



Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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, 2015 FULL YEAR
 OPERATING RESULTS AND GUIDANCE FOR 2016**

Hong Kong, 27 January 2016

PRODUCTION HIGHLIGHTS

Gold Poured, ounce	
Full Year	302,449
Q3 2015	70,302
Q4 2015	75,831
Costs AISC, \$/ounce sold	
Full Year	503
Q3 2015	520
Q4 2015	493
Average Gold Price, \$/ounce	
Full Year	1,161
Q3 2015	1,126
Q4 2015	1,101

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 fourth quarter of 2015 and for the full year 2015.

HIGHLIGHTS

Martabe has achieved another excellent performance in the fourth quarter of 2015. The process plant milled 1,081,000 tonnes of ore at 2.75 g/t head grade, yielding gold production of 75,831 ounces. In the fourth quarter, silver poured was 636,755 ounces.

As a consequence of the good production and continued focus on the Martabe Improvement Programme, the All-In Sustaining Costs (“AISC”) for the fourth quarter were \$493 per ounce gold sold. Martabe mine has exceeded our annual production target as stated in the previous announcement. In 2015, Martabe milled 4,220,000 tonnes of ore and poured 302,449 ounces of gold and 2,534,486 ounces of silver respectively at AISC of \$503 per ounce gold sold. The processing plant annual throughput of 4.2 million tonnes is a record year for Martabe.



The key events and achievements during the quarter were:

- 75,831 ounces of gold poured, yielding a total of 302,449 ounces for the full year.
- 636,755 ounces of silver poured, yielding a total of 2,534,486 ounces for the full year.
- Gold and silver revenue received from sales of \$98.0 million for the quarter and \$391.5 million for the full year.
- Site operating costs for the quarter were well under budget as a result of the continued focus on the Martabe Improvement Programme, and favourable energy costs. AISC under the World Gold Council (“WGC”) guidelines were \$493 per ounce gold sold for the quarter and \$503 per ounce gold sold for the year 2015. This is well below the guidance of AISC at \$600 to \$700 per ounce gold sold as provided to the market in the previous announcements.

PRODUCTION STATISTICS

	Q3 2015	Q4 2015	Full Year
Tonnes Mined Ore	1,128,000	1,147,000	4,478,000
Tonnes Mined Waste	1,762,000	974,000	7,011,000
Tonnes Milled	1,083,000	1,081,000	4,220,000
Gold Head Grade, g/t	2.52	2.75	2.76
Silver Head Grade, g/t	26.38	30.08	28.68
Gold Recovery, %	80.6	79.9	81.4
Silver Recovery, %	66.4	61.8	65.2
Gold Poured, ounces	70,302	75,831	302,449
Silver Poured, ounces	609,178	636,755	2,534,486

OPERATIONS

Safety performance in the quarter remained generally good, with one lost time injury recorded in October 2015 bringing total lost time injuries for the year to two. This is an excellent achievement in terms of safety performance as the LTI has been reduced from three LTIs recorded in 2014 at Martabe.

Towards the end of the fourth quarter, the Joint Venture of PT NKE and Macmahon has



started as the new mining contractor at Martabe.

Total mine material movements of ore and waste were 2.12 million tonnes for the quarter, and 11.5 million tonnes for the year, which was 4% above the plan. The waste to ore strip ratio was at 0.85:1 for the fourth quarter as the mining was focused on ore production rather than waste material for the TSF construction. The waste to ore strip ratio was at 1.57:1 for the year, which was 4% below the plan.

The process plant continued to perform well with gold recovery 5.2% above plan for the quarter and silver 5.0% below the plan due to more refractory materials and one tank offline for maintenance. For the full year gold and silver recoveries were 81.4% and 65.2% respectively, which were in line with the plan. Mill throughput at 1,081,000 tonnes for the fourth quarter was another high milling rate achieved at Martabe. The annual processing plant mill throughput was 4.2 million tonnes and the total poured gold and silver were 302,449 ounces and 2,534,486 ounces. This excellent production achievement is a direct result of the ongoing successful implementation of the pipeline of projects within the Martabe Improvement Programme and has been achieved through the great collaboration of all the teams.

As advised in the previous quarterly report, the major equipment of a secondary crusher has been selected and the Front End Engineering Design (“FEED”) study has been completed in the fourth quarter while an internal and external technical review on the downstream debottlenecking is ongoing in parallel with detailed design.



The new mining fleet of the JV-NKE and Macmahon.



Operators in the processing control room.





GOVERNMENT AND COMMUNITY RELATIONS

Community and Government Relations remain in good standing.

Through the quarter and the full year, 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 the women's farmer group (KWT) for Horticulture Demplot which has bared its fruit of harvesting cucumber, eggplant and ginger, etc. Through the PKK (family empowerment programme), a Cake & Souvenir Shop (Bagasta) has recently opened to do business in Batangtoru. 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, was conducted in November 2015. The programme was 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 fourth quarter, several meetings convened with PLN and PLN has indicated endeavours to resolve the grid power supply issue in collaboration with another state-owned company. The Company and its consultants are looking at various longer term more cost efficient options.



Rice harvesting in Bantangtoru.



Bagasta-Cake & Souvenir Shop at Batangtoru.





COSTS, FINANCE AND CORPORATE

During the quarter, the world market price of gold fluctuated between \$1,049 per ounce and \$1,184 per ounce, with the Company achieving an average sale price for the quarter of \$1,101 per ounce and the full year of \$1,161 per ounce. These are slightly under the Company's internal financial modeling, but the greater ounces of gold and silver poured have more than made up for any revenue shortfall due to prices.

Martabe's cost position as measured by the WGC AISC at \$503 per ounce gold sold for the year is extremely competitive when compared against world peers under current market conditions. The good cost results are a result of strong project fundamentals including favourable energy costs, the Company's focus on the Martabe Improvement Programme seeking to improve on ounces recovered and to reduce costs so as to increase the margin per ounce of gold produced.

Financial data for the fourth quarter and the year is as follows:

	Q4 2015	Full Year
Gold sold ounces	80,145	302,448
Silver sold ounces	666,355	2,568,455
Gold sold average price, \$/ounce	1,101	1,161
Silver sold average price, \$/ounce	15	16
Receipts from sales, \$M	98	391.5
AISC, \$/ounce sold	493	503

As at 31 December 2015, there were 17,230 ounces of gold and 151,278 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 \$9.7 million (2015Q3: \$7.9 million).



A breakdown of the actual production and cost data for the full year and each quarter is provided in the following table:

		Q1	Q2	Q3	Q4	Full year
Gold production	ounces	84,220	72,096	70,302	75,831	302,449
Gold sold	ounces	87,346	69,600	65,357	80,145	302,448
Gold average price	\$/ounce	1,218	1,193	1,126	1,101	1,161
Silver production	ounces	657,364	631,189	609,178	636,755	2,534,486
Silver sold	ounces	719,211	589,740	593,149	666,355	2,568,455
Silver average price	\$/ounce	17	16	15	15	16
Total site cash costs	\$M	40.17	33.27	30.12	37.84	141.40
Silver by-product <i>(Note 1)</i>	\$M	-10.11	-8.23	-7.46	-8.17	-33.97
Site cash costs after silver credits	\$M	30.06	25.04	22.66	29.67	107.43
Other sustaining costs <i>(Note 2)</i>	\$M	11.1	12.36	11.35	9.86	44.67
Total all-in sustaining	\$M	41.16	37.4	34.01	39.53	152.10
Receipts from bullion sale	\$M	118.3	93	82.2	98	391.5
WGC - all-in sustaining	\$/ounce	471	537	520	493	503

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

Two exploration updates were released to the market in the fourth quarter of 2015, the first on the 2 November 2015 and the second on the 28 December 2015. These reported new drilling results at the Horas deposit, approximately 2 km south of the Martabe Mine gold processing plant, and new indications of porphyry mineralisation at the Golf Mike North prospect, approximately 7 km south of the Martabe gold processing plant.

At Horas, drilling focused on higher grade, refractory, “sulphide” targets. These targets require higher grades because typically recovery of refractory mineralisation is not as efficient as oxidized mineralisation at the Martabe gold processing plant. The best results from this drilling were:

- 3 metres @ 24.46 g/t gold, 147 g/t silver.
- 7.6 metres @ 7.41 g/t gold, 34 g/t silver.

At the Golf Mike prospect, copper-gold porphyry style mineralisation and alteration has been identified. As previously described, copper and gold results have been located from surface samples, including best results of:

- 1.6% copper and 2.2 g/t gold from surface transported float of bornite bearing, skarnified siltstone.
- 0.63% copper and 0.15 g/t gold from surface transported outcrop and float of potassic and phyllic altered, dioritic intrusive rock.

GUIDANCE FOR 2016

In 2016, the Company anticipates the Martabe gold and silver mine will produce 260,000 ounces of gold and approximately 2.3 million ounces of silver. When compared with the 2015 production, gold and silver ounces are lower due to forecast lower ore grades and recoveries in the preliminary budget for 2016.

AISC, as calculated using the WGC Guidelines, are anticipated to be between \$650 and \$750 per ounce gold sold. Exploration expenditures are expected to be approximately \$12 million. The operations team will be maintaining its focus on Martabe Improvement Programme.

The Company will update the cost and production guidance after reviewing the budget and its production in 2016 periodically.



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, 27 January 2016

(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.*

For media or investor enquiries please contact:

Hong Kong:

Mr. Richard Hui
T. +852 3610 6700

Ms. Joanna Ip
T. +852 3610 6700

Melbourne, Australia:

Mr. Owen Hegarty
T. +61 3 8644 1330

Ms. Amy Liu
T. +61 3 8644 1330

** For identification purpose only*



Figure 1: Martabe Mine Location.





Figure 2: Martabe Contract of Work.

