrastructure improvement and culture preservation. The Company has continued to support women's farmer group (KWT) for Horticulture Demplot which has



bared its fruit of harvesting cucumber, eggplant and ginger, etc. All corporate social responsibility (“CSR”) programmes have been conducted in accordance with world standard sustainable development principles, with active engagement of the local community as the beneficiaries and in synergy with relevant government agencies.

The Company is pleased to announce that a Cataract Surgery Programme for which the Company is the major corporate sponsor, will be conducted later this year. The programme will be conducted in several locations including the Batangtoru Puskesmas (a new hospital clinic fully funded by the Company).

One area of continuing challenge is the receipt of contracted grid power from PLN, the Indonesian power provider. In the meantime, power continues to be supplied from the Company’s diesel power plant. Consultations and negotiations with PLN are ongoing. During the third quarter, several meetings convened with PLN and PLN has indicated endeavours to resolve the grid power supply issue. The Company and its consultants are looking at various longer term more cost efficient options.

Processing plant.





COSTS AND FINANCE

During the quarter, the world market price of gold fluctuated between \$1,081/ounce and \$1,130/ounce, with the Company achieving an average price for the quarter of \$1,126/ounce. This is slightly under the Company's internal financial modeling, but the greater ounces of gold and silver poured during the quarter has more than made up for any revenue shortfall due to prices.

Martabe's cost position as measured by the WGC AISC at \$520/ounce sold for the quarter is again competitive when compared against world peers. This good quarter will have another sustained positive impact on the balance of the year's performance. The good cost results are a result of strong project fundamentals including favourable energy costs, the Company's focus on the MIP seeking to improve on ounces recovered and to reduce costs so as to increase the margin per ounce of gold produced.

Financial data for this and last quarter is as follows:

	Q3 2015	Q2 2015
Gold sold ounces	65,357	69,600
Silver sold ounces	593,149	589,740
Gold sold average price, \$/ounce	1,126	1,193
Silver sold average price, \$/ounce	15	16
Receipts from sales, \$M	82.5	93
AISC, \$/ounce sold	520	537

As at 30 September 2015, there were 21,770 ounces of gold and 184,108 ounces of silver in bullion form, on site and in transit to sale in final refined form.

Capital spent through the quarter, including TSF costs, but excluding exploration expenditures was \$7.9M (2015Q2: \$10.5M).



A breakdown of the actual production and cost data for the last four quarters is provided in the following table:

		Q3 2015	Q2 2015	Q1 2015	Q4 2014
Gold production	ounces	70,302	72,096	84,220	67,425
Gold sold	ounces	65,357	69,600	87,346	69,054
Gold average price	\$/ounce	1,126	1,193	1,218	1,192
Silver production	ounces	609,178	631,189	657,364	589,397
Silver sold	ounces	593,149	589,740	719,211	531,194
Silver average price	\$/ounce	15	16	17	16
Total site cash costs	\$M	30.12	33.27	40.17	41.31
Silver by-product <i>(Note 1)</i>	\$M	-7.46	-8.23	-10.11	-7.23
Site cash costs after silver credits	\$M	22.66	25.04	30.06	34.08
Other sustaining costs <i>(Note 2)</i>	\$M	11.35	12.36	11.1	16.16
Total all-in sustaining	\$M	34.01	37.4	41.16	50.24
Receipts from bullion sale	\$M	82.5	93	118.3	91.0
WGC - all-in sustaining	\$/ounce	520	537	471	728

Notes:

1. Includes royalty and refining costs.
2. Includes an allocation of corporate costs, near mine exploration, sustaining capital, project feasibility studies and environmental rehabilitation.



RESOURCES, RESERVES AND EXPLORATION

Exploration activity continued in the third quarter with the completion of resource drilling programs at Ramba Joring and Tor Uluala, continued drilling and surface exploration at regional targets, and completion of an airborne electromagnetic geophysics survey over the Rantau Panjang area in the south of the Contract of Work.

Results of some of the resource drilling were reported in July 2015 and include:

- 101.0m @ 1.93 g/t Au, including 21.0m @ 10.5 g/t Au (from additional drilling at the Ramba Joring Deposit).
- 138.9m @ 1.28 g/t Au (from additional drilling at the Tor Uluala Deposit).

An update on exploration activities and new results will be released later in October 2015.



ABOUT MARTABE

The Martabe mine is located on the western side of the Indonesian island of Sumatra in the Province of North Sumatra, in the Batangtoru sub-district (Figure 1). Martabe is established under a sixth generation Contract of Work (“CoW”) signed in April 1997. The CoW defines all of the terms, conditions and obligations of both G-Resources and the Government of Indonesia for the life of the CoW.

Martabe Mine Aerial view.



Martabe, with a resource base of 7.4 million ounces of gold and 70 million ounces of silver, is G-Resources Group’s core asset. Martabe’s operating capacity is to mine and mill the equivalent of 4.5 mtpa ore to produce some 250,000 ounces gold and 2 million ounces silver per annum. Costs are competitive when compared to global gold producers.

G-Resources is seeking to organically grow gold production through continued exploration success on the large and highly prospective CoW area (Figure 2). The Martabe mine enjoys the strong support of the Indonesian Central, Provincial and Local Governments and the nearby communities of Batangtoru.



By Order of the Board
G-Resources Group Limited
Chiu Tao
Chairman and Acting Chief Executive Officer

Hong Kong, 22 October 2015

(In this announcement, "\$" means "US\$")

As at the date of this announcement, the Board comprises:

- (i) Mr. Chiu Tao, Mr. Owen L Hegarty, Mr. Ma Xiao, Mr. Wah Wang Kei, Jackie and Mr. Hui Richard Rui as executive directors of the Company; and*
- (ii) Dr. Or Ching Fai, Ms. Ma Yin Fan and Mr. Leung Hoi Ying as independent non-executive directors of the Company.*

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** For identification purpose only*



Figure 1: Martabe Mine Location.





Figure 2: Martabe Contract of Work.

