

NOBLE
MINERAL RESOURCES LTD



2012 ANNUAL REPORT



www.nobleminres.com.au

Corporate information

Directors

HRH Tunku Naquiyuddin
Chairman

Mr Wayne David Norris
Managing Director

Mr Brian David Thomas
Non-Executive Director

Ms Xi Xi Non-Executive
Director

Company Secretary

Mr Anthony Ho

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Bankers

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ASX Limited
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ASX Code

NMG
NMGO
NMGOA

ABN 36 124 893 465

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Chairman's letter

Dear Shareholders

The 2011/12 financial year was a defining one for Noble Mineral Resources, and one that saw the Company transition from gold developer to gold producer, marked by the achievement of first gold production at our flagship Bibiani mine.

After a number of delays in the commissioning process, the Bibiani processing plant was part commissioned during the year, enabling us to commence gold production in March, albeit at a lower than planned output rate.

This lower rate of production in turn impacted on gold revenue, further delaying completion of full commissioning of the gold plant.

Despite a number of capital raisings during the year, at the end of the reporting period, the Board recognised that further capital would be required in the short term to complete the project commissioning and ramp-up process and to be cashflow positive on an operating basis. At this point, the Board appointed Rothschild as its external financial advisors, and entered into discussions with a number of third parties around a range of potential corporate and strategic transactions.

After an exhaustive due diligence and negotiation process, post balance date Noble entered into binding agreements with Chinese investment and mining group Zhongrun. Under these agreements, subject to the approval of Noble's shareholders, Zhongrun will become the major shareholder in Noble through an investment of \$84.7AUD million - the details of which are described elsewhere in this Annual report.

This is a watershed transaction for Noble, and if approved, will provide the financial certainty that will enable us to complete commissioning of the Bibiani processing plant and ramp up gold production to 150 000 ounces per annum.

Noble's progress during the year, despite the challenge of financial constraints, is a tribute to the calibre of the Company's management, staff and contractors, both in Australia and on the ground in Ghana. On behalf of the Board, I would like to extend our sincere thanks and appreciation to everyone involved.

Throughout our involvement with the Bibiani project we have worked closely with the Ghanaian Government in a number of areas, not least in relation to securing the necessary environmental permit for Bibiani. Further evidence of our engagement with the community was the Corporate Social Responsibility Agreement reached during the year, covering aspects of community employment, training, education, sanitation and health.

With the support of Zhongrun as our new majority shareholder, Noble has the opportunity to emerge as a fully-funded, unhedged and significant West African gold producer. During the 2012/13 financial year we will complete the commissioning of the plant and also increase exploration activity both at Bibiani and at the Cape Three Points concessions to continue to grow Noble's gold inventory.

Thank you to our shareholders for your patience and valued support during the construction and commissioning process. I look forward to working with my fellow Directors in the year ahead, to realise value for all of our stakeholders from the Company's exciting project portfolio - against the backdrop of a continuing positive outlook for gold.

Sincerely



Tunku Naquiuddin
Non-Executive Chairman



Corporate profile

Noble Mineral Resources Limited (ASX: NMG) is focused on exploring and developing large-scale gold deposits in the world-class goldfields of Ghana, West Africa.

Production commenced at the company's flagship Bibiani gold project with the first gold pour in March 2012. After full commissioning of Bibiani's 3Mtpa Carbon-in-Leach (CIL) gold processing facility in 2013, Noble expects to produce about 150 000 ounces of gold per annum to secure its place in the ranks of West Africa's mid-tier gold producers.

Located in Ghana's Sefwi-Bibiani Gold Belt, the Bibiani Project has a current JORC-compliant mineral inventory of 2.8Moz of resources, including 972,000oz of reserves. With exploration programs ongoing, Noble aims to add to the existing resource base at Bibiani to extend the project beyond its current 10-year mine life.

In addition to the Bibiani Project, Noble's other primary gold concessions include Exploration Licences at Cape Three Points, Brotet and Tumentu, covering some 141.3km², located within the southern extension of the Ashanti Gold Belt.





Highlights

- Mining commenced at the Bibiani gold project in November 2011.
- The Ghana Environmental Protection Agency (EPA) granted the Bibiani gold project an Environmental Permit in November 2011, allowing the commencement of activities on the mine site including earthworks, mining and processing plant operations.
- In December 2011, Noble completed commissioning of a new on-site assay laboratory to address long lead times experienced from commercial laboratories.
- Refurbishment of the process plant, followed by dry and wet commissioning in the first quarter of 2012 delivered first gold production on 29 March 2012. Commissioning will be completed in the first half of 2013 to achieve nameplate processing plant throughput of 3Mtpa.
- Successful drilling campaigns and in-house and external resource/reserve modelling during the period resulted in a 24% increase in the Bibiani gold project Mineral Resource.
- A number of capital raisings were undertaken during the year to progress the Bibiani gold project commissioning and provide general working capital.
- Post the reporting period, on 27 September 2012 Noble entered into binding agreements with the Zhongrun Group ("Zhongrun"), a Chinese mining and investment group, whereby Zhongrun will invest A\$84.7m in Noble and become the Company's biggest shareholder.

Subject to the approval of Noble's shareholders, the Zhongrun investment will see Noble emerge as a fully-funded, unhedged gold producer, well placed to unlock the potential of Bibiani as well as capitalise on other growth opportunities.





Corporate and finance

The delay of milestone achievements in the Bibiani gold project commissioning and ramp up, and related events constituted non-compliance under the Investec project loan facility. Importantly, the Company remained in close communication with Investec, and continued to meet all its amortisation payment obligations relating to the Investec facility.

A number of capital raisings were undertaken during the year to progress the Bibiani gold project commissioning and provide general working capital, including a share placement in October 2011 to institutional and sophisticated investors to raise A\$34.1 million, a share placement and share purchase plan in February / March 2012 to raise a total of A\$11.7 million, a A\$20million share placement in April 2012 and most recently, subsequent to the end of the financial year, a two tranche share placement (Tranche 2 subject to shareholder approval), to raise A\$11 million.

The Company considered that in addition to the above proceeds, further capital was required to complete the project commissioning and ramp-up process and to be cashflow positive on an operating basis; and subsequent to the end of the period under review, and following a comprehensive due diligence process with a number of interested third parties, entered into binding agreements with Zhongrun, whereby Zhongrun will invest A\$84.7m in Noble and become the Company's largest shareholder.

Under the terms of the agreements, Zhongrun will subscribe for new ordinary shares in Noble via a conditional placement to be executed in two separate tranches: (i) 101.8m shares to be issued at A\$0.16 per share, representing an investment of A\$16.3m; and (ii) 380.0m shares to be issued at A\$0.18 per share, representing an investment of A\$68.4m. As part of Tranche 2, Zhongrun will also be issued with options providing Zhongrun with the opportunity to subscribe for an additional 240.9m shares in Noble at a price of A\$0.23 per share over a three year period.

The shares to be issued under Tranche 1 and Tranche 2 (and the shares to be issued on the exercise of the Tranche 2 options) will be fully paid ordinary shares and will rank pari passu with all shares in Noble currently on issue.

Tranche 1 is conditional on obtaining approval under Listing Rule 7.1 at a Noble shareholder general meeting to be held in late October 2012. Tranche 2 is conditional on obtaining approval under section 611 (item 7) of the Corporations Act 2001 (Cth) at a Noble shareholder general meeting, certain Chinese regulatory approvals and the lodgement of a prospectus with the Australian Securities and Investments Commission (ASIC). Completion of the Tranche 2 subscription is expected to occur in January 2013.

Following completion of both tranches of the placement, Zhongrun will own 41.5% of Noble's pro-forma share capital on an undiluted basis. Exercise of the Zhongrun options would see a further A\$55.4m invested into Noble and result in Zhongrun owning 51.6% of Noble's pro-forma share capital on an undiluted basis.

The funds raised by Noble will be used to accelerate and complete commissioning of Noble's flagship Bibiani project, meet all existing liabilities, progress further development of Bibiani and Noble's other assets, and potentially pursue other organic and inorganic growth options.



Review of operations

Bibiani Gold Mine, Ghana

During the 2012 financial year Noble Mineral Resources Limited ("Noble") continued to progress the refurbishment and upgrade of the 3Mtpa Carbon-in-Leach (CIL) processing plant at the Company's Bibiani gold mine in the western region of Ghana. Mining commenced in November 2011 followed by part-commissioning of the process plant in the first quarter of 2012, with first gold production achieved on 29 March 2012.

The project to date has been affected by a slower than anticipated ramp-up in gold production due to delays in plant completion and restricted working capital, which substantially reduced the expected level of gold sales during the year in review, and reduced available revenue required to complete the plant to enable the achievement of its ramp up to its full processing capacity of 3Mtpa.

Planned works outstanding in the Bibiani processing plant commissioning process, and for which further funding is required, include completion of the crusher unit, work related to the gold recovery system, the installation of gas tanks to convert the gold room and boilers from diesel fuel to gas, and installation of peroxide and/or liquid gas plant.

Mining to-date has concentrated mainly on oxide ore from three pits - Aheman, Strauss and Strauss-South - supplemented by levee feed. At the end of the financial year, around 2.3 million tonnes of material had been mined, and 300,000 tonnes of ore processed through the Bibiani plant to produce more than 8,800 ounces of gold.

At the reporting date, the Bibiani gold project has a total JORC Resource of 50.15Mt @1.7g/t for 2.80Moz, including total Ore Reserves of 16.7Mt @ 1.8g/t for 958,000 oz.

EPA Permit

The Ghana Environmental Protection Agency (EPA) granted the Bibiani gold project an Environmental Permit in November 2011, allowing the commencement of activities on the mine site including earthworks, mining and processing plant operations.

The grant followed an Environmental Impact Study and extensive community and stakeholder consultation. The Company also implemented the required processes to minimise the impact of mining on the environment and surrounding communities, and entered into a Corporate Social Responsibility Agreement with the community to cover the aspects of employment, training/education, sanitation and health.

As required by the Ghana Environmental Protection Agency ("Ghana EPA"), on 15 June 2012 the Company issued a Reclamation Bond of US\$9.8 million to the Ghana EPA in relation to reclamation of disturbed mining land at the Bibiani mine.

Process Plant Refurbishment and Upgrade

Noble acquired a circa 2.7mtpa gold processing plant and associated infrastructure with the Bibiani project, which had been held under care and maintenance by the previous owners. During 2012, extensive refurbishment and upgrades were carried out on the plant with a view to increasing production potential and achieving greater efficiency.

Dry and wet commissioning were carried early in 2012, with the Carbon-in-Leach (CIL) plant delivering first gold production in March 2012. While the plant is basically operational, commissioning is not yet complete. Financial constraints have deferred capital spending and delayed scheduled completion of the processing plant crusher and regeneration kiln and other identified works. More capital is required in order to complete the project commissioning and ramp-up to nameplate processing capacity of 3Mtpa. Once this production level is reached, the Company expects to be cashflow positive on an operating basis.

Outstanding items to complete commissioning of the processing facility at Bibiani and bring it up to nameplate capacity are:

Crusher Project

Additional parts and materials are needed to finalise commissioning of the crusher. In addition, critical spares are needed for its ongoing operation. After parts have been delivered installation and commissioning is expected to be completed in three months.

Once completed, the crusher will reduce the size of feed, and allow the plant to reach its nameplate capacity of 3Mtpa. In the interim, feed to the plant is limited to lower grade tailings and soft oxide ores which do not require crushing. As a temporary measure, a mobile crusher unit is planned to be commissioned to enable the introduction of higher grade ore into the process.

Review of operations (continued)

Conveyors to Main Feed Belt (Scats Recirculation)

A program of work is planned continue on the SAG Mill Scats Recirculation concurrently with the crusher project. Works will include installation of the bypass arrangement and tail pulley, modifications to the transfer chute and motor gearbox mounting arrangements, and the addition of a magnet.

Gold Recovery System – including Acid Washing

A program of works has been identified to increase the current three carbon strips per week to six, in order to increase the rate of gold recovery, and monthly gold production. These works include repairs to frames and tanks, changes to piping and valves, refurbishment and installation of calcine ovens, and electrical refurbishment.

Carbon Regeneration Kiln

Installation of a Carbon Regeneration Kiln is currently 90% complete and will reduce solution losses of gold, increase gold on carbon to reduce stripping costs, and decrease stripping frequency.

Gas Tanks

The installation of gas tanks, including heat exchangers, safety systems and an unloading facility, is planned to convert the gold room and boilers from diesel fuel to gas. The project will reduce fuel costs, with gas being a more economical fuel to diesel; and fuel the carbon regeneration kiln, which can only run on gas.

Peroxide Plant

A peroxide plant project has been designed to increase gold recovery through oxidation. The project involves completion of civils and the installation of pumps, a reticulation system, ISO system and electrics. With liquid oxygen now available in Ghana, this option is being investigated to provide greater cost savings.

Tails Dam

The initial lifting of the wall on the tails dam is 60% complete, with approximately two months of work remaining. The aim is to extend the life of the tails dam by 2.5 years and to comply with EPA legislation.

Carbon Replacement

The existing carbon in circuit has deteriorated, and is planned to be replaced to reduce gold losses to tails, which will increase recovery, while reducing carbon stripping and related costs.

Further improvements have been identified to improve the recovery of sulphide ores and generally increase production capacity. A nine-month, US\$3 million project plan has been outlined, with components including flotation, fine grinding, pressure oxidation and intense cyanidation.

The next phase of plant improvements includes an additional tank and equipment to replace worn components past their useful life.

Mine Plan

An interim Life-of-Mine Plan has been scheduled on the basis of ore source accessibility and is focussed on the Main Pit, Main Pit north extensions, the Satellite Pits trend consisting of Walsh, Strauss, Strauss South, Aheman, Elizabeth and Grasshopper pit cutbacks, augmented by ore from historic levees/tailings reclamation.

The mining schedule envisages 18Mt of ore at 1.86g/t and 2.2Mt old levee-tails at 0.7g/t for a total of 20.2Mt at a grade of 1.73g/t. The waste: ore strip ratio is 10.9.

The Preliminary Mine Plan currently delivers a circa 1.13Moz ore inventory, although not all classified to JORC Ore Reserve standards.

The Mine Plan will be updated and ore schedules revised as a function of the Resource and Reserve improvements through ongoing exploration. Plans will be made to redevelop the Main Pit after the current three-year production plan.

Preliminary LOM Mine Plan Ore Inventory

Pit Name	Ore Tonnes	Grade	In Situ-Gold	Waste	SR
Strauss	477,310	1.39	21,308	3,116,756	6.5
Walsh	1,813,650	1.99	116,018	25,758,897	14.2
Grasshopper	298,285	1.15	11,045	4,446,780	14.9
Strauss South	263,533	0.97	8,220	2,328,004	8.8
Aheman	37,173	1.57	1,881	175,236	4.7
Sub Total	2,889,951	1.71	158,472	35,825,673	12.4
Main Pit North	2,918,241	1.42	133,230	28,306,938	9.7
Main Pit	10,956,391	2.09	736,215	115,585,072	10.5
South Pit	1,220,898	1.28	50,244	16,115,854	13.2
Sub Total	15,095,530	1.89	919,688	160,007,863	10.6
Total Pits	17,985,481	1.86	1,078,161	195,833,536	10.9
Levee 5	173,935	0.74	4,138		
Levee 6	370,212	0.67	7,975		
Levee 7	1,634,752	0.67	35,214		
Total Dam and Levee	2,178,899	0.68	47,327		
Low grade stockpile	300,000	0.7	6,752		
Total gold inventory, oz			1,132,239		

Mining Fleet:

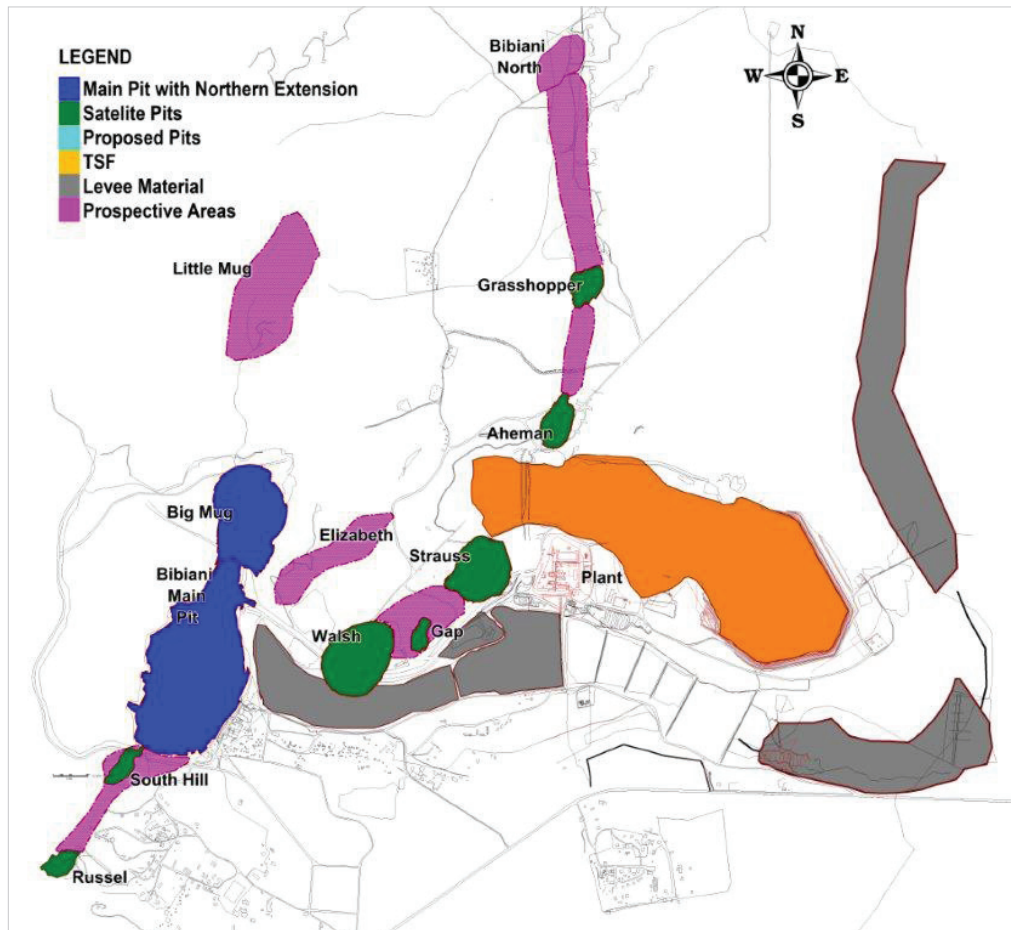
Noble has amassed a significant mining fleet, augmented by hired sub-contractor fleet. A review of fleet requirements is currently underway to ensure the availability of fleet to meet the planned mining schedule.

Geology

Ongoing drilling programs continue to add to understanding of the project geology. Mineralisation is hosted in four distinct shears, the Western, Main, Central and Eastern shears. Belt granitoids and hornblende bearing granitoids occur to the west of the property, whereas basin granitoids and mica bearing granitoids occur to the far- east. These are believed to be the source of heat and pressure responsible for the later stage deformation culminating in gold emplacement. The lithologic sequence from the west to east is hornblende bearing belt granitoids, metavolcanics (greenstones), volcanoclastics, schists, metasediments and mica bearing basin granitoids all of the Birimian formation. Lithological trends are generally NNE to NE, however deformation in a few localised areas results in NW trends. General dips range between 40° and 70° all to the southeast, with few reversals due to folding and deformation. Within the generalised concession geology, local variations are observed from prospect to prospect.

Review of operations (continued)

Bibiani Gold Project – Location Map



Exploration

Geological assessment during 2012 included targeted drilling campaigns, preliminary resource modelling and mine planning, with a focus along and adjacent to the more immediately accessible Satellite Pits (Walsh-Strauss) trend.

Subsequent to the end of the year, the Satellite Pits' JORC compliant Resources or Reserves were independently verified by Coffey Mining. This trend demonstrates high prospectivity and remains the focus of shorter term gold production on the back of an increasing resources base.

Noble purchased two drilling rigs and engaged multiple drilling service contractors to complete the 2012 drilling campaign which included more than 200,000m of drilling including 150,975m of RC drilling (70.6%), 55,261m GC drilling (25.8%) and 7,622m of DD drilling (3.6%).

Drilling Summary & Statistics

	Drilling	Total Meters (m)	% Drilled
West Wall	RC = 48,584m DD = 5,558.9m	54,143	25.3
Strauss South	GC = 20,730m	20,730	9.7
Big Mug	RC = 7,990m	7,990	3.7
Aheman	DD = 200m GC = 12,709m RC = 31,398m	15,820	7.4
Strauss	DD = 352.6m GC = 2,901m RC = 5,156m	34,652	16.2
Grasshopper	DD = 176.5m GC = 2,511m	7,844	3.7
Elizabeth	RC = 10,796m	10,796	5.0
Bibiani North	RC = 6,559m	6,559	3.1
Walsh	RC = 23,035m DD = 1,334m GC = 16,410m	40,779	19.1
Grasshopper – Aheman Gap	RC = 14,546m	14,546	6.8
Total		213,858	

On-site Laboratory

In December 2011, Noble completed commissioning of a new on-site assay laboratory. The facility, which is owned by Noble and operated by Performance Laboratories (PL), was built to address long lead times experienced from commercial laboratories. The laboratory is capable of returning analysis results within 24 hours, significantly enhancing decision making in relation to drilling programs and resource and reserve estimation, and also delivers significant cost savings compared to commercial rates.

Resources/Reserves:

A number of successful drilling campaigns and in-house and external resource/reserve modelling during the period resulted in a 24% increase in the Bibiani gold project Mineral Resource. Subsequent to the end of the 2012 financial year, Ore Reserve modeling by independent consultants, Coffey Mining, using more conservative parameters than the modeling carried out in-house by Noble, increased both the quality of reserves and confidence of the Project.

Review of operations (continued)

June 2012 JORC Resource Estimate

	0.5 g/t cut-off	TONNAGE	GRADE	CONT'D GOLD
		Tonnes	(Au g/t)	Ounces
BIBIANI MAIN PIT	Measured	6,500,000	2.4	493,000
	Indicated	10,480,000	2.0	666,000
	Total M&I	16,970,000	2.2	1,158,000
	Inferred	24,660,000	1.7	1,355,000
	Total	41,630,000	1.9	2,513,000

Global Mineral Resource Estimate based on a cut-off grade of 0.5g/t

November 2011 JORC Resource Estimate

SATELLITE AREAS	0.4 g/t cut-off	TONNAGE	GRADE	CONT'D GOLD
		Tonnes	(Au g/t)	Ounces
AHEMAN	Measured	-	0.00	-
	Indicated	607,500	0.73	14,300
	Inferred	-	0.00	-
WALSH-STRAUSS PRELIMINARY	Measured	1,748,000	1.68	94,400
	Indicated	2,430,000	1.12	87,500
	Inferred	6,000	1.69	300
GRASSHOPPER	Measured	-	0.00	-
	Indicated	433,200	1.25	17,400
	Inferred	4,800	1.20	200
OLD TAILINGS*	Measured	-	0.00	-
	Indicated	2,860,200	0.70	64,000
	Inferred	-	0.00	-
	Total	8,089,700	1.07	278,100

Global Mineral Resource Estimate based on a cut-off grade of 0.4g/t

* Cut-off grade 0.0g/t

Additional to be optimized - July 2012 JORC Resource Estimate

SATELLITE AREAS	0.4 g/t cut-off	TONNAGE	GRADE	CONT'D GOLD
		Tonnes	(Au g/t)	Ounces
AHEMAN	Measured	-	0.00	-
	Indicated	607,500	0.73	14,300
	Inferred	-	0.00	-
	Total	450,000	0.7	10,000

Global Mineral Resource Estimate based on a cut-off grade of 0.4g/t

Figures have been rounded and totals may reflect small rounding errors.

TOTAL RESOURCES = 50.15Mt @ 1.7g/t (2.80Moz)

Bibiani Main Pit Proved and Probable Ore Reserves – June 2011												
	Oxide			Fresh			Fill			Total		
	Tonnes Kt	Grade g/t	Ounces Kozs	Tonnes Kt	Grade g/t	Ounces Kozs	Tonnes Kt	Grade g/t	Ounces Kozs	Tonnes Kt	Grade g/t	Ounces Kozs
Proved	-	-	-	5,020	2.17	349	-	-	-	5,020	2.16	349
Probable	360	1.34	16	6,280	2.02	407	340	1.73	19	6,980	1.97	441
Total	360	1.34	16	11,300	2.08	756	340	1.73	19	12,000	2.05	790

Derived from Measured and Indicated Mineral Resources using a cut-off grade of 0.6g/t

Bibiani Walsh to Grasshopper Satellite Pits Proved and Probable Ore Reserves – October 2011												
	Oxide			Transition			Sulphide			Total		
	Tonnes Kt	Grade g/t	Ounces Kozs	Tonnes Kt	Grade g/t	Ounces Kozs	Tonnes Kt	Grade g/t	Ounces Kozs	Tonnes Kt	Grade g/t	Ounces Kozs
Proved	181	1.30	8	132	1.70	7	753	2.22	54	1,065	2.00	69
Probable	448	1.39	20	172	1.71	9	102	2.05	7	722	1.56	36
Total	628	1.36	28	303	1.70	17	855	2.20	61	1,787	1.82	105

Derived from Measured and Indicated Resources using a cut-off grade of 0.5g/t

Bibiani Main Pit Proved and Probable Ore Reserves – June 2011			
Deposit	Tonnes Kt	Grade Au (g/t)	Cont'd Gold Kozs
Dams 1 & 2	850	0.74	20
Levees 6 & 7	2,030	0.65	43
Total	2,880	0.68	63

TOTAL RESERVES = 16.7Mt @ 1.79 g/t (958,000oz)

Bibiani North Prospecting Licence

A two-year extension was granted for this prospecting licence, dating from 2012. A follow-up program is in process to upgrade the status of the property and to convert to mining lease in 2013. In 2007, Central African Gold Ghana, the then owner carried out a total of 5,856m of RC drilling and demarcated some interesting targets including Pamunu, Old Shaft and Ahyiresu.

Asuontaa Prospecting Licence

Noble was granted a one-year extension on this property, which expires this year. Central African Gold Ghana carried out exploration defining anomalies, which Noble is currently following up through deep auger drilling to pave way for a possible shed off in FY 2013.

Cape Three Points

There are six properties operated by Noble under various agreements in this region. Morrison, Bartie and Satin were transferred to Noble by Consolidated Minerals Limited and bear the Cape Three Points title. Noble has opted to operate the other three properties, Nkroba, Boekrom and Tumentu, acquired later, under the same Cape Three Points title.

Competent Person's Statement

The information in this report that relates to Exploration Results, Mineral Resource or Ore Reserves is based on information compiled by Mr Mark Laing (BE (Hons), Mining), who is a Corporate Member of the Australasian Institute of Mining and Metallurgy. Mr Laing is a full-time employee of Noble Mineral Resources Limited, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Laing consents to the inclusion in this report of the matters based on his information in the form and content in which it appears.

Directors' report

Directors

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

HRH Tunku Naquiyuddin

Chairman, Non-Executive Director – Appointed 7 January 2009

Tunku Naquiyuddin (BSc Econs. Hons) is a prominent Malaysian businessman and is currently the Chairman of Sino Hua-An International Berhad, a company listed on Bursa Malaysia (formerly known as the Kuala Lumpur Stock Exchange) with a substantial business in China. He is also the chairman of the Board of Kian Joo Can Factory Berhad, a company which is also listed on Bursa Malaysia.

Tunku Naquiyuddin was a former diplomat and represented the foreign mission of Malaysia in Paris. He is also a keen environmentalist and was a Committee Member for the World Wide Fund for Nature (Malaysia) and a council member of the Business Council for Sustainable Development in Geneva.

Tunku Naquiyuddin's interests include being a founding chairman of The Federation of Public Listed Companies Berhad in Malaysia. He was also the head of the Malaysia-France Economic and Trade Association for eight years. As chairman of the Alliance Francaise in Malaysia for more than 18 years, he was instrumental in the promotion of Malaysia-France cultural and business links. He was nominated by the Malaysian Minister of Finance to sit on the Committee of the Kuala Lumpur Stock Exchange in 1989 for five years.

HRH Naquiyuddin will be seeking re-election by shareholders in the 2012 annual general meeting.

During the past three years HRH Tunku Naquiyuddin has also served as a director of the following other listed companies:

- Global Gold Holdings Limited * – appointed 20 June 2007

* Denotes current directorship

Mr Wayne David Norris

Managing Director – Appointed 13 April 2007

Mr Norris has more than 25 years' experience in the field of metallurgical processing and commissioning. His career spans process operating to senior management of the successful Sally Malay 750,000 TPA nickel sulphide recovery plant. More recently, Mr Norris was a member of the senior management team of the OM (Manganese) Limited's Bootu Creek manganese project in the Northern Territory.

Mr Norris has been involved at senior management levels in the commissioning of five processing facilities in Australia - the Havelock Gold Mine in Meekatharra WA, the Ranger Uranium Mines project at Jabiru in the Northern Territory, the Mt Todd Gold Mines Stage 1 and 2 in the Northern Territory, the Sally Malay project for Kimberley Nickel Mines in Western Australia and the OMH OM (Manganese) Limited Manganese project in the Northern Territory. His extensive metallurgical knowledge has included the training of nationals in Ghana at the Damang mine site for two years for Goldfields Ghana Ltd.

Mr Brian David Thomas

Non-Executive Director – Appointed 6 April 2010

Mr Thomas is a geologist and mineral economist (BSc, MBA, SAFin, MAusIMM, MAICD) with more than 20 years of mining and exploration industry experience in a broad range of commodities from precious and base metals, bulk and industrial minerals, diamonds plus oil and gas. This is complemented by 12 years in the Australian financial services sector working in corporate stockbroking, investment banking, funds management and with an Australian commercial bank, sourcing mining finance opportunities.

Directors (continued)

During the past three years Mr Thomas has also served as a director of the following other listed companies:

- Condoto Platinum NL (formerly Bailey Minerals NL) * – appointed 21 May 2008
- Potash Minerals Ltd (formerly Transit Holdings Limited) * – appointed 9 June 2010
- Strickland Resources Limited * - appointed 31 March 2011
- Parker Resources NL * - appointed 10 January 2011
- Charter Pacific Corporation Ltd – appointed 24 March 2011; resigned 1 November 2011
- Aragon Resources Limited – appointed 10 June 2005; resigned 23 May 2011
- White Cliff Nickel Limited – appointed 14 August 2007; resigned 22 February 2010
- Pacific Niugini Limited – appointed 22 November 2004; resigned 3 November 2009

* Denotes current directorship

Ms Xi Xi

Non-Executive Director – Appointed 24 October 2011

Ms Xi Xi is a financial analyst (BSc, MA) with more than 10 years of experience working in the mining, energy and natural resource industry focusing primarily in the emerging markets. Her experience ranges from managing companies focused on international exploration and development of mining projects to restructuring and overseeing a portfolio of private and public companies.

Xi Xi holds dual Bachelor of Science degrees in Chemical Engineering and Economics from the Colorado School of Mines and a Master of Arts in International Relations and China Studies from Johns Hopkins School of Advanced International Studies.

Mr Duncan Coutts

Non-Executive Director – Appointed 8 April 2011; resigned 8 July 2011

Mr Duncan Coutts is a qualified mining engineer with more than 19 years' experience. He holds a Bachelor of Engineering degree in Mining Engineering with honours from the WA School of Mines. Mr Coutts has extensive operational, technical and managerial experience, particularly in underground mining operations. He was formerly the COO and Director for the WA and PNG operations of Harmony Gold Australia. More recently, Mr Coutts has held positions as Chief Development Officer with Metals X Limited (ASX:MLX), and provided business development consulting services to Galaxy Resources Limited (ASX:GXY). Mr Coutts recently joined Galaxy Resources Limited in a full time capacity in the role of General Manager Development, retaining a focus on Business Readiness.

Directors' interests

As at the date of this report, the interests of the directors in the shares and options of Noble Mineral Resources Limited were:

	Number of ordinary shares	Number of options over ordinary shares
Tunku Naquiyuddin	-	2,500,000
Wayne Norris	43,140,000	13,166,250
Brian Thomas	256,250	2,025,000
Xi Xi	-	2,000,000

Company Secretary

Mr Anthony Ho has been the Company Secretary of Noble Mineral Resources Limited since April 2008. Mr Ho graduated in 1980 with a Bachelor of Commerce from the University of Western Australia. He qualified as a Chartered Accountant in 1983 with Deloitte. Mr Ho is currently the principal of a consultancy practice specialising in providing corporate and financial services to ASX-listed companies.

Directors' report (continued)

Principal activities

The principal activities of the Group during the financial year were the ongoing refurbishment and testing and commissioning of the processing plant at the Bibiani project in Ghana, the associated ramp-up of mining activities and the ongoing feasibility study of the project, including drilling campaigns at Bibiani.

Group overview

Noble continued to progress the refurbishment and upgrade of the 3Mtpa Carbon-in-Leach (CIL) processing plant at the Company's Bibiani gold mine in the western region of Ghana.

The Ghana Environmental Protection Agency (EPA) granted the Bibiani Gold Project an Environmental Permit in November 2011, allowing the commencement of activities on the mine site including earthworks, mining and processing plant operations. Mining commenced in November 2011.

In December 2011, Noble completed commissioning of a new on-site assay laboratory. The facility, which is owned by Noble and operated by Performance Laboratories (PL), was built to address long lead times experienced from commercial laboratories.

Part-commissioning of the process plant was carried out in the first quarter of 2012, with first gold production achieved on 29 March 2012. By the end of the financial year the Bibiani plant had produced more than 8,800 ounces of gold.

At the reporting date, the Bibiani Gold Project has a total JORC Resource of 50.15Mt @1.7g/t for 2.80Moz, including total Ore Reserves of 958,000 oz.

A Preliminary Life-of-Mine Plan has been scheduled on the basis of ore source accessibility, with mining to-date concentrated mainly on oxide ore from Aheman, Strauss and Strauss-South, supplemented by levee feed.

The Mine Plan currently delivers a circa 1.13Moz ore inventory, although not all classified to JORC Ore Reserve standards. The Mine Plan will be updated and ore schedules revised as a function of the Resource and Reserve improvements through ongoing exploration. Redevelopment of the Main Pit will be planned following the current three-year production plan.

Geological assessment during 2012 included targeted drilling campaigns, preliminary resource modelling and mine planning, with a focus along and adjacent to the more immediately accessible Satellite Pits trend. A number of successful drilling campaigns and in-house and external resource/reserve modelling during the period resulted in a 24% increase in the Bibiani gold project Mineral Resource.

Following a study by Coffey Mining, completed after the close of the financial period, the Satellite Pits now contain independently verified JORC compliant Resources and Reserves.

Gold production and subsequent sales have been slowed due to delays in plant completion and restricted working capital, reducing revenue required to complete the plant.

A number of capital raisings were undertaken during the year to progress the Bibiani gold project commissioning and provide general working capital. The Company however considered that further capital will be required to complete the project commissioning and ramp-up process and to be cashflow positive on an operating basis.

Post the balance date on 27 September 2012, and after engagement with a number of interested third parties, Noble entered into binding agreements with the Zhongrun Group ("Zhongrun"), a Chinese mining and investment group, whereby, subject to various approvals, including Noble shareholder approval, Zhongrun will invest A\$84.7m in Noble and become the Company's biggest shareholder.

Operating results

The Group incurred a loss of \$15,418,000 (2011: \$20,717,000) for the year ended 30 June 2012. This loss includes \$45,000 (2011: \$177,000) of exploration and evaluation expenditure written off in accordance with the Group's accounting policies.

The Group finished the year with cash or cash equivalents of \$3,421,000 (2011: \$9,430,000), plus a further \$2,732,000 (2011: \$2,730,000) of funds on deposit securing environmental obligations.

Financial review

Review of financial condition

Liquidity and capital resources

The consolidated cash flow statement illustrates that there was a decrease in cash and cash equivalents in the year ended 30 June 2012 of \$6,051,000 (2011: \$21,511,000 cash decrease). The decrease in net cash inflow in comparison with the prior year is caused by the ongoing refurbishment and mine development activities related to the Bibiani project, which was acquired in July 2010. To date, the project has required significant capital expenditure to refurbish the Plant and bring the Mine to an operating capability. Operating activities consumed \$22,952,000 (2011: \$21,387,000) of net cash flows. The increase is largely due to the changing nature of activities undertaken at the Bibiani Mine and the commencement of the commissioning phase. There has also been a net increase in the amount of cash used for investing activities to \$66,231,000 (2011: \$34,457,000), which was mainly attributable to purchases of property, plant and equipment, process plant refurbishment and exploration and evaluation costs. There was also an \$81,617,000 cash inflow (2011: \$31,883,000) which can be attributed to equity raisings and options conversions that were undertaken and processed during the financial year.

Asset and capital structure

	2012 US \$ (000)	2011 US \$ (000)
Debts:		
Trade and other payables	36,403	13,647
Interest bearing loans and borrowings	34,577	34,646
Cash and short-term deposits	(3,327)	(9,430)
Net debt	67,653	38,863
Total equity	121,363	53,617
Total capital employed	189,016	92,480
Gearing	36%	42%

Profile of debts

The profile of the Group's debt finance is as follows:

	2012 US \$ (000)	2011 US \$ (000)
Current		
Bank overdrafts	94	52
Interest bearing loans and borrowings	29,647	34,646
	29,741	34,698
Non-current		
Interest bearing loans and borrowings	4,930	-
	4,930	-

Directors' report (continued)

Financial review (continued)

The Group's debts have shown no material increase this year. The Investec Bank Limited facility (\$32,000,000) that was assumed with the acquisition of Noble Gold Bibiani in July 2010 has been reduced to \$28,260,000 (2011: \$34,646,000). During the year, the Group obtained a finance lease facility (\$6,500,000) from Bank of Africa Ghana Limited for the refinancing of existing equipment. Of the Group's debts, 92% is repayable within one year of 30 June 2012 (2011: 100%). The delay of milestone achievements and related events has constituted non-compliance under the Investec Bank project loan facility. As a consequence, Investec has various additional rights in respect of the facility. These rights include additional monitoring of the Bibiani project, control of the project's proceeds account and, ultimately, the right to declare the loan immediately due and payable and enforce its security. Investec has not declared the loan immediately due and payable nor enforced its security, however, the Company has received various letters from Investec that reserve Investec's rights in respect of the non-compliance. In accordance with Australian Accounting Standards, the facility has been classified as current.

Capital expenditure

There has been an increase in cash used to purchase property, plant and equipment in 2012 to \$62,472,000 from \$27,849,000 for the year ended 30 June 2011. Further capital commitments of \$8,187,000 (2011: \$9,715,000) existed at the reporting date, principally relating to the completion of the Bibiani mine plant refurbishment and associated production critical consumables.

Risk management

The Group takes a proactive approach to risk management. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Group's objectives and activities are aligned with the risks and opportunities identified by the Board.

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

- Board approval of a strategic plan, which encompasses the Group's vision, mission and strategy statements, designed to meet stakeholders' needs and manage business risk.
- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets, including the establishment and monitoring of KPIs of both a financial and nonfinancial nature.
- The establishment of committees to report on specific business risks, including for example such matters as environmental issues and occupational health and safety.

Significant changes in the state of affairs

Significant changes in the state of affairs of the group during the period were as follows:

1. The Company commenced dry commissioning of the 3Mtpa process plant in January 2012, wet commissioning in February 2012 and produced its first gold pour in March 2012. By the end of the financial year, the Company had produced 8,857 ounces.
2. The Company's inventory of Ore Reserves and Mineral Resources was expanded. The Company's Measured and Indicated Resources now include 25.0Mt grading 1.77g/t gold and containing 1.44 million ounces of gold, including Proven and Probable Ore Reserves of 16.7Mt grading 1.79g/t containing 958,000 ounces of gold. In addition, the Company has identified a further 24.7Mt grading 1.70g/t containing 1.355 million ounces of gold.

Significant events after the balance date

Significant events after the balance date were as follows:

1. On 2 August 2012, the Company requested its securities be placed in a trading halt pending the release of an announcement by the Company on a potential capital raising and change of control transaction. Subsequent to this, on 6 August 2012, the Company requested its securities be voluntarily suspended pending an update on a potential capital raising and change of control transaction. The securities of the Company resumed trade on 27 September 2012.
2. On 12 September 2012, the Company received firm commitments from sophisticated and institutional investors and a Director of the Company for the issue of approximately 68.8 million shares at A\$0.16 per share, to raise approximately A\$11,000,000.

Participants received one free-attaching option for every 2 shares. The options are exercisable at A \$0.20 each, expire on 30 September 2015 and entitle the holder to one Ordinary Share in the Company once exercised. As at the date of this report, the Company had issued 45,375,000 ordinary shares and 22,687,500 options.

3. On 27 September 2012 Noble announced that it has entered into binding agreements with the Zhongrun Group ("Zhongrun"), a Chinese mining and investment group, whereby Zhongrun will invest A\$84.7m in Noble and become the Company's largest shareholder. Zhongrun will subscribe for new ordinary shares in Noble via a placement to be executed in two separate tranches: (i) 101.8m shares to be issued at A\$0.16 per share; and (ii) 380.0m shares to be issued at A\$0.18 per share. As part of Tranche 2, Zhongrun will also be issued with options providing Zhongrun with the opportunity to subscribe for an additional 240.9m shares in Noble at a price of A\$0.23 per share over a three-year period.

Likely developments and expected results

The Group's focus during the next financial year will be on finalising commissioning of the Bibiani Process Plant and moving to the production phase in operations. In addition, the Group will look to explore for gold at the Bibiani concessions (including Bibiani North Donkoto and Asuontaa), as well as increasing exploration activity at the Cape Three Points concessions (Cape Three Points / Tumentu / Brotet / Nkroba).

Environmental regulation and performance

The Group is subject to environmental regulation in respect of its exploration activities in Ghana and is committed to undertaking its operations in that country in an environmentally responsible manner.

The Group's operations are also subject to environmental regulations in Australia under Commonwealth and State legislation. The Directors believe that the Group has adequate systems in place for the management of the requirements under those regulations, and are not aware of any breach of such requirements as they apply to the Group.

Share options

Unissued shares

As at the date of this report, there were 156,654,503 unissued ordinary shares under option as follows:

Class	Expiry Date	Exercise Price	Number of Options
Listed Options (NMG OA)	21 July 2013	A \$0.35	69,012,233
Listed Options (NMGO)	1 May 2015	A \$0.48	28,985,539
Unlisted Options	8 July 2014	A \$0.20	6,000,000
Unlisted Options	19 August 2014	A \$0.40	4,250,000
Unlisted Options	31 October 2015	A \$0.55	5,000,000
Unlisted Options	30 November 2014	A \$0.83	19,579,230
Unlisted Options	4 July 2015	A \$0.31	1,140,000
Unlisted Options	30 September 2015	A \$0.20	22,687,501

Option holders do not have any right, by virtue of the option, to participate in any share issue of the company or any related body corporate.

Directors' report (continued)

Share options (continued)

Shares issued as a result of the exercise of options

During or since the end of the year, there have been no shares issued as a result of the exercise of options over unissued ordinary shares.

Indemnification and insurance of directors and officers

The Company has agreed to indemnify the current directors of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company paid a premium during the year in respect of a director and officer liability insurance policy, insuring the directors of the Company, the company secretary, and all executive officers of the Company against a liability incurred as such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

Directors' meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Directors' meetings	Meeting of committees Nomination and Remuneration	Audit and Risk
Number of meetings held:	2	-	2
Number of meeting attended:			
Tunku Naquiyuddin	2	-	2
Wayne Norris	2	-	-
Brian Thomas	2	-	2
Xi Xi	1	-	-

All directors were eligible to attend all meetings held, except for:

- Xi Xi was eligible to attend one Directors' meeting after having been appointed as a Director on 24 October 2011. There were no committee meetings held after her appointment as a member of the Nomination and Remuneration Committee and Audit and Risk Committee on 12 March 2012.

Committee membership

As at the date of this report, the Company had an Audit and Risk committee, and a Nomination and Remuneration Committee of the Board of Directors.

Members acting on the committees of the Board during the year were:

Nomination and Remuneration

Tunku Naquiyuddin (chairman)
Brian Thomas
Xi Xi – appointed 12 March 2012

Audit and Risk

Brian Thomas (chairman)
Tunku Naquiyuddin
Xi Xi – appointed 12 March 2012

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable and where noted (\$'000)) under the option available to the Company under ASIC CO 98/0100. The Company is an entity to which the Class Order applies.

Non-audit services

The following non-audit services were provided by the entity's auditor, Ernst & Young. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services:

Tax compliance services: US\$ 87,398

Auditor independence and non-audit services

The auditor's independence declaration for the year ended 30 June 2012 has been received and is located with the Independent Auditor's Report on page 90.

Remuneration report (audited)

This remuneration report for the year ended 30 June 2012 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

For the purposes of this report, the term 'executive' includes executive directors, senior executives and general managers of the Parent and the Group and the term 'director' refers to non-executive directors only.

The remuneration report is presented under the following sections:

1. Individual key management personnel disclosures
2. Remuneration at a glance
3. Board oversight of remuneration
4. Non-executive director remuneration arrangements
5. Executive remuneration arrangements
6. Company performance and the link to remuneration
7. Executive contractual arrangements
8. Equity instruments disclosures
9. Schedule of remuneration of key management personnel

1. Individual key management personnel disclosures

Details of KMP of the Parent and Group are set out below.

Key management personnel

(i) Directors

Tunku Naquiyuddin	Chairman (non-executive)
Wayne Norris	Managing Director
Brian Thomas	Director (non-executive)
Duncan Coutts	Director (non-executive) – resigned 8 July 2011
Xi Xi	Director (non-executive) – appointed 24 October 2011

(ii) Executives

Roger Bannister	Executive Manager Operations of Noble Gold Bibiani Ltd – appointed 15 February 2012
Erik Palmbachs	Chief Financial Officer – appointed 5 June 2012
Mark Laing	Principal Mining Engineer – appointed 1 September 2011
David Leavy	Chief Financial Officer – resigned 30 April 2012
Peter Johnston	Chief Operating Officer – resigned 30 April 2012
Brian Dunn	Managing Director of Noble Gold Bibiani Ltd – resigned 1 March 2012

There were no other changes to KMP after reporting date and before the date the financial report was authorised for issue.

Directors' report (continued)

Remuneration report (audited) (continued)

2. Remuneration at a glance

Noble Mineral Resources Limited's remuneration strategy is designed to attract, motivate and retain employees and Non-Executive Directors ("NED") by identifying and rewarding high performers and recognising the contribution of each employee to the continued growth and success of the Group.

The remuneration structures take into account:

- the capability and experience of the key management personnel;
- the key management personnel's ability to control the achievement of strategic objectives;
- the Group's performance including:
 - the growth in share price; and
 - the amount of incentives within each key management person's compensation.

Given the evaluation and developmental nature of the Group's principal activity, the overall level of compensation does not have regard to the earnings of the Group.

There has been no material change to the short-term incentive bonus plan or the long-term incentive rewards. Options were issued to Wayne Norris, Tunku Naquiyuddin and Xi Xi as disclosed in the Remuneration Report.

The remuneration of non-executive directors of the Company consists only of directors' fees, committee fees, consulting fees and share options for duties performed over and above agreed duties. Director fees were maintained at the same level as the prior year.

3. Board oversight of remuneration

The Nomination and Remuneration Committee of the Board of Directors of the Company is responsible for determining and reviewing remuneration policies for the directors and executives. If necessary, the Nomination and Remuneration Committee obtains independent advice on the appropriateness of remuneration packages given trends in comparable companies and in accordance with the objectives of the consolidated entity

4. Non-executive director remuneration arrangements

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. Total remuneration for all non-executive directors, last voted upon by shareholders at the 1 June 2012 General Meeting, is not to exceed A\$500,000 per annum. Directors' fees cover all main Board activities and membership of committees.

Non-executive directors do not receive any retirement benefits, other than statutory superannuation, nor do they receive any performance related compensation.

5. Executive remuneration arrangements

Remuneration for executives is set out in employment agreements. The Group has entered into employment agreements with each executive key management person which outline the components of compensation paid. The agreements do not prescribe how compensation levels are modified year to year. Compensation levels are reviewed on an annual basis through a process that considers individual and overall performance of the Group, taking into account any change in the scope of the role performed by the executives and any changes required to meet the principles of the Group's compensation policy.

Executive directors may receive performance related compensation but do not receive any retirement benefits, other than statutory superannuation.

Fixed remuneration consists of base compensation (which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicles) as well as employer contributions to superannuation funds. Key management personnel may also receive benefits such as travel allowances. Cash bonuses are awarded at the discretion of the Company.

Long-term incentives (LTI) may be provided to key management personnel via the Noble Mineral Resources Employee Share Option Plan (ESOP). The LTI are provided as options over ordinary shares of the Company to key management personnel based on their position within the Group. Vesting conditions may be imposed on any LTI grants if considered appropriate, in accordance with the ESOP's terms and conditions.

Remuneration report (audited) (continued)

LTI are considered to promote continuity of employment and provide additional incentive to recipients to increase shareholder wealth. Options may only be issued to directors subject to approval by shareholders in general meeting. Options issued during the year carry no performance conditions as the Board considered that the grant was reasonable in the circumstances given the Company's size and the stage of development, and the incentives represented by the issue of the options represent a cost effective and efficient reward and incentive.

The Company has introduced a policy that prohibits employees and directors of the Group from entering into transactions that operate or are intended to operate to limit the economic risk or are designed or intended to hedge exposure to unvested Company securities. This includes entering into arrangements to hedge their exposure to LTI granted as part of their remuneration package. This policy may be enforced by requesting employees and directors to confirm compliance.

6. Company performance and the link to remuneration

In considering the Group's performance and benefits for shareholder wealth, the directors have regard to the following information in respect of the current and previous financial years:

	2012	2011	2010	2009	2008*
Net consolidated loss for the year (US\$ 000)	(15,418)	(20,717)	(2,690)	(1,861)	(338)
Dividends paid	Nil	Nil	Nil	Nil	Nil
Change in share price (A\$)	(A\$ 0.38)	A\$ 0.295	A\$ 0.135	(A\$ 0.19)	A\$0.34
Share price at beginning of the period (A\$)	A\$ 0.58	A\$ 0.285	A\$ 0.15	A\$0.34	-
Share price at the end of the period (A\$)	A\$0.20	A\$0.58	A\$ 0.285	A\$ 0.15	A\$0.34
Loss per share (US cents)	(2.95)	(5.87)	(1.68)	(1.34)	(0.66)

* The Company listed on the Australian Securities Exchange on 27 June 2008.

As the Group's main asset, the Bibiani Gold Mine, had only commenced commissioning during the year, its earnings are not considered to be a principle performance indicator. However, the overall level of key management personnel remuneration takes into account the achievement of strategic objectives and service criteria.

7. Executive contractual arrangements

The Company has entered into an employment agreement with Mr Wayne Norris, Managing Director. The Employment Agreement specifies the duties and obligations to be fulfilled by the Managing Director. The term of the Employment Agreement is three years.

The Employment Agreement is terminable after its initial term by either the Company or Mr Norris giving written notice. Mr Norris has no entitlement to termination payment in the event of removal for misconduct. The Company has entered into employment agreements with other key management personnel;

- Mr Roger Bannister, Executive Manager Operations (dated 15 February 2012 – 2 year term)
- Mr Erik Palmbachs, Chief Financial Officer (dated 5 June 2012 – 6 month term)
- Mr Mark Laing, Principal Mining Engineer (dated 1 September 2011 – 3 year term)

The Employment Agreement's specify the duties and obligations to be fulfilled by the executives.

The Employment Agreements are terminable after its initial term by either the Company or the individual executives giving written notice. They have no entitlement to termination payment in the event of removal for misconduct.

8. Equity instruments disclosures

Shares, Options and rights over equity instruments granted as compensation

KMP are eligible to participate in the Group's ESOP. The terms and conditions of each grant of options affecting remuneration of directors and KMP in the current or a future reporting period are set out below. When exercisable, each option is convertible into one ordinary share. Further information is set out in note 23 the financial statements.

Directors' report (continued)

Remuneration report (audited) (continued)

Key terms and value of options issued to KMP:

	Grant Date	Exercise price	Quantity	Fair value per option at grant date	Vesting date	% of grant vested	Expiry date
<i>Non-executive directors</i>							
Tunku Naquiyuddin	30 Nov 11	A\$0.83	2,500,000	A\$0.13	30 Nov 11	100	30 Nov 14
Brian Thomas	30 Nov 11	A\$0.83	2,000,000	A\$0.13	30 Nov 11	100	30 Nov 14
Xi Xi	30 Nov 11	A\$0.83	2,000,000	A\$0.13	30 Nov 11	100	30 Nov 14
<i>Executive directors</i>							
Wayne Norris	30 Nov 11	A\$0.83	3,500,000	A\$0.13	30 Nov 11	100	30 Nov 14

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share.

The options vested immediately and the fair value of the options at grant date has been disclosed in the Remuneration tables.

Other key management personnel

Mark Laing	30 Nov 11	A\$0.83	600,000	A\$0.11	31 May 12*	58	30 Nov 14
Peter Johnston ¹	30 Nov 11	A\$0.83	550,000	A\$0.11	31 May 12*	100	30 Nov 14
David Leavy ²	30 Nov 11	A\$0.83	550,000	A\$0.11	31 May 12*	-	30 Nov 14
Brian Dunn ³	30 Nov 11	A\$0.83	500,000	A\$0.11	31 May 12*	-	30 Nov 14

1. Resigned 30 April 2012 – options fully vested
2. Resigned 30 April 2012 - options forfeited (fair value at forfeiture date – A\$0.10 per option)
3. Resigned 1 March 2012 - options forfeited (fair value at forfeiture date – A\$0.24 per option)

* The assessed fair value at grant date of options granted to the individuals is allocated according to the vesting conditions. 50% of the number of options vested to the allottees upon the allottee having served as an employee of the Company for a six month period after the date of grant and 50% vest upon the service of a further six month period. The vesting expense for these options has been included in the Remuneration tables below.

Options granted under the ESOP carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share.

Fair values at grant date were determined using a Binomial option pricing model that takes into account the exercise price, the term of the option, the share price at grant date, the expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Modification of terms of equity-settled share-based payment transactions

Upon his resignation on 30 April 2012, the vesting condition for the options issued to Peter Johnston was waived. No other terms of equity-settled share-based payment transactions (including options and rights granted as compensation to a key management person) have been altered or modified by the issuing entity during the reporting period.

Remuneration report (audited) (continued)

9. Schedule of remuneration of key management personnel

For the year ended 30 June 2012

	Short term benefits		Post employment benefits	Share based payment	Total	Value of options	Performance related
	Salary and fees US \$	Cash bonus US \$	Super-annuation US \$	Options US \$	US \$	%	%
<i>Non-executive directors</i>							
Tunku Naquiyuddin	61,849	-	-	336,407	398,256	84.47%	-
Brian Thomas	41,294	-	3,718	269,125	314,137	85.67%	-
Xi Xi ¹	28,267	-	-	269,125	297,392	90.50%	-
Duncan Coutts ²	983	-	89	-	1,072	-	-
<i>Executive directors</i>							
Wayne Norris	486,965	-	41,822	470,969	999,756	47.11%	-
Total all directors	619,358	-	45,629	1,345,626	2,010,613	66.93%	-
Other key management personnel							
Roger Bannister ³	74,216	-	-	-	74,216	-	-
Erik Palmbachs ⁴	22,278	-	2,160	-	24,438	-	-
Mark Laing ^{5/6}	257,048	-	24,921	51,489	333,458	15.44%	15.44%
David Leavy ⁷	277,212	-	21,972	-	299,184	-	-
Peter Johnston ^{8/9}	340,357	-	22,844	59,619	422,820	14.10%	14.10%
Brian Dunn ¹⁰	208,333	-	-	-	208,333	-	-
Total executive KMP	1,179,444	-	71,897	111,108	1,362,449	8.16%	8.16%
Totals	1,798,802	-	117,526	1,456,734	3,373,062	43.19%	3.29%

Notes in relation to the table of remuneration:

1. Appointed 24 October 2011.
2. Retired 8 July 2011.
3. Appointed 15 February 2012.
4. Appointed 5 June 2012.
5. Appointed 1 September 2011.
6. 600,000 ESOP options (refer 8 *Equity instrument disclosures* in Remuneration Report).
7. Resigned 30 April 2012.
8. Resigned 30 April 2012.
9. 550,000 ESOP options (refer 8 *Equity instrument disclosures* in Remuneration Report).
10. Resigned 1 March 2012.

Directors' report (continued)

Remuneration report (audited) (continued)

9. Schedule of remuneration of key management personnel (continued)

For the year ended 30 June 2011

	Short term benefits		Post employment benefits	Share based payment	Total	Value of options	Performance related
	Salary and fees US\$	Cash bonus US\$	Super-annuation US\$	US\$	US\$	%	%
<i>Non-executive directors</i>							
Tunku Naquiyuddin	63,704	59,442	-	-	123,146	-	-
Brian Thomas	39,298	-	4,447	-	43,745	-	-
Duncan Coutts ¹¹	9,060	-	830	-	9,890	-	-
<i>Executive directors</i>							
Alan Taylor ¹²	83,138	209,495	23,803	-	316,436	-	-
Wayne Norris	414,073	477,858	25,004	-	916,934	-	-
Total all directors	609,273	746,795	54,084	-	1,410,152	-	-
<i>Other key management personnel</i>							
David Leavy	245,268	-	20,649	-	265,917	-	-
Peter Johnston ¹³	116,721	-	10,507	-	127,228	-	-
Brian Dunn ¹⁴	250,000	-	-	43,226	293,226	14.74%	14.74%
Total executive KMP	611,989	-	31,156	43,226	686,371	6.30%	6.30%
Totals	1,221,262	746,795	85,240	43,226	2,096,522	2.06%	2.06%

Notes in relation to the table of remuneration:

11. Appointed 8 April 2011.

12. Retired 11 October 2010.

13. Appointed 31 January 2011.

14. 500,000 unlisted options (refer 8 *Equity Instrument* disclosures in Remuneration Report).

End of Remuneration Report (Audited)

Corporate governance statement

Corporate Governance Statement

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

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

Recommendation	Comply Yes / No	Reference / explanation	ASX Listing Rule / CGC recommendations
Principle 1 – Lay solid foundations for management and oversight			
1.1 Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	Yes	Page 33	ASX CGC 1.1
1.2 Companies should disclose the process for evaluating the performance of senior executives.	Yes	Page 33	ASX CGC 1.2
1.3 Companies should provide the information indicated in the Guide to reporting on Principle 1.	Yes	Page 33	ASX CGC 1.3
Principle 2 – Structure the Board to add value			
2.1 A majority of the Board should be independent directors.	No	Page 33	ASX CGC 2.1
2.2 The chair should be an independent director.	No	Page 33	ASX CGC 2.2
2.3 The roles of chair and chief executive officer (CEO) should not be exercised by the same individual.	Yes	Page 33	ASX CGC 2.3
2.4 The Board should establish a nomination committee.	Yes	Page 36	ASX CGC 2.4
2.5 Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.	Yes	Page 36	ASX CGC 2.5
2.6 Companies should provide the information indicated in the Guide to reporting on Principle 2.	Yes	Page 36	ASX CGC 2.6

Corporate governance statement (continued)

Recommendation	Comply Yes / No	Reference / explanation	ASX Listing Rule / CGC recommendations
Principle 3 – Promote ethical and responsible decision-making			
3.1 Companies should establish a code of conduct and disclose the code or a summary of the code as to: - the practices necessary to maintain confidence in the company's integrity; - the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and - the responsibility and accountability of individuals for reporting and investigating reports of unethical practices	Yes	Website	ASX CGC 3.1
3.2 Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity for the Board to assess annually both the objectives and progress in achieving them.	No	Page 35	ASX CGC 3.2
3.3 Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.	No	Page 35	ASX CGC 3.3
3.4 Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	No	Page 35	ASX CGC 3.4
3.5 Companies should provide the information indicated in the guide to reporting on Principle 3.	Yes	Page 35	ASX CGC 3.3

Recommendation	Comply Yes / No	Reference / explanation	ASX Listing Rule / CGC recommendations
Principle 4 – Safeguard integrity in financial reporting			
4.1 The Board should establish an audit committee.	Yes	Page 35	ASX CGC 4.1
4.2 The audit committee should be structured so that it: • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chair of the Board • has at least three members	Yes	Page 35	ASX CGC 4.2 ASX LR 12.7
4.3 The audit committee should have a formal charter.	Yes	Page 35	ASX CGC 4.3
4.4 Companies should provide the information indicated in the guide to reporting on Principle 4.	Yes	Website	ASX CGC 4.4
Principle 5 – Make timely and balanced disclosure			
5.1 Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes	Website	ASX CGC 5.1
5.2 Companies should provide the information indicated in the guide to reporting on Principle 5.	Yes	Page 37	ASX CGC 5.2
Principle 6 – Respect the rights of shareholders			
6.1 Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Yes	Page 37	ASX CGC 6.1
6.2 Companies should provide the information indicated in the guide to reporting on Principle 6.	Yes	Page 37	ASX CGC 6.2

Corporate governance statement (continued)

Recommendation	Comply Yes / No	Reference / explanation	ASX Listing Rule / CGC recommendations
Principle 7 – Recognise and manage risk			
7.1 Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes	Page 36	ASX CGC 7.1
7.2 The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Yes	Page 36	ASX CGC 7.2
7.3 The Board should disclose whether it has received assurance from the CEO and the Chief Financial Officer (CFO) that the declaration provided in accordance with section 295A of the <i>Corporations Act</i> is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes	Page 36	ASX CGC 7.3
7.4 Companies should provide the information indicated in the guide to reporting on Principle 7.	Yes	Page 36	ASX CGC 7.4
Principle 8 – Remunerate fairly and responsibly			
8.1 The Board should establish a remuneration committee.	Yes	Page 36	ASX CGC 8.1
8.2 The remuneration committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent chair • has at least three members	No	Page 36	ASX CGC 8.2
8.3 Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Yes	Refer to remuneration report	ASX CGC 8.3
8.4 Companies should provide the information indicated in the guide to reporting on Principle 8.	Yes	Page 36	ASX CGC 8.4

Noble Mineral Resources Limited's corporate governance practices were in place throughout the year ended 30 June 2012.

Various corporate governance practices are discussed within this statement. For further information on corporate governance policies adopted by Noble Mineral Resources Limited, refer to our website: www.nobleminres.com.au/live/about/corporate-governance/

Board functions

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

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

The responsibility for the operation and administration of the Group is delegated, by the Board, to the Managing Director ("MD") and the executive management team. The Board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the MD and the executive management team.

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

To this end the Board has established the following committees:

- Audit and Risk
- Nomination and Remuneration

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

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

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

Other functions reserved to the Board include:

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

Structure of the Board

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

Corporate governance statement (continued)

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

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

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

<i>Name</i>	<i>Position</i>
Brian Thomas	Non-executive director
Xi Xi	Non-executive director

Although Mr Thomas holds 256,250 fully paid ordinary shares, 25,000 listed options and 2,000,000 unlisted options and Ms Xi holds 2,000,000 unlisted options in the Company, the Board considers this immaterial.

The Company is at variance with Recommendations 2.1 and 2.2 in that the majority of directors are not independent and the Chairman is not independent. The Board has determined that the composition of the current Board represents the best mix of directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the performance of management. Furthermore, each individual member of the Board is satisfied that whilst the Company may not comply with Recommendations 2.1 and 2.2, all directors bring an independent judgment to bear on Board decisions.

The Board recognises the Corporate Governance Council's recommendation that the Chair should be an independent director. The Chairman, HRH Tunku Naquiyuddin, does not satisfy the tests of independence as detailed in the Recommendations. The Board believes that HRH Tunku Naquiyuddin is the most appropriate person to lead the Board and that he is able to and does bring quality and independent judgment to all relevant issues falling within the scope of the role of Chairman and that the Group as a whole benefits from his long standing experience of its operations and business relationships and hence is considered independent.

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

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

<i>Name</i>	<i>Term in office</i>
HRH Tunku Naquiyuddin	4 years
Wayne Norris	4 years
Brian Thomas	2 year
Xi Xi	1 year

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

Performance

The performance of the Board and key executives are reviewed in accordance with the Performance Evaluation Process. Subsequent to the end of the reporting period, the nomination committee will conduct performance evaluations involving an assessment of each Board member's and key executive's performance against specific and measurable qualitative and quantitative performance criteria.

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

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

Diversity Policy

The Company is at variance with Recommendation 3.2 in that it has not yet established a Diversity Policy. The Board will give consideration to the ASX recommendation during the 2012/13 financial year.

Gender Diversity

The Board is responsible for establishing and monitoring on an annual basis the achievement against gender diversity objectives and strategies, including the representation of women at all levels of the organisation.

The proportion of women within the whole organisation as at the date of this report is as follows:

Women employees in the whole organisation	8%
Women in senior executive positions	0%
Women on the Board of Directors	25%

The Company is at variance with Recommendation 3.3 in that it has not set or disclosed measurable objectives for achieving gender diversity in accordance with its Diversity Policy. Due to the size of the Company, the Board does not deem it practical to limit the Company to specific targets for gender diversity as it operates in a very competitive labour market where positions are sometimes difficult to fill. However, every candidate suitably qualified for a position has an equal opportunity of appointment regardless of gender, age, ethnicity or cultural background.

Nomination and Remuneration committee

The Board has established a nomination and remuneration committee to ensure that the Board continues to operate within the established guidelines, including when necessary, selecting candidates for the position of director. The nomination and remuneration committee comprises non-executive directors. The nomination and remuneration committee comprised the following members throughout the year:

HRH Tunku Naquiyuddin (Committee Chairman)
 Brian Thomas
 Xi Xi (from 12 March 2012)

For details of directors' attendance at meetings of the nomination and remuneration committee, refer to the directors' report. For additional details regarding the nomination and remuneration committee including its charter please refer to our website.

Prior to the appointment of Miss Xi Xi on 12 March 2012, the Company was at variance with Recommendation 2.4 in that the Nomination and Remuneration Committee only had two members. The Board considered that the composition was appropriate during the period given the size of the Company and Board structure.

Audit and Risk committee

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

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

The members of the audit and risk committee during the year were:

Brian Thomas (Committee Chairman)
 HRH Tunku Naquiyuddin
 Xi Xi (from 12 March 2012)

Qualifications of audit and risk committee members

The qualifications of the audit and risk committee members are set out in the directors' report.

Corporate governance statement (continued)

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

Prior to the appointment of Ms Xi Xi on 12 March 2012, the Company was at variance with Recommendation 4.2 in that the Audit and Risk Committee only had two members. The Board considered that the composition was appropriate during the period given the size of the Company and Board structure. Furthermore, the Board considered that the Audit and Risk Committee was of a sufficient size and independence and possessed sufficient technical expertise to discharge its mandate effectively.

Risk

The Board has continued its proactive approach to risk management. The identification and effective management of risk, including calculated risk-taking is viewed as an essential part of the Company's approach to creating long-term shareholder value.

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

The Board oversees an annual assessment of the effectiveness of risk management and internal compliance and control. The tasks of undertaking and assessing risk management and internal control effectiveness are delegated to management through the Managing Director, including responsibility for the day to day design and implementation of the company's risk management and internal control system. Management reports to the Board on the company's key risks and the extent to which it believes these risks are being adequately managed. The reporting on risk by management is a standing agenda item at Board meetings.

MD and CFO certification

In accordance with section 295A of the Corporations Act, the MD and CFO have provided a written statement to the Board that:

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

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

Remuneration

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. The expected outcomes of the remuneration structure are:

- Retention and motivation of key executives
- Attraction of high quality management to the Company
- Performance incentives that allow executives to share in the success of Noble Mineral Resources Limited

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

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

The Board is responsible for determining and reviewing compensation arrangements for the directors themselves, the MD and executive team. The Board has established a nomination and remuneration committee, comprising non-executive directors. Members of the nomination and remuneration committee throughout the year were:

HRH Tunku Naquiyuddin (Committee Chairman)
 Brian Thomas
 Xi Xi (from 12 March 2012)

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

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

The Company is at variance with Recommendation 8.1 in that the Nomination and Remuneration Committee is not chaired by an independent director. The Board considers that this composition is appropriate given the current size of the Company and Board structure.

Shareholder communication policy

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

Noble Mineral Resources Limited is committed to:

- Ensuring that shareholders and the financial markets are provided with full and timely information about Noble's activities in a balanced and understandable way
- Complying with continuous disclosure obligations contained in the ASX listing rules and the Corporations Act in Australia
- Communicating effectively with its shareholders and making it easier for shareholders to communicate with Noble Mineral Resources Limited

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

- Through the release of information to the market via the ASX
- Through the distribution of the annual report and notices of annual general meeting
- Through shareholder meetings and investor relations presentations
- Through letters and other forms of communications directly to shareholders
- By posting relevant information on Noble's website:
www.nobleminres.com.au

The Company's website www.nobleminres.com.au has a dedicated investor relations section for the purpose of publishing all important company information and relevant announcements made to the market.

The external auditors are required to attend the annual general meeting and are available to answer any shareholder questions about the conduct of the audit and preparation of the audit report.

Consolidated statement of financial position

As at 30 June 2012

		Consolidated	
	Note	2012 US \$ (000)	2011 US \$ (000)
ASSETS			
Current Assets			
Cash and cash equivalents	14	3,421	9,430
Consumables	12	9,761	5,022
Trade and other receivables	13	1,800	201
Other assets	15	4,570	9,430
Total current assets		19,552	24,083
Non-current assets			
Exploration and evaluation assets	9	15,179	4,765
Property, plant and equipment	10	127,739	81,764
Mine properties	11	38,398	9,918
Trade and other receivables	13	4,032	824
Other assets	15	3,070	2,888
Total non-current assets		188,418	100,159
TOTAL ASSETS		207,970	124,242
LIABILITIES			
Current Liabilities			
Accounts payable and other payables	19	36,403	13,647
Interest-bearing loans and borrowings	17	29,647	34,646
Provisions	18	926	1,590
Derivative financial instruments	25	3,200	2,947
Income tax payable		935	-
Total current liabilities		71,111	52,830
Non-current liabilities			
Provisions	18	10,235	9,481
Deferred tax liability	7	331	8,314
Interest-bearing loans and borrowings	17	4,930	-
Total non-current liabilities		15,496	17,795
TOTAL LIABILITIES		86,607	70,625
NET ASSETS		121,363	53,617
EQUITY			
Issued capital	16	157,977	78,373
Reserves	20	4,410	850
Accumulated losses		(41,024)	(25,606)
TOTAL EQUITY		121,363	53,617

The accompanying notes form part of these financial statements.

Consolidated statement of comprehensive income

For the year ended 30 June 2012

	Note	Consolidated	
		2012 US \$ (000)	2011 US \$ (000)
Revenue	4	755	568
Other income	4	1,011	2,731
Gain (loss) on derivative financial instruments	25	3,995	(1,999)
General and administrative expenses	5	(27,698)	(21,719)
Exploration and evaluation expenses written off		(45)	(177)
Borrowing expenses	6	(484)	(121)
Other expenses		-	-
Loss before income tax		(22,466)	(20,717)
Income tax benefit	7	7,048	-
Net loss for the year		(15,418)	(20,717)
Other comprehensive income			
Exchange differences arising on translation of operations		-	-
Total other comprehensive income		-	-
Total comprehensive loss for the year		(15,418)	(20,717)
Losses per share for loss from continuing operations attributable to the ordinary equity holders:		Cents	Cents
Basic losses per share	8	(2.95)	(5.87)
Diluted losses per share	8	(2.95)	(5.87)

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

For the year ended 30 June 2012

	Issued Capital US \$ (000)	Foreign Currency Translation Reserve US \$ (000)	Option Reserve US \$ (000)	Accumulated Losses US \$ (000)	Total US \$ (000)
Balance as at 1 July 2011	78,373	310	540	(25,606)	53,617
Net profit (loss) for the year	-	-	-	(15,418)	(15,418)
Other comprehensive income	-	-	-	-	-
Total comprehensive profit (loss) for the year	-	-	-	(15,418)	(15,418)
Issue of share capital	65,191	-	-	-	65,191
Share based payments	-	-	3,560	-	3,560
Exercise of options	23,619	-	-	-	23,619
Share issue costs	(9,206)	-	-	-	(9,206)
Balance as at 30 June 2012	157,977	310	4,100	(41,024)	121,363
Balance as at 1 July 2010	41,954	310	-	(4,889)	37,375
Net profit (loss) for the year	-	-	-	(20,717)	(20,717)
Other comprehensive income	-	-	-	-	-
Total comprehensive profit (loss) for the year	-	-	-	(20,717)	(20,717)
Issue of share capital	35,474	-	-	-	35,474
Share based payments	-	-	540	-	540
Exercise of options	2,945	-	-	-	2,945
Share issue costs	(2,000)	-	-	-	(2,000)
Balance as at 30 June 2011	78,373	310	540	(25,606)	53,617

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows

For the year ended 30 June 2012

		Consolidated	
	Note	2012 US \$ (000)	2011 US \$ (000)
Cash flows from operating activities			
Interest income received		292	568
Interest expense paid		(1,644)	(87)
Receipts from equipment rental		470	-
Payments to suppliers and employees		(22,025)	(21,691)
Payments for exploration and evaluation expenditure		(45)	(177)
Net cash flows used in operating activities	27	(22,952)	(21,387)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		4	10
Purchase of property, plant and equipment		(62,472)	(19,261)
Receipts from gold sales capitalised to development		6,107	-
Prepayments on property, plant and equipment		-	(8,588)
Payments for exploration and evaluation assets		(9,870)	(4,251)
Advancement of loans to subsidiary prior to acquisition		-	(5,491)
Cash acquired on acquisition of subsidiary		-	3,124
Net cash flows used in investing activities		(66,231)	(34,457)
Cash flows from financing activities			
Proceeds from issue of share capital		88,637	32,461
Share issue costs		(3,441)	(1,459)
Proceeds from borrowings		6,435	1,100
Repayment of borrowings		(6,387)	(616)
Payment of finance lease liabilities		(121)	-
Funding of Debt Service Reserve Account		(3,506)	-
Other		-	397
Net cash flows from financing activities		81,617	31,883
Net decrease in cash and cash equivalents		(7,566)	(23,961)
Net foreign exchange differences		1,515	2,450
Cash and cash equivalents at the beginning of the year		9,378	30,889
Cash and cash equivalents at the end of the year		3,327	9,378
Analysis of balances of cash and cash equivalents:			
Cash at bank and in hand		3,057	9,392
Short-term deposits		364	38
Cash and cash equivalents as stated			
In the statement of financial position	14	3,421	9,430
Overdraft	19	(94)	(52)
Cash and cash equivalents as stated		3,327	9,378
In the statement of cash flows		3,327	9,378

The accompanying notes form part of these financial statements.

Notes to the consolidated financial statements

For the year ended 30 June 2012

1. Corporate information

The consolidated financial statements of Noble Mineral Resources Limited ("Noble") for the year ended 30 June 2012 were authorised for issue in accordance with a resolution of the directors on 28 September 2012. Noble is a limited company incorporated and domiciled in Australia whose shares are quoted on the Australian Securities Exchange.

The principal activities of the Group are the exploration for, development and production of gold.

2. Principal activities

The principal activities of the Group during the financial year were the ongoing refurbishment and testing and commissioning of the processing plant at the Bibiani project in Ghana, the associated ramp up of mining activities and the ongoing feasibility study of the project, including drilling campaigns at Bibiani.

2.1. Basis of preparation

The consolidated financial statements of Noble and all its subsidiaries (the "Group") are general purpose financial reports which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. The consolidated financial statements are presented in US dollars and all values are rounded to the nearest thousand (US\$ thousand) except when otherwise indicated. The Company is a for profit entity.

Compliance Statement

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

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group as at 30 June 2012. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full. Where the ownership of a subsidiary is less than 100%, and therefore a non-controlling interest/s exists, any losses of that subsidiary are attributed to the non-controlling interest/s even if that results in a deficit balance.

(a) Going concern

The directors have prepared the financial report of the consolidated entity on a going concern basis which contemplates the continuity of normal business activity and realisation of assets and settlement of liabilities in the normal course of business.

During the year ended 30 June 2012, the consolidated entity ("the Group") incurred net losses of \$15.418m (2011: \$20.717m) and had a net cash outflow of \$7.566m (2011: \$23.961m outflow). At balance date, the Group had a net working capital deficiency of \$58.2m (2011: \$38.6m).

The Group requires approximately \$41.2m in additional capital to support the Group's ongoing working capital requirements which are sensitive to the time it will take to get the Bibiani Gold Mine into commercial production. Any material delays in getting the mine into a cash-flow positive situation could materially impact the Group's future cash flow requirements.

2.1 Basis of preparation (continued)

At 30 June 2012, the delay of milestone achievements and related events has constituted non-compliance under the Investec Bank project loan facility. As a consequence, Investec has various additional rights in respect of the facility. These rights include additional monitoring of the Bibiani project, control of the project's proceeds account and, ultimately, the right to declare the loan immediately due and payable and enforce its security. Investec has not declared the loan immediately due and payable nor enforced its security, however, the Company has received various letters from Investec that reserve Investec's rights in respect of the non-compliance. In accordance with Australian Accounting Standards, the facility has been classified as current.

The consolidated financial report has been prepared on a going concern basis that the consolidated entity will continue, due to the following mitigating events that occurred subsequent to year-end.

The consolidated financial report has been prepared on a going concern basis that the consolidated entity will continue, due to the following mitigating events that occurred subsequent to year-end.

1. On 27 September 2012 Noble announced that it has entered into agreements with the Zhongrun Group ("Zhongrun"), a major Chinese mining and investment group, whereby Zhongrun will invest A\$84.7m in Noble and become the Company's largest shareholder. Zhongrun will subscribe for new ordinary shares in Noble via a placement to be executed in two separate tranches:
 - (i) 101.8m shares to be issued at A\$0.16 per share (Tranche 1) – subject to Noble shareholder approval at an EGM in late October 2012, and
 - (ii) 380.0m shares to be issued at A\$0.18 per share (Tranche 2). As part of Tranche 2, Zhongrun will also be issued with options providing Zhongrun with the opportunity to subscribe for an additional 240.9m shares in Noble at a price of A\$0.23 per share over a three year period – subject to completion of Tranche 1, Zhongrun obtaining certain Chinese regulatory approvals, Noble shareholder approval, Zhongrun shareholder approval and the lodgement of a prospectus by Noble with the Australia Securities and Investments Commission. Tranche 2 funding is expected to be received by early 2013.
2. On 12 September 2012, the Company received firm commitments from sophisticated and institutional investors and a Company Director for the issue of approximately 68.8 million shares at A\$0.16 per share, to raise approximately A\$11,000,000. Participants received one free-attaching option for every 2 shares. The options are exercisable at A \$0.20 each, expire on 30 September 2015 and entitle the holder to one Ordinary Share in the Company once exercised. As at the date of this report, the Company had issued 45,375,000 ordinary shares and 22,687,500 options. Shareholder approval will be required to approve the issue of the remaining 23,425,000 ordinary shares and approximately 11,712,500 options.

The Directors are confident that the matters set out below will be achieved, in forming the view that the Group is a going concern at the date of signing the financial report:

1. The working capital deficiency can be managed during the period up to and including the date of when the expected funding from the Zhongrun transaction and the outstanding funding from sophisticated and institutional investors will be received;
2. Noble share-holders will approve both the Zhongrun and sophisticated and institutional investors transactions and relevant regulatory approvals for the Zhongrun transaction, as mentioned above, will be received within the expected time-frame;
3. That Investec will remain supportive of the Company, and will not call the outstanding principal and interest on the Investec project loan facility to be due and payable immediately, as a result of the events of non compliance; and
4. Forecasted planned production targets and cash-flow estimates for the Bibiani Project are met.

Should the consolidated entity be unable to materially achieve any of the matters set out above, there is significant uncertainty as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the consolidated entity not be able to continue as going concern.

Notes to the consolidated financial statements (cont'd)

For the year ended 30 June 2012

2.2. Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

In particular, information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements is described below.

Mine rehabilitation

The Group assesses its mine rehabilitation provision annually. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates 2.7% (2011: 3%), and changes in discount rates 3.5% (2011: 4.75%). These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required. Changes to estimated future costs are recognised in the statement of financial position by either increasing or decreasing the rehabilitation liability and related asset if the initial estimate was originally recognised as part of an asset. Any reduction in the rehabilitation liability and therefore any deduction from the related asset may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to profit or loss.

If the change in estimate results in an increase in the rehabilitation liability and therefore an addition to the carrying value of the asset, the entity is required to consider whether this is an indication of impairment of the asset as a whole and test for impairment. If, for mature mines, the revised mine assets net of rehabilitation provisions exceeds the recoverable value, that portion of the increase is charged directly to expense. For closed sites, changes to estimated costs are recognised immediately in profit or loss. Also, rehabilitation obligations that arose as a result of the production phase of a mine, should be expensed as incurred.

Ore reserve and resource estimates

Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties. The Group estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the ore body, and requires complex geological judgments to interpret the data.

The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body. Changes in the reserve or resource estimates may impact upon the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, goodwill, provision for rehabilitation, recognition of deferred tax assets, and depreciation and amortisation charges.

Exploration and evaluation expenditure (Note 9)

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale. The determination of a Joint Ore Reserves Committee (JORC) resource is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in profit or loss in the period when the new information becomes available.

2.2. Significant accounting judgments, estimates and assumptions (continued)

Impairment of assets

The Group assesses each cash generating unit annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, exploration potential and operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Management has assessed its cash generating units as being an individual mine site, which is the lowest level for which cash inflows are largely independent of those of other assets.

Consequently, unless indicated otherwise, the recoverable amount used in assessing the fair value described below is value in use.

The calculation of value in use is most sensitive to the following assumptions:

- Production volumes
- Discount rates
- Metal prices
- Operating costs

Estimated production volumes are based on detailed life of mine plans and take into account development plans for the mines agreed by management as part of the long-term planning process. It is estimated that, if all production were to be reduced by 5% for the whole life of mine plan, this would not be sufficient to reduce the excess of the recoverable amount over the carrying amounts of the individual cash generating units to zero.

Consequently, management believes no reasonably possible change in the production assumption would cause the carrying amount of non-current assets to exceed their recoverable amount.

Contingencies (Note 21)

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Production start date

The Group assesses the stage of the mine under construction to determine when the mine moves into the production stage being when the mine is substantially complete and ready for its intended use. The criteria used to assess the start date are determined based on the unique nature of the mine construction project, such as the complexity of a plant and its location.

The Group considers various relevant criteria to assess when the production phases is considered to commence and all related amounts are reclassified from 'Mines under construction' to 'Producing mines' and 'Property, plant and equipment'.

Some of the criteria used will include, but are not limited to, the following:

- Level of capital expenditure incurred compared to the original construction cost estimates
- Completion of a reasonable period of testing of the mine plant and equipment
- Ability to produce gold in saleable form (within specifications)
- Ability to sustain ongoing production of gold

When the mine development / construction project moves into the production stage, the capitalisation of certain mine development / construction costs ceases and costs are either regarded as forming part of the cost of inventory or expensed, except for costs that qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development. It is also at this point that depreciation / amortisation commences.

Notes to the consolidated financial statements (cont'd)

For the year ended 30 June 2012

2.2. Significant accounting judgments, estimates and assumptions (continued)

Recovery of deferred tax assets (Note 7)

Judgment is required in determining whether deferred tax assets are recognised on the statement of financial position. Deferred tax assets, including those arising from un-utilised tax losses, require management to assess the likelihood that the Group will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

2.3. Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year.

(i) Adoption of new and amended accounting standards and interpretations

The Group has adopted all new and amended Accounting Standards and Interpretations effective from 1 July 2011. The adoption of these standards and interpretations had no impact.

AASB 124 Related Party Disclosures (December 2009)

The revised AASB 124 *Related Party Disclosures (December 2009)* simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, including:

- (a) The definition now identifies a subsidiary and an associate with the same investor as related parties of each other

AASB 124 Related Party Disclosures (December 2009) (continued)

- (b) Entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other
- (c) The definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other

A partial exemption is also provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.

AASB 2009 – 12 Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]

Makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations. In particular, it amends AASB 8 *Operating Segments* to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. It also makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB.

2.3. Changes in accounting policies and disclosures (continued)

AASB 2010 – 4 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]

Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments. Clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. Provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions. Clarifies that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.

AASB 2010 – 5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]

This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB. These amendments have no major impact on the requirements of the amended pronouncements.

AASB 1054 Australian Additional Disclosures

This standard is as a consequence of phase 1 of the joint Trans-Tasman Convergence project of the AASB and FRSB.

This standard, with AASB 2011-1 relocates all Australian specific disclosures from other standards to one place and revises disclosures in the following areas:

- (a) Compliance with Australian Accounting Standards
- (b) The statutory basis or reporting framework for financial statements
- (c) Whether the entity is a for-profit or not-for-profit entity
- (d) Whether the financial statements are general purpose or special purpose
- (e) Audit fees
- (f) Imputation credits

2.4. Summary of significant accounting policies

(a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

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

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit or loss.

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

Notes to the consolidated financial statements (cont'd)

For the year ended 30 June 2012

2.4. Summary of significant accounting policies (continued)

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the fair value of the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation then determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(b) Mineral exploration, evaluation and development expenditure

Pre-licence costs

Pre-licence costs are expensed in the period in which they are incurred.

Exploration and evaluation costs

Costs related to the acquisition of licences are capitalised until the viability of the area of interest is determined.

Exploration and evaluation expenditure incurred on licences where a JORC compliant resource has not yet been established is expensed as incurred until sufficient evaluation has occurred in order to establish a JORC compliant resource. Costs expensed during this phase are included in 'exploration expenditure' in profit or loss. These costs include materials and fuel used, surveying costs, drilling costs and payments made to contractors.

Upon the establishment of a JORC compliant resource (at which point, the Group considers it probable that economic benefits will be realised), the Group capitalises any further evaluation costs incurred for the particular licence to exploration and evaluation assets up to the point when a JORC compliant reserve is established.

In evaluating if expenditures meet the criteria to be capitalised, several different sources of information are utilised. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed.

Exploration and evaluation assets acquired in a business combination are initially recognised at fair value. They are subsequently measured at cost less accumulated impairment. Once JORC compliant reserves are established and development is sanctioned, exploration and evaluation assets are tested for impairment and transferred to 'Mines under construction'. No amortisation is charged during the exploration and evaluation phase.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Mine properties

Upon transfer of 'Exploration and evaluation costs' into 'Mine properties', all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalised within 'Mine properties'. Development expenditure is net of proceeds from all but the incidental sale of ore extracted during the development phase.

2.4. Summary of significant accounting policies (continued)

(c) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Depreciation / amortisation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. The asset's residual value and useful lives are reviewed and adjusted if appropriate, at each statement of financial position date. There have been no significant changes in useful life estimates.

The premium paid in excess of the intrinsic value of land to gain access is amortised over the life of mine.

Other plant and equipment such as mobile mine equipment is generally depreciated on a straight-line basis over their estimated useful lives as follows:

• Concession land and buildings	10 years
• Leasehold land and buildings	10 years
• Mining plant and equipment	5 years
• Motor vehicles	2 to 4 years
• Furniture and fittings	3 to 5 years
• Computer equipment	2 to 3 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation/amortisation are reviewed at each reporting period, and adjusted prospectively if appropriate.

Major maintenance and repairs

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets and overhaul costs. Where an asset or part of an asset that was separately depreciated and is now written off is replaced, and it is probable that future economic benefits associated with the item will flow to the Group through an extended life, the expenditure is capitalised.

Where part of the asset was not separately considered as a component, the replacement value is used to estimate the carrying amount of the replaced assets which is immediately written off. All other day to day maintenance costs are expensed as incurred.

(d) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the asset is tested as part of a larger CGU.

Notes to the consolidated financial statements (cont'd)

For the year ended 30 June 2012

2.4. Summary of significant accounting policies (continued)

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated.

Impairment losses of continuing operations, including impairment of inventories, are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

(e) Financial instruments – initial recognition and subsequent measurement

i) Financial assets

Initial recognition and measurement

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and short-term deposits, trade and other receivables and loans and other receivables.

2.4. Summary of significant accounting policies (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in profit or loss. The losses arising from impairment are recognised in profit or loss in finance costs.

Collectability of loans and receivables are reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss or as loans and borrowings at amortised cost. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Interest-bearing loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derivative financial instruments

Derivative financial instruments are initially stated at their fair value on the date a derivative contract is executed and are subsequently remeasured at each reporting date. The resulting gain or loss is recognised in the statement of comprehensive income during each reporting period.

Notes to the consolidated financial statements (cont'd)

For the year ended 30 June 2012

2.4. Summary of significant accounting policies (continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

iv) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 25.

Cash and short-term deposits

Cash and cash equivalents in the statement of financial position comprise cash at banks and at hand and short-term deposits with an original maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(f) Consumables

Materials and supplies are valued at the lower of cost and net realisable value. An allowance for obsolescence is determined by reference to specific items of stock. A regular review is undertaken to determine the extent of any obsolescence.

Consumables are measured using weighted average costs.

(g) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a lessee

Operating lease payments are recognised as an operating expense in profit or loss on a straight-line basis over the lease term.

2.4. Summary of significant accounting policies (continued)

(h) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

Rehabilitation and decommissioning provision

The Group records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground / environment is disturbed at the production location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related mining assets to the extent that it was incurred by the development / construction of the mine. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability.

The periodic unwinding of the discount is recognised in profit or loss as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur.

Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave due to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave

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

Notes to the consolidated financial statements (cont'd)

For the year ended 30 June 2012

2.4. Summary of significant accounting policies (continued)

(i) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

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

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

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the parent, investor or venturer and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

The Group recognises neither the deferred tax asset regarding the temporary difference on the rehabilitation liability, nor the corresponding deferred tax liability regarding the temporary difference on the rehabilitation asset.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered.

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

2.5. Standards and interpretations issued but not yet effective

AASB 10 Consolidated Financial Statements (effective 1 July 2013)

AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and UIG-112 *Consolidation – Special Purpose Entities*.

The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control.

Consequential amendments were also made to other standards via AASB 2011-7.

AASB 11 Joint Arrangements (effective 1 July 2013)

AASB 11 replaces AASB 131 *Interests in Joint Ventures* and UIG-113 *Jointly- controlled Entities – Non-monetary Contributions by Ventures*. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method.

Consequential amendments were also made to other standards via AASB 2011-7 and amendments to AASB 128.

AASB 12 Disclosure of Interests in Other Entities (effective 1 July 2013)

AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.

AASB 13 Fair Value Measurement (effective 1 July 2013)

AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets.

AASB 119 Employee Benefits (effective 1 July 2013)

The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognized in full with actuarial gains and losses being recognized in other comprehensive income. It also revised the method of calculating the return on plan assets.

The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date.

Consequential amendments were also made to other standards via AASB 2011-10.

Notes to the consolidated financial statements (cont'd)

For the year ended 30 June 2012

2.5. Standards and interpretations issued but not yet effective (continued)

Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine (effective 1 July 2013)

This interpretation applies to stripping costs incurred during the production phase of a surface mine. Production stripping costs are to be capitalised as part of an asset, if an entity can demonstrate that it is probable future economic benefits will be realised, the costs can be reliably measured and the entity can identify the component of an ore body for which access has been improved. This asset is to be called the “stripping activity asset”.

The stripping activity asset shall be depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. The units of production method shall be applied unless another method is more appropriate. Consequential amendments were also made to other standards via AASB 2011-12.

AASB 2012 – 5 Amendment to Australian Accounting Standard arising from Annual Improvements 2009 – 2011 Cycle (effective 1 July 2013)

AASB 2012-5 makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The Standard addresses a range of improvements, including the following:

- repeat application of AASB 1 is permitted (AASB 1); and
- clarification of the comparative information requirements when an entity provides a third balance sheet (AASB 101 Presentation of Financial Statements).

Annual Improvements 2009–2011 Cycle (effective 1 July 2013)

This standard sets out amendments to Standards and the related bases for conclusions and guidance.

The following items are addressed by this standard:

AASB 1 First-time Adoption of International Financial Reporting Standards

- Repeated application of AASB 1
- Borrowing costs

AASB 101 Presentation of Financial Statements

- Clarification of the requirements for comparative information

AASB 116 Property, Plant and Equipment

- Classification of servicing equipment

AASB 132 Financial Instruments: Presentation

- Tax effect of distribution to holders of equity instruments

IAS 134 Interim Financial Reporting

- Interim financial reporting and segment information for total assets and liabilities

AASB 1053 Application of Tiers of Australian Accounting Standards (effective 1 July 2013)

This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements:

- (a) Tier 1: Australian Accounting Standards
- (b) Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements

Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements.

The following entities apply Tier 1 requirements in preparing general purpose financial statements:

- (a) For-profit entities in the private sector that have public accountability (as defined in this Standard)
- (b) The Australian Government and State, Territory and Local Governments

2.5. Standards and interpretations issued but not yet effective (continued)

The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements:

- (a) For-profit private sector entities that do not have public accountability
- (b) All not-for-profit private sector entities
- (c) Public sector entities other than the Australian Government and State, Territory and Local Governments.

Consequential amendments to other standards to implement the regime were introduced by AASB 2010-2, 2011-2, 2011-6, 2011-11 and 2012-1.

AASB 2012 – 2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities (effective 1 July 2013)

AASB 2012-2 principally amends AASB 7 *Financial Instruments: Disclosures* to require disclosure of information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

AASB 2012 – 3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (effective 1 July 2015)

AASB 2012-3 adds application guidance to AASB 132 *Financial Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

AASB 9 Financial Instruments (effective 1 July 2015)

AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below.

- (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.
- (b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
- (d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
 - The change attributable to changes in credit risk are presented in other comprehensive income (OCI)
 - The remaining change is presented in profit or loss

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.

Notes to the consolidated financial statements (cont'd)

For the year ended 30 June 2012

3. Operating segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the phase of each project as the risks are affected predominantly by differences in the phases in which each project is currently defined. Discrete financial information about each of these operating businesses is reported to the executive management team on at least a monthly basis.

The Group has the following segments:

Bibiani	Mineral exploration and development activities
Cape Three Points	Mineral exploration activities

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those contained in note 2 to the accounts:

Corporate charges

Corporate charges comprise non-segmental expenses such as head office expenses and interest. Corporate charges are not allocated to a segment.

Inter-entity transactions

Inter-entity management fees are recognised on an arm's length basis for services provided by the parent company to each segment.

Segment loans payable and loans receivable

Segment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates.

Unallocated items

The following items and associated assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Corporate interest revenue and corporate expenditure
- Fair value losses on derivative financial instruments
- Corporate assets and liabilities
- Tax balances

3. Operating segments (continued)

	Bibiani		Cape Three Points		Total	
	2012	2011	2012	2011	2012	2011
	US \$(000)	US \$(000)	US \$(000)	US \$(000)	US \$(000)	US \$(000)
Interest income	13	2	-	-	13	2
Other income	461	-	-	-	461	-
Total segment revenue	474	2	-	-	474	2
Corporate and other unallocated interest income					281	566
Total revenue per the statement of comprehensive income					755	568
Segment revenue reconciliation to the statement of comprehensive income						
<i>The analysis of the location of revenue is as follows:</i>						
Australia					280	566
Ghana					475	2
Result						
Segment result	(15,990)	(16,757)	490	539	(15,500)	(16,218)
Inter-segment eliminations					(4,033)	(300)
Corporate and other unallocated					4,115	(4,199)
Net profit (loss) before tax as per the statement of comprehensive income					(15,418)	(20,717)

Notes to the consolidated financial statements (cont'd)

For the year ended 30 June 2012

3. Operating segments (continued)

	Bibiani		Cape Three Points		Total	
	2012	2011	2012	2011	2012	2011
	US \$(000)	US \$(000)	US \$(000)	US \$(000)	US \$(000)	US \$(000)
Segment assets						
Segment assets	182,947	126,531	7,816	6,830	190,763	133,361
Inter-segment eliminations:						
Inter-entity loans					(11,086)	(51,390)
Corporate and unallocated assets					28,293	42,271
Total assets per the statement of financial position					207,970	124,242

Segment assets reconciliation to the statement of financial position

The analysis of the location of non-current assets other than financial instruments and deferred tax assets is as follows:

Australia	973	733
Ghana	179,118	98,602
Segment liabilities		
Segment liabilities	318,418	220,578
Inter-segment eliminations:		
Inter-entity loans		
Corporate and unallocated liabilities	8,730	8,234
	327,148	228,812
	(178,418)	(170,301)
	(62,123)	12,114
Total liabilities per the statement of financial position	86,607	70,625

4. Revenue and other income

	Consolidated	
	2012	2011
	US \$ (000)	US \$ (000)
(a) Revenue		
Interest income	294	568
Equipment rental	461	-
	755	568
(b) Other income		
Foreign currency gains	999	2,715
Profit on sale of plant and equipment	4	10
Other	8	6
	1,011	2,731

5. General and administrative expenses

An analysis of general and administrative expenses is as follows:

	Consolidated	
	2012	2011
	US \$ (000)	US \$ (000)
(a) Employee benefits expense		
Wages and salaries	7,815	7,123
Superannuation costs	310	363
Non-executive directors' fees	136	172
Share based payments	1,815	-
	10,076	7,658
(b) Depreciation included in the statement of comprehensive income		
Depreciation	1,188	794
(c) Lease payments and other expenses included in the statement of comprehensive income		
Minimum lease payments – operating lease	183	59
(d) Other material expenses included in the statement of comprehensive income		
Electricity	579	971
Insurance	1,464	1,281
Maintenance of plant, equipment and other	2,289	2,046
Security	863	666
Travel and accommodation	1,363	1,141
Fuel	1,012	294
	7,570	6,399

Notes to the consolidated financial statements (cont'd)

For the year ended 30 June 2012

6. Borrowing costs

	Consolidated	
	2012	2011
	US \$ (000)	US \$ (000)
Borrowing costs	1,967	1,579
Amounts capitalised to mine properties	(1,483)	(1,458)
	484	121

7. Income tax

	Consolidated	
	2012	2011
	US \$ (000)	US \$ (000)
(a) Income tax expense / benefit		
Current tax expense	935	-
Deferred tax expense	(6,833)	-
Prior year adjustment to deferred tax balances	(1,150)	-
Income tax benefit	(7,048)	-

(b) Reconciliations between tax benefit and pre-tax net loss

Loss before income tax benefit	(22,466)	(20,717)
Income tax calculated at 30%	(6,740)	(6,215)
Tax effect of:		
- Sundry amounts	115	108
- Provisions	98	1,005
- Depreciation	-	1,523
- Foreign exchange differences	7	(83)
- Capital raising costs deduction	(928)	(272)
- Non-deductible amortisation	4	-
- Loan restructuring costs	-	359
- Loss (gain) on revaluation of share options	(1,198)	579
- Interest disallowed	1,070	-
- Difference in global tax rates (current year temporary difference)	(1,437)	-
- Re-measurement of opening deferred tax balances on increase in tax rates	1,383	-
- Adjustment in respect of previous years	(1,150)	444
Future income tax benefit not brought to account	1,728	2,552
Income tax benefit	(7,048)	-

(c) Deferred Tax Liabilities

- Depreciable plant and equipment	12,491	8,297
- Unrealised foreign exchange gains	9	-
- Other	17	17
	12,517	8,314
Deferred tax liabilities offset by deferred tax assets	(12,186)	-
	331	8,314

7. Income tax (continued)

(d) Deferred Tax Assets

- Tax losses	16,438	31,229
- Provisions	4,747	2,087
- Unrealised foreign exchange losses	1,558	1,098
-		
	22,743	34,414
Deferred tax assets offset by deferred tax liabilities	(12,186)	-
Deferred tax assets not recognised	(10,557)	(34,414)
-		
	-	-

(e) Tax losses

Unused tax losses for which no deferred tax asset has been recognised (as recovery is not probable)

Potential at local tax rates	6,604 ¹	31,229 ²
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1. Includes \$3,489,000 losses in Noble Gold Bibiani Limited. These losses must be utilised by 30 June 2016, after which time they will not be recoverable.
2. Includes Noble Gold Bibiani Limited losses prior to the Group acquiring Noble Gold Bibiani Limited. As at 30 June 2011, these losses were uncertain, with the relevant tax returns not lodged at this date.

(f) Unrecognised temporary differences

Temporary differences for which deferred tax assets have not been recognised:

- Provisions	2,402	2,087
- Unrealised foreign exchange gain (loss)	1,550	1,098
Unrecognised deferred tax assets relating to the above temporary differences	3,952	3,185

Consolidated	
2012	2011
US \$ (000)	US \$ (000)

(g) Movement in deferred tax balances

Opening balance	8,314	-
Movement during the year	(9,366)	-
Effect of increase to tax rate	1,383	-
Acquisition of Noble Gold Bibiani Limited	-	8,314
Closing balance	331	8,314

(h) Tax rates

The potential tax benefit at 30 June 2012 in respect of tax losses not brought to account has been calculated at local rates of 30% for Australia and 35% for Ghana (2011: 30%).

Notes to the consolidated financial statements (cont'd)

For the year ended 30 June 2012

8. Loss per share

Basic earnings per share amounts are calculated by dividing the net loss for the year by the weighted average number of ordinary shares outstanding during the year.

	Consolidated	
	2012	2011
Net loss attributable to ordinary shareholders (US \$ 000)	(15,418)	(20,717)
Weighted average number of ordinary shares (number of shares - millions)	522.72	352.75
Basic and diluted earnings per ordinary share (US cents)	(2.95)	(5.87)

The total number of share options and conversion options outstanding at reporting date, but not considered to be dilutive is 132,827,002 (2011: 151,865,082). No shares have been issued after the reporting date as a result of the exercise of listed options.

In September 2012, the Company issued 45,375,000 ordinary shares at A\$0.16 per share. Participants received one free-attaching option for every 2 shares. The options are exercisable at A \$0.20 each, expire on 30 September 2015 and entitle the holder one Ordinary Share in the Company once exercised.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

9. Exploration and evaluation assets

	Consolidated	
	2012	2011
	US \$ (000)	US \$ (000)
At cost:		
As at 1 July	4,765	514
Additions	10,414	4,251
	15,179	4,765

Exploration and evaluation expenditure immediately expensed as per the accounting policy amount to US\$45,000 (2011: US\$177,000). The value of the Group's interest in exploration and evaluation assets is dependent upon the continuance of the Group's rights to tenure of the areas of interest, the results of future exploration and the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

10. Property, plant and equipment

	Work in progress US \$ (000)	Underground development US \$ (000)	Decommissioning US \$ (000)	Infrastructure US \$ (000)	Land and buildings US \$ (000)	Plant and equipment US \$ (000)	Motor vehicles US \$ (000)	Furniture and fittings US \$ (000)	Computer equipment US \$ (000)	Total US \$ (000)
<i>Cost</i>										
As at 30 June 2010	-	-	-	-	-	19	93	18	106	236
Additions	13,316	-	-	409	22	5,476	762	73	472	20,530
Acquisition of Bibiani	709	16,039	1,756	1,497	7,253	38,028	629	2	34	65,947
Disposals	-	-	-	-	-	(10)	-	-	-	(10)
As at 30 June 2011	14,025	16,039	1,756	1,906	7,275	43,513	1,484	93	612	86,703
Additions	43,961	-	-	1,281	1,035	8,160	571	6	740	55,753
Disposals	-	-	-	(147)	-	-	(60)	-	-	(207)
Reclassification	-	-	-	(913)	(98)	1,022	-	(11)	-	-
As at 30 June 2012	57,986	16,039	1,756	2,127	8,212	52,695	1,995	88	1,352	142,249
<i>Depreciation</i>										
As at 30 June 2010	-	-	-	-	-	(4)	(45)	(10)	(43)	(102)
Depreciation charge for the year	-	-	-	-	-	(408)	(233)	(33)	(121)	(795)
Capitalised to mine development	-	-	(250)	(128)	(388)	(3,276)	-	-	-	(4,042)
Disposals	-	-	-	-	-	-	-	-	-	-
As at 30 June 2011	-	-	(250)	(128)	(388)	(3,688)	(278)	(43)	(164)	(4,939)
Depreciation charge for the year	-	-	-	-	(7)	(439)	(414)	(28)	(300)	(1,188)
Capitalised to mine development	-	-	(38)	(303)	(969)	(7,126)	-	-	-	(8,436)
Disposals	-	-	-	10	-	-	42	-	-	52
Reclassification	-	-	-	412	-	(420)	-	8	-	-
As at 30 June 2012	-	-	(288)	(9)	(1,364)	(11,673)	(650)	(63)	(464)	(14,511)
Net book value:										
At 30 June 2011	14,025	16,039	1,506	1,778	6,887	39,825	1,206	50	448	81,764
At 30 June 2012	57,986	16,039	1,468	2,118	6,848	41,022	1,345	25	888	127,739

Finance leases

The carrying value of plant and equipment held under finance leases at 30 June 2012 was \$4,887,000 (2011: nil). Additions during the year include \$4,887,000 (2011: nil) of plant and equipment under finance leases. Leased assets are pledged as security for the related finance lease.

Notes to the consolidated financial statements (cont'd)

For the year ended 30 June 2012

11. Mine properties

	Consolidated	
	2012	2011
	US \$ (000)	US \$ (000)
At cost:		
As at 1 July	9,918	-
Additions	28,480	5,645
Acquisition of Bibiani	-	4,349
Expenditure written off	-	(76)
	38,398	9,918

12. Consumables

	Consolidated	
	2012	2011
	US \$ (000)	US \$ (000)
At cost:		
Materials and supplies	9,761	5,022
	9,761	5,022

13. Trade and other receivables

	Consolidated	
	2012	2011
	US \$ (000)	US \$ (000)
Current		
Trade debtors	(i) 1,541	-
Taxes recoverable	(ii) 14	-
Other receivables	245	201
	1,800	201
(i) Trade debtors are non-interest bearing.		
(ii) Taxes recoverable relate to Ghanaian Withholding Tax.		
Non-Current		
Taxes recoverable	(iii) 4,032	824
	4,032	824

- (iii) Taxes recoverable relate to VAT refundable from the Ghana Revenue Authority. The method of recovery of this receivable is currently under negotiation. This has been reclassified from current to non-current during the period, whilst these negotiations are taking place.

The carrying value of trade and other receivables approximate their fair value.

14. Cash and cash equivalents

		Consolidated	
		2012	2011
		US \$ (000)	US \$ (000)
Cash at bank and in hand	(i)	3,057	9,392
Short-term deposits	(ii)	364	38
		3,421	9,430

- (i) Cash at banks earns interest at floating rates based on daily bank deposit rates.
- (ii) Short-term deposits are made for varying periods, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

The fair value of cash and short-term deposits is US\$3,421,000 (2011: US\$9,430,000).

Risk exposure

The Group's exposure to interest rate risk is discussed at note 24. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash at cash equivalents mentioned above.

The Group only deposits cash surpluses with major banks of high quality credit standing.

At 30 June 2012, the Group had an undrawn finance lease facility with Bank of Africa Ghana Limited. The limit of this facility is US\$ 5,500,000. The facility is to enable the Company to purchase additional equipment for operations.

15. Other assets

		Consolidated	
		2012	2011
		US \$ (000)	US \$ (000)
Current			
Prepayments	(i)	1,064	9,415
Debt service reserve	(ii)	3,506	-
Borrowing costs		-	15
		4,570	9,430

- (i) Prepayments represent advanced payments to suppliers, prepaid insurance costs and plant and equipment and capital expenditure related to the mine refurbishment.
- (ii) The Debt Service Reserve account is required to be funded 3 months in advance of each quarterly repayment to Investec Bank Limited (refer note 17).

The carrying value of trade and other receivables approximate their fair value.

		Consolidated	
		2012	2011
		US \$ (000)	US \$ (000)
Non-current			
Rental bond	(iii)	68	8
EPA reclamation bond	(iv)	2,732	2,730
Foreign withholding tax credits		270	150
		3,070	2,888

- (iii) Rental bond is secured by a bank guarantee from ANZ Bank Limited.
- (iv) The EPA Reclamation Bond is an amount held in the joint name of Noble Gold Bibiani Ltd and Environmental Protection Agency (Ghana) with Barclays Bank (GH) Limited in relation to the rehabilitation provision concerning the Bibiani Gold Mine.

Notes to the consolidated financial statements (cont'd)

For the year ended 30 June 2012

16. Issued capital

Authorised

	Consolidated	
	2012	2011
	US \$ (000)	US \$ (000)
Ordinary share capital	157,977	78,373
(a) Ordinary shares issued and fully paid	Number	US \$ (000)
As at 1 July 2010	293,731,484	41,954
Issued during the year	102,039,397	36,419
At 30 June 2011	395,770,881	78,373
Share placements (i)	140,971,011	64,412
Exercise of options (ii)	71,856,060	23,619
Share purchase plan (iii)	1,550,000	779
Transaction costs (iv)	-	(9,206)
As at 30 June 2012	610,147,952	157,977

- (i) 140,971,011 shares were issued during the financial year:
 - 62,000,000 shares were issued at A \$0.55 each during October 2011.
 - 21,000,000 shares were issued at A \$0.48 each during February 2012.
 - 57,971,011 shares were issued at A \$0.345 each during April and June 2012.
- (ii) 64,518,051 options expiring 21 July 2011, 5,338,009 options expiring 21 July 2013 and 2,000,000 options expiring 19 August 2014 were exercised during the period at A \$0.30, A \$0.35 and A \$0.40 respectively.
- (iii) 1,550,000 shares were issued at A \$0.48 each during March 2012.
- (iv) The transaction costs represent the costs of issuing options and shares and the costs associated with the share placements and share purchase plan offer.

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

(b) Options

(i) Listed share options expiring 21 July 2011 Exercise price – A \$0.30

	Number
As at 1 July 2011	65,264,840
Exercise of options	(64,518,051)
Expiration of options	(746,789)
	-

(i) Listed share options expiring 21 July 2013 Exercise price – A \$0.35

	Number
As at 1 July 2011	74,350,242
Exercise of options	(5,338,009)
	69,012,233

(ii) Unlisted share options expiring 8 July 2014 Exercise price – A \$0.20

	Number
As at 1 July 2011	6,000,000
	6,000,000

16. Issued capital (continued)

(iii) Unlisted share options expiring 19 August 2014

Exercise price – A \$0.40

As at 1 July 2011

Exercise of options

Number

6,250,000

(2,000,000)

4,250,000

(iv) Unlisted share options expiring 31 October 2015

Exercise price – A \$0.55

As at 1 July 2011

Options issue

Number

-

(i) 5,000,000

5,000,000

(v) Unlisted share options expiring 30 November 2014

Exercise price – A \$0.83

As at 1 July 2011

Options issue

Number

-

(ii) 11,000,000

11,000,000

(vi) Unlisted share options expiring 30 November 2014

Exercise price – A \$0.83

As at 1 July 2011

Options issue

Options forfeited

Number

-

(iii) 9,629,230

(1,050,000)

8,579,230

(vii) Listed share options expiring 1 May 2015

Exercise price – A \$0.48

As at 1 July 2011

Options issue

Number

-

(iv) 28,985,539

28,985,539

- (i) 5,000,000 unlisted options expiring on 31 October 2015 were issued on 30 November 2011 to a consultant of the Company in consideration for assistance with the Company's capital raising initiatives, investor relations and marketing and promotional services as an incentive going forward to ensure the success of the Company. The options were issued following shareholder approval granted at the AGM held 30 November 2011. The options are exercisable at A \$0.55 each and entitle the holder one Ordinary Share in the Company once exercised.
- (ii) 11,000,000 unlisted options expiring on 30 November 2014 were issued to the directors and company secretary following shareholder approval granted at the AGM held on 30 November 2011. The options are exercisable at A \$0.83 each and entitle the holder one Ordinary Share in the Company once exercised.
- (iii) 9,629,230 unlisted options expiring on 30 November 2014 were issued to employees pursuant to the Company's Employee Option Plan. The Employee Option Plan was approved by shareholders at the AGM held 30 November 2011. The options are exercisable at A \$0.83 each and entitle the holder one Ordinary Share in the Company once exercised.
- (iv) 28,985,539 share options expiring on 1 May 2015 were issued to institutional and sophisticated investors who participated in the Company's capital raisings in April 2012 and June 2012. Participants received one free-attaching option for every 2 shares. The options are exercisable at A \$0.48 each, and entitle the holder one Ordinary Share in the Company once exercised.

Notes to the consolidated financial statements (cont'd)

For the year ended 30 June 2012

17. Interest-bearing loans and borrowings

	Effective interest rate %	Maturity	2012 US \$ (000)	2011 US \$ (000)
Current				
US\$1.1m bank loan facility (2011: \$1.1m)	9.0	Jun-12	-	484
US\$32m bank loan facility (2011: \$32m)	LIBOR + 4.0	Sep-14	28,260	34,162
Obligations under finance leases (note 21)	10.0	May-16	1,387	-
			29,647	34,646
Non-Current				
Obligations under finance leases (note 21)	10.0	May-16	4,930	-
			4,930	34,646

US\$1.1 million bank loan

The final repayment for this loan was made in June 2012.

US\$32 million bank loan

The Secured loan is a term loan obtained from Investec Bank Limited for partial financing and capital development for the Bibiani Gold Mine in 2007. Capital repayments of \$3,128,000 each have been made on 1 March 2012 and 1 June 2012. Subsequent payments of \$3,128,000 are due quarterly on 1 September, 1 December, 1 March and 1 June each year, until the date of the final capital repayment, which is due by 1 September 2014. The facility is secured by:

- Pledge of 100% of the shares in Noble Gold Bibiani Limited, who control the mine. Noble Mineral Resources Limited controls 100% of shares in Noble Mining Ghana Limited, who subsequently hold 100% of the issued capital Noble Gold Bibiani Limited.
- Debenture over all the assets of Noble Gold Bibiani Limited.
- Guarantee on loan exposure from Noble Mineral Resources Limited.

The delay of milestone achievements and related events has constituted non-compliance under the Investec Bank project loan facility. As a consequence, Investec has various additional rights in respect of the facility. These rights include additional monitoring of the Bibiani project, control of the project's proceeds account and, ultimately, the right to declare the loan immediately due and payable and enforce its security. Investec has not declared the loan immediately due and payable nor enforced its security, however, the Company has received various letters from Investec that reserve Investec's rights in respect of the non-compliance. In accordance with Australian Accounting Standards, the facility has been classified as current.

US\$ finance lease (note 21)

The finance lease is a facility obtained from Bank of Africa Ghana Limited for the refinancing of existing equipment. A lease payment of \$164,000 has been made on 1 June 2012. Subsequent payments of \$164,000 are due monthly, until the date of the final lease payment, which is due by 1 May 2016. The title to and ownership of the refinanced equipment (refer note 10) has been transferred to Bank of Africa Ghana Limited. The Company has no right of property, except the right to use the equipment, until the liquidations of all the obligations in connection with this facility. Upon the final liquidation of all the obligations of the Company, the title to and ownership of the equipment will revert back to the Company.

The carrying value of interest-bearing loans and other borrowings approximate their fair value.

18. Provisions

	Rehabilitation and decommissioning US \$ (000)	Other US \$ (000)	Total US \$ (000)
As at 1 July 2011	10,484	587	11,071
Arising during the year	-	189	189
Amounts used during the year	(473)	-	(473)
Unwinding of discount	374	-	374
At 30 June 2012	10,385	776	11,161
Comprising:			
Current 2012	150	776	926
Non-current 2012	10,235	-	10,235
	10,385	776	11,161
Current 2011	1,003	587	1,590
Non-current 2011	9,481	-	9,481
	10,484	587	11,071

Rehabilitation provision

The Group makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing the mines and installing and using those facilities. The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites. These provisions have been created based on work conducted by African Environmental Research Consulting Company Limited ("AERC"). Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. This, in turn, will depend upon the future gold price, which is inherently uncertain.

Other provisions

Other provisions comprise provisions for employee benefits.

19. Accounts payable and other payables

	Consolidated	
	2012 US \$ (000)	2011 US \$ (000)
Current		
Overdraft	94	52
Trade payables	(i) 30,884	12,939
Accrued liabilities	3,778	181
Taxes payable	(ii) 1,647	475
	36,403	13,647

The carrying value of trade and other payables approximate their fair value.

Terms and conditions of the above financial liabilities:

- (i) Trade payables are non-interest bearing and are normally settled on terms ranging from C.O.D to 180-day terms.
- (ii) Taxes (Australian GST, Ghanaian VAT and Ghanaian Withholding Tax) are paid when due in each jurisdiction.

Notes to the consolidated financial statements (cont'd)

For the year ended 30 June 2012

20. Reserves

	Foreign Currency Translation Reserve US \$ (000)	Consolidated Option Reserve US \$ (000)	Total US \$ (000)
As at 1 July 2010	310	-	310
Unlisted option issue – share-based payments	-	540	540
As at 1 July 2011	310	540	850
Unlisted option issue – share-based payments	-	3,560	3,560
	310	4,100	4,410

Nature and purpose of reserves:

Foreign currency translation reserve

This reserve is used to record exchange differences arising on translation of the group entities that do not have a functional currency of US dollars and have been translated for presentation purposes.

Option reserve

The reserve is used to record the value of equity benefits provided to consultants, employees, directors and company secretary as part of their remuneration. Refer to Note 23 for further details on share-based payments.

21. Capital commitments and other contingencies

Operating lease commitments – Group as lessee

The Company leases its offices in South Perth. The lease is for a 5 year period from 1 October 2011. The operating lease rentals are payable as follows:

	Consolidated 2012 US \$ (000)	2011 US \$ (000)
Within one year	260	50
After one year but not more than five years	892	12
More than five years	-	-
	1,152	62

Finance lease commitments – Group as lessee

The finance lease is a facility obtained from Bank of Africa Ghana Limited for the refinancing of existing equipment. The lease is for a 4 year period from 1 June 2012. The finance lease rentals are payable as follows:

	Consolidated 2012 US \$ (000)	2011 US \$ (000)
Within one year	1,975	-
After one year but not more than five years	5,760	-
More than five years	-	-
	7,735	-

21. Capital commitments and other contingencies

Capital commitments

	Consolidated	
	2012	2011
	US \$ (000)	US \$ (000)
Within one year	8,187	9,715
After one year but not more than five years	-	-
More than five years	-	-
	8,187	9,715

Exploration commitments

	Consolidated	
	2012	2011
	US \$ (000)	US \$ (000)
Within one year	230	364
After one year but not more than five years	-	-
After more than five years	-	-
	230	364

The Company has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Company's exploration program and priorities. These obligations are also subject to variations by negotiation, joint venturing or relinquishing some of the relevant tenements.

Project commitments

Cape Three Points Concession

The Company acquired a joint venture interest from Axmin Limited ("Axmin") with Consolidated Minerals Limited ("ConsMin") for a project consisting of a concession located in the Republic of Ghana ("Cape Three Points Concession"). In consideration for the acquisition of Axmin rights, interests and obligations in and to the Cape Three Points Concession, Noble must pay Axmin 1.5% of the gross smelter returns from the disposition of concentrates derived from ore mined from the Cape Three Points Concession and milled or concentrated by Noble.

The Company acquired the joint venture interest from ConsMin in December 2010. In consideration for the rights, interests and obligations to the Cape Three Points Concession, Noble must pay ConsMin US\$10,000 on every anniversary of the agreement for so long as Noble is in the process of exploration on the Concession, and 1% net refinery returns from the sale or other disposition of all gold produced from the property.

Remuneration commitments

	Consolidated	
	2012	2011
	US \$ (000)	US \$ (000)
Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities, payable:		
Within one year	781	859
After one year but not more than five years	574	1,388
After more than five years	-	-
	1,355	2,247

Notes to the consolidated financial statements (cont'd)

For the year ended 30 June 2012

22. Related party disclosures

The consolidated financial statements include the financial statements of Noble Mineral Resources and the subsidiaries listed in the following table:

	Country of incorporation	% equity interest	
		2012	2011
Noble Mineral Resources Ghana Limited	Ghana	100%	100%
Noble Mining Ghana Limited	Ghana	100%	100%
Noble Gold Bibiani Limited	(i) Ghana	100%	100%
Drilling and Mining Services Limited	Ghana	100%	100%

(i) Noble Mining Ghana Limited is the parent of Noble Gold Bibiani Limited

Noble Mineral Resources Limited is the ultimate parent of the consolidated entity.

Compensation of key management personnel of the Group

	Consolidated	
	2012 US \$ (000)	2011 US \$ (000)
Short-term employee benefits	1,799	1,968
Post-employment benefits	118	85
Share based payments	1,456	43
Total compensation paid to key management personnel	3,373	2,096

22. Related party disclosures (continued)

(a) Option holdings of key management personnel

30 June 2012	Balance at beginning of period 1 July 2011	Granted as remuneration	Pro-rata bonus issue	Options exercised	Net change other	Balance at end of period 30 June 2012	Total	Vested at 30 June 2012	Not exercisable
								Exercisable	
Directors									
Tunku Naquiyuddin ¹	-	2,500,000	-	-	-	2,500,000	2,500,000	2,500,000	-
Brian Thomas ²	50,000	2,000,000	-	(25,000)	-	2,025,000	2,025,000	2,025,000	-
Duncan Coutts ³	-	-	-	-	-	-	-	-	-
Wayne Norris ⁴	11,667,500	3,500,000	-	-	(2,001,250)	13,166,250	13,166,250	13,166,250	-
Xi Xi ⁵	-	2,000,000	-	-	-	2,000,000	2,000,000	2,000,000	-
Executives									
Roger Bannister	-	-	-	-	-	-	-	-	-
Erik Palmbachs	-	-	-	-	-	-	-	-	-
Mark Laing ^{6/7}	-	600,000	-	(94,456)	188,912	694,456	694,456	444,456	250,000
David Leavy ⁸	13,500	550,000	-	-	(563,500)	-	13,500	13,500	-
Peter Johnston ^{9/10}	-	550,000	-	-	(550,000)	-	550,000	550,000	-
Brian Dunn ¹¹	500,000	500,000	-	-	(1,000,000)	-	500,000	500,000	-
Total	12,231,000	12,200,000	-	(119,456)	(3,925,838)	20,385,706	21,449,206	21,199,206	250,000

1. 2,500,000 unlisted options expiring on 30 Nov 2014 were issued on 30 Nov 2011. The options are exercisable at A \$0.83 each and entitle the holder one Ordinary Share in the Company once exercised.
2. 2,000,000 unlisted options expiring on 30 Nov 2014 were issued on 30 Nov 2011. The options are exercisable at A \$0.83 each and entitle the holder one Ordinary Share in the Company once exercised.
3. Resigned 8 July 2012.
4. 3,500,000 unlisted options expiring on 30 Nov 2014 were issued on 30 Nov 2011. The options are exercisable at A \$0.83 each and entitle the holder one Ordinary Share in the Company once exercised.
5. 2,000,000 unlisted options expiring on 30 Nov 2014 were issued on 30 Nov 2011. The options are exercisable at A \$0.83 each and entitle the holder one Ordinary Share in the Company once exercised.
6. 600,000 unlisted options expiring on 30 Nov 2014 were issued on 30 Nov 2011. The options are exercisable at A \$0.83 each and entitle the holder one Ordinary Share in the Company once exercised.
7. Appointed 1 September 2011.
8. Resigned 30 April 2012.
9. 550,000 unlisted options expiring on 30 Nov 2014 were issued on 30 Nov 2011. The options are exercisable at A \$0.83 each and entitle the holder one Ordinary Share in the Company once exercised.
10. Resigned 30 April 2012.
11. Resigned 1 March 2012.

Notes to the consolidated financial statements (cont'd)

For the year ended 30 June 2012

22. Related party disclosures (continued)

(b) Option holdings of key management personnel (continued)

30 June 2011	Balance at beginning of period 1 July 2010	Granted as remuneration	Pro-rata bonus issue	Options exercised	Net change other	Balance at end of period 30 June 2011	Total	Exercisable	Not exercisable
Directors									
Tunku Naquiyuddin	-	-	-	-	-	-	-	-	-
Alan Taylor	-	-	395,625	-	(395,625)	-	-	-	-
Brian Thomas	-	-	50,000	-	-	50,000	50,000	50,000	-
Duncan Coutts	-	-	-	-	-	-	-	-	-
Wayne Norris	-	-	21,570,000	-	(9,902,500)	11,667,500	11,667,500	11,667,500	-
Executives									
David Leavy	-	-	27,000	(13,500)	-	13,500	13,500	13,500	-
Peter Johnston	-	-	-	-	-	-	-	-	-
Brian Dunn ¹	-	500,000	241,750	-	(241,750)	500,000	500,000	500,000	-
Total	-	500,000	22,284,375	(13,500)	(10,539,875)	12,231,000	12,231,000	12,231,000	-

1. 500,000 unlisted options expiring on 19 August 2014 were issued on 19 August 2010 to Brian Dunn in recognition of the efforts with the Company's capital raising objectives. The options are exercisable at A \$0.40 each and entitle Mr Dunn to one Ordinary Share in the Company once exercised.

22. Related party disclosures (continued)

(c) Shareholdings of key management personnel

Shares in Noble Mineral Resources Limited (number)

30 June 2012	Balance at beginning of period 1 July 2011	Granted as remuneration	Options exercised	Net change other	Balance at end of period 30 June 2012
Directors					
Tunku Naquiyuddin	-	-	-	-	-
Brian Thomas	100,000	-	25,000	131,250	256,250
Duncan Coutts	-	-	-	-	-
Wayne Norris	43,140,000	-	-	-	43,140,000
Xi Xi	-	-	-	-	-
Executives					
Roger Bannister	-	-	-	-	-
Erik Palmbachs	-	-	-	-	-
Mark Laing ¹	375,825	-	163,362	44,922	517,203
David Leavy ²	67,500	-	-	(67,500)	-
Peter Johnston	-	-	-	-	-
Brian Dunn ³	440,000	-	-	(440,000)	-
Total	44,123,325	-	188,362	(331,328)	43,913,453

1. Appointed 1 September 2011.

2. Resigned 30 April 2012.

3. Resigned 1 March 2012.

Notes to the consolidated financial statements (cont'd)

For the year ended 30 June 2012

22. Related party disclosures (continued)

(c) Shareholdings of key management personnel (continued)

Shares in Noble Mineral Resources Limited (number)

30 June 2011	Balance at beginning of period 1 July 2010	Granted as remuneration	Options exercised	Net change other	Balance at end of period 30 June 2011
Directors					
Tunku Naquiyuddin	-	-	-	-	-
Alan Taylor	791,250	-	-	(791,250)	-
Brian Thomas	100,000	-	-	-	100,000
Wayne Norris	43,140,000	-	-	-	43,140,000
Executives					
David Leavy	54,000	-	13,500	-	67,500
Peter Johnston	-	-	-	-	-
Brian Dunn	483,500	-	-	(43,500)	440,000
Total	44,568,750	-	13,500	(834,750)	43,747,500

There are no other related party transactions.

23. Share based payments

Employee Share Option Plan

In November 2011, the Company adopted the Noble Mineral Resources Limited Employee Share Option Plan ("Plan"). The Plan is designed to provide eligible employees with an opportunity to share in the growth in the value of the Shares and to encourage them to improve the performance of the Company and its return to shareholders. It is intended that the Plan will enable the Company to retain and attract skilled and experienced employees and provide them with the motivation to make the Company more successful for all stakeholders. The contractual life of each option is generally three years. There are no cash settlement alternatives. The Plan does not allow for the issue of options to directors of the Company.

Non Plan Based Payments

The Company also makes share-based payments to consultants from time to time, not under any specific plan.

Summaries of options granted

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

	2012 Number	2012 WAEP A\$	2011 Number	2011 WAEP A\$
Outstanding at 1 July	6,250,000	0.40	-	-
Granted during the year	25,629,230	0.78	6,250,000	0.40
Exercised during the year	(2,000,000)	0.40	-	-
Forfeited during the year	(1,050,000)	(0.83)	-	-
	28,829,230	0.72	6,250,000	0.40
Exercisable at 30 June	28,829,230	0.72	6,250,000	0.40

The outstanding balance at 30 June 2012 is represented by:

	Exercise price A\$	Number
<i>Options expiring on or before:</i>		
19 August 2014	0.40	4,250,000
30 November 2014 ¹	0.83	19,579,230
31 October 2015	0.55	5,000,000

- Includes 9,629,230 unlisted options issued to employees pursuant to the Company's Employee Option Plan. 50% of the number of options vested to the allottees upon the allottee having served as an employee of the Company for a six month period after the date of grant and 50% vest upon the service of a further six month period. The total number of options vested at the reporting date is 6,791,890 (2011: -). The total number of options forfeited at the reporting date is 1,050,000 (2011: nil). The total number of options unvested at the reporting date is 1,787,340 (2011: nil).

Notes to the consolidated financial statements (cont'd)

For the year ended 30 June 2012

23. Share based payments (continued)

Weighted average remaining contractual life

The weighted average remaining contractual life for the share options outstanding at 30 June 2012 is 2.53 years (2011: 3.14).

Range of exercise price

The exercise price for options outstanding at the end of the financial year was A\$0.40 to A\$0.83 (2011: A\$0.40).

Weighted average fair value

The weighted average fair value of options granted during the year was US\$0.16 (2011: US\$0.09).

Option pricing model

The fair value of options issued are estimated at the date of grant using the Binomial option pricing model.

The following table sets out the assumptions made in determining the fair value of the options granted during the period.

	30 Nov 2011 grant	30 Nov 2011 grant ¹	30 Nov 2011 grant ²
Number of options	9,629,230	11,000,000	5,000,000
Fair value at grant date (US\$)	1,043,786	1,480,189	1,516,570
Option exercise price (A\$)	0.83	0.83	0.55
Grant date	30 Nov 2011	30 Nov 2011	30 Nov 2011
Dividend yield	-	-	-
Expected volatility	52.5%	54.0%	62.0%
Risk-free interest rate	3.82%	3.86%	3.95%
Expected life	1.87 years	2.25 years	3.92 years
Share price on date of grant (A\$)	0.585	0.585	0.585

1. These options were issued to the Board of Directors and Company Secretary and were considered reasonable in the circumstances given the Company's size and the stage of development, and the incentives represented by the issue of the options represent a cost effective and efficient reward and incentive.
2. These options were granted to a consultant of the Company in consideration for assistance with the Company's capital raising initiatives, investor relations and marketing and promotional services and as an incentive going forward to ensure the success of the Company.

24. Financial risk management objectives and policies

The Group's principal financial instruments comprise financial liabilities and financial assets. The Group's principal financial liabilities, other than derivatives, comprise accounts payable, bank loans and overdrafts. The main purpose of these financial instruments is to manage short term cash flow and raise finance for the Group's capital expenditure program. The Group has various financial assets such as accounts receivable and cash and short-term deposits.

Risk exposures and responses

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security. The main risks that could adversely affect the Group's financial assets, liabilities or future cash flows are market risks, comprising commodity price risk, cash flow interest rate risk and foreign currency risk and liquidity risk and credit risk. Management reviews and agrees policies for managing each of these risks which are summarised below.

The Group's senior management oversees the management of financial risks. The Group's senior management is supported by a risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The risk committee provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and the Group's risk appetite. All derivative activities for risk management purposes are to be carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. At this stage, the Group does not currently apply any form of hedge accounting.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised following.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: commodity price risk, equity price risk, interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, deposits, accounts receivable, accounts payable, accrued liabilities, and derivative financial instruments.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates on the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

Equity price risk

The Group is exposed to the risk of changes in the Company's share price as it relates to the value of the Group's financial derivative liability obligations (note 25).

The following table demonstrates the sensitivity to a reasonable possible change in the Company's share price, with all other variables held constant, of the Group's profit before tax through the impact on floating rate borrowings and cash and cash equivalents. The impact on equity is the same as the impact on profit before tax.

	Effect on profit before tax and equity for the year ended 30 June 2012 Increase/(Decrease) US \$ (000)	Effect on profit before tax and equity for the year ended 30 June 2011 Increase/(Decrease) US \$ (000)
<i>Increase/decrease share price</i>		
+ A\$0.10	(2,523)	(620)
- A\$0.10	2,109	1,222

Notes to the consolidated financial statements (cont'd)

For the year ended 30 June 2012

24. Financial risk management objectives and policies (continued)

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Board does recognise the Group as being materially exposed to changes in market interest rates, however the Group does not currently seek to mitigate its interest rate exposures.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates as determined based on a review of the last two years historical and economic forecaster's expectations, with all other variables held constant, of the Group's profit before tax through the impact on floating rate borrowings and cash and cash equivalents. The impact on equity is the same as the impact on profit before tax.

	Effect on profit before tax and equity for the year ended 30 June 2012 Increase/(Decrease) US \$ (000)	Effect on profit before tax and equity for the year ended 30 June 2011 Increase/(Decrease) US \$ (000)
<i>Increase/decrease interest rate</i>		
+ 1.0 %	(315)	(336)
- 1.0 %	315	336

Foreign currency risk

Ongoing

The Group has transactional currency exposures. Such exposures arise from purchases in currencies other than the respective functional currencies. Approximately 40% of costs are denominated in currencies other than the functional currencies of the entities within the Group. This 40% comprises Euro (4%), GB Pound (7%), Ghana Cedi (23%), SA Rand (1%), Australian Dollar (4%) and Canadian Dollar (1%).

The Group is materially exposed to movements in the AUD:USD foreign exchange rate. In order to mitigate this risk, the Group seeks to convert the majority of its Australian Dollar cash holdings into the functional currency of the Group, United States Dollars.

Exposure at the balance date

The Group's exposure to A\$: US\$ foreign currency risk at the balance date:

	2012 A \$ (000)	2011 A\$ (000)
A\$: US\$		
Cash and cash equivalents	1,582	6,069
Trade and other receivables	-	4
Overdrafts	(15)	(47)
Trade and other payables	(915)	(55)
Derivative financial instruments	(3,149)	(2,685)
Net statement of financial position exposure	(2,497)	3,286

Sensitivity analysis

Based on the financial instruments held at 30 June 2012, a 5% strengthening/weakening of the United States Dollar against the Australian Dollar at 30 June would have increased the profit for the year by \$634,000 (2011: decrease by \$902,000) and decreased the profit by \$507,000 (2011: increased by \$721,000) respectively. The impact on equity is the same as the impact on profit before tax.

The foreign exchange movement for the above sensitivity analysis was based on foreign exchange risk exposures at the balance date.

24. Financial risk management objectives and policies (continued)

Liquidity risk

The Group monitors its risk of a shortage of funds by monitoring its debt rating and the maturity dates of existing debt and other payables.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. At 30 June 2012, the Group had an undrawn finance lease facility with Bank of Africa Ghana Limited. The limit of this facility is US\$ 5,500,000. The facility is to enable the Company to purchase additional equipment for operations (2011: nil). 93% of the Group's debt will mature in less than one year at 30 June 2012 (2011: 96%) based on the balances reflected in the financial statements.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Year ended 30 June 2012	On demand	< 1 year	1-2 years	2-5 years	> 5 years	Total
	US \$ (000)	US \$ (000)	US \$ (000)	US \$ (000)	US \$ (000)	US \$ (000)
Interest-bearing loans and borrowings	28,260	-	-	-	-	28,260
Accounts payable and accrued liabilities	20,193	16,210	-	-	-	36,403
Finance lease	-	1,975	1,975	3,785	-	7,735
	48,453	18,185	1,975	3,785	-	72,398

Year ended 30 June 2011	On demand	< 1 year	1-2 years	2-5 years	> 5 years	Total
	US \$ (000)	US \$ (000)	US \$ (000)	US \$ (000)	US \$ (000)	US \$ (000)
Interest-bearing loans and borrowings	34,162	484	-	-	-	34,646
Accounts payable and accrued liabilities	196	11,823	1,628	-	-	13,647
	34,358	12,307	1,628	-	-	48,293

Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted under a financial instrument resulting in a financial loss to the Group and arises from deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables and committed transactions. For banks and financial institutions, only independent parties with a minimum credit rating of 'A' are accepted.

The carrying amount of the Group's financial assets represents the maximum credit exposure. There are no receivables past due or impaired.

Fair value

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

- Level 1: the fair value is calculated using quoted prices in active markets.
- Level 2: the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3: the fair value is estimated using inputs for the asset or liability that are not based on market data.

Notes to the consolidated financial statements (cont'd)

For the year ended 30 June 2012

24. Financial risk management objectives and policies (continued)

The level 2 method was used in calculating the fair value of the derivative financial instruments using a Binomial option pricing model, which includes Noble's share prices at reporting date, time to expiry and the risk free rate as key inputs. All of the Group's other financial liabilities are carried at amortised cost, where the carrying value approximates the fair value.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2012 and 30 June 2011.

The Group monitors capital using a gearing ratio, which is net debt divided by equity plus net debt. The Group includes within net debt, interest-bearing loans and borrowings, trade and other payables, less cash and short term deposits.

The Group is exposed to the following externally imposed capital requirements:

- Forecast debt service cover ratio of greater than 1.5.
- Reserve tail for any forecast period of at least 40%.
- Maximum debt : equity ratio of 1 : 1.
- Fully funded development plan at all times.

	Consolidated	
	2012	2011
	US \$ (000)	US \$ (000)
Trade and other payables	36,403	13,647
Interest-bearing loans and borrowings	34,577	34,646
Less cash and short term deposits	(3,327)	(9,430)
Net debt	67,653	38,863
Total equity	121,363	53,617
Total capital employed	189,016	92,480
Gearing ratio	36%	42%

25. Derivative financial instruments

The Group has entered into the following derivative contracts that have not been designated as hedges:

	Consolidated	
	2012	2011
	US \$ (000)	US \$ (000)
Option derivatives at fair value – issued 8 July 2010	(i) 652	2,947
Option derivatives at fair value – issued 24 April 2012	(ii) 1,719	-
Option derivatives at fair value – issued 12 June 2012	(iii) 829	-
	3,200	2,947

- (i) 6,000,000 unlisted options expiring on 8 July 2014 were issued on 8 July 2010 to Investec Bank Limited as part of the acquisition of a 100% interest in Noble Gold Bibiani Ltd. The options are exercisable at A \$0.20 each and entitle the holder one Ordinary Share in the Company once exercised.
- (ii) 19,558,546 listed options expiring on 1 May 2015 were issued on 24 April 2012 to institutional and sophisticated investors who participated in the Company's capital raisings in April 2012. Participants received one free-attaching option for every 2 shares. The options are exercisable at A \$0.48 each and entitle the holder one Ordinary Share in the Company once exercised. The fair value at inception was \$3,047,000.
- (iii) 9,426,993 listed options expiring on 1 May 2015 were issued on 12 June 2012 to institutional and sophisticated investors who participated in the Company's capital raisings in April 2012. Participants received one free-attaching option for every 2 shares. The options are exercisable at A \$0.48 each and entitle the holder one Ordinary Share in the Company once exercised. The fair value at inception was \$692,000.

The resulting US\$3,200,000 (2011: US\$: 2,947,000) fair market value of these options has been recognised on the statement of financial position as derivative financial instruments.

The change in the fair value of these derivatives of US\$3,995,000 (2011: 1,999,000 loss) has been recognised in profit or loss during the year as gain on derivative financial instruments.

Notes to the consolidated financial statements (cont'd)

For the year ended 30 June 2012

26. Auditors' remuneration

The auditor of Noble Mineral Resources Limited is Ernst & Young.

	Consolidated	
	2012	2011
	US\$	US\$
<i>Amounts received or due and receivable by Ernst & Young (Australia) for:</i>		
• An audit or review of the financial report of the entity and any other entity in the consolidated group	119,207	43,764
• Other services in relation to the entity and any other entity in the consolidated group:		
- Tax compliance and advices	87,398	24,273
- Assurance related	-	-
	206,605	68,037
<i>Amounts received or due and receivable by related practices of Ernst & Young (Australia) for:</i>		
• An audit or review of the financial reports of the entity and any other entity in the consolidated group	93,297	5,000
	299,902	73,037
<i>Amounts received or due and receivable by non Ernst & Young audit firms for:</i>		
• Review of financial report	-	9,969
• Taxation services	-	-
• Other non-audit services	-	18,464
	-	28,433
<i>Amounts received or due and receivable by related parties of non Ernst & Young audit firms for:</i>		
• Other non-audit services	-	-

27. Cash flow statement reconciliation

	Consolidated	
	2012	2011
	US\$ (000)	US\$ (000)
Reconciliation of net loss to net cash flows from operations		
Net profit	(15,418)	(20,717)
<i>Adjustments for:</i>		
Depreciation	1,188	794
Borrowing costs	3	-
Share based payments	1,529	-
Foreign exchange loss (gain)	(999)	(2,715)
(Gain) Loss on derivatives	(3,995)	1,999
<i>Changes in assets and liabilities:</i>		
Decrease (increase) in other assets	(2,358)	(887)
Decrease (increase) in inventories	(2,647)	(355)
Decrease (increase) in trade and other receivables	(43)	(914)
Increase (decrease) in trade and other payables	6,749	887
Increase (decrease) in provisions	87	521
Increase (decrease) in deferred tax	(7,048)	-
	(22,952)	(21,387)

28. Events after the reporting date

Events after the balance date were as follows:

1. On 2 August 2012, the Company requested its securities be placed in a trading halt pending the release of an announcement by the Company on a potential capital raising and change of control transaction. Subsequent to this, on 6 August 2012, the Company requested its securities be voluntarily suspended pending an update on a potential capital raising and change of control transaction. The securities of the Company resumed trade on 27 September 2012.
2. On 12 September 2012, the Company received firm commitments from sophisticated and institutional investors and Company Directors for the issue of approximately 68.8 million shares at A\$0.16 per share, to raise approximately A\$11,000,000. Participants received one free-attaching option for every 2 shares. The options are exercisable at A \$0.20 each, expire on 30 September 2015 and entitle the holder one Ordinary Share in the Company once exercised. As at the date of this report, the Company had issued 45,375,000 ordinary shares and 22,687,500 options.
3. On 27 September 2012 Noble announced that it has entered into binding agreements with the Zhongrun Group ("Zhongrun"), a Chinese mining and investment group, whereby Zhongrun will invest A\$84.7m in Noble and become the Company's largest shareholder. Zhongrun will subscribe for new ordinary shares in Noble via a placement to be executed in two separate tranches: (i) 101.8m shares to be issued at A\$0.16 per share; and (ii) 380.0m shares to be issued at A\$0.18 per share. As part of Tranche 2, Zhongrun will also be issued with options providing Zhongrun with the opportunity to subscribe for an additional 240.9m shares in Noble at a price of A\$0.23 per share over a three year period.

29. Parent entity information

		2012 US \$ (000)	2011 US \$ (000)
Information relating to Noble Mineral Resources Limited			
Current assets		2,696	11,118
Total assets		130,222	74,222
Current liabilities		(8,859)	(3,817)
Total liabilities		(8,859)	(3,817)
Net assets		121,363	70,405
Issued capital		158,486	78,373
Option reserve		4,100	540
Foreign currency translation reserve		(427)	(427)
Retained earnings		(40,796)	(8,081)
Total shareholders' equity		121,363	70,405
Gain (loss) of the parent entity		41,706	(4,198)
Total comprehensive gain (loss) of the parent entity	41,706	(4,198)	
Guarantees entered into by the parent entity in relation to debts of its subsidiaries			
		Consolidated	
		2012	2011
		US \$ (000)	US \$ (000)
Guarantees provided for Noble Gold Bibiani Limited's Investec Bank facility		25,000	25,000
Guarantees provided for Drilling and Mining Service Limited's Bank of Africa finance lease facility		6,500	-
		31,500	25,000

Notes to the consolidated financial statements (cont'd)

For the year ended 30 June 2012

29. Parent entity information (continued)

Commitments and contingencies of the parent entity

Included in Note 21 are commitments and contingencies as follows:

Operating lease commitments

	Consolidated	
	2012	2011
	US \$ (000)	US \$ (000)
Within one year	260	50
After one year but not more than five years	892	12
More than five years	-	-
	1,152	62

Exploration commitments of the parent entity

The Company has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Company's exploration program and priorities. These obligations are also subject to variations by negotiation, joint venturing or relinquishing some of the relevant tenements. At the balance date, total exploration expenditure commitments of the Company which have not been provided for in the financial statements amount to A\$75,000 per annum.

Remuneration commitments of the parent entity

	Consolidated	
	2012	2011
	US \$ (000)	US \$ (000)
Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities, payable:		
Within one year (A\$)	506	609
After one year but not more than five years (A\$)	402	1,013
After more than five years (A\$)	-	-
	908	1,622

Directors' declaration

In accordance with a resolution of the directors of Noble Mineral Resources Limited, I state that:

1. In the opinion of the directors:
 - a) The financial statements and notes of the consolidated entity for the financial year ended 30 June 2012 are in accordance with the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of the financial position as at 30 June 2012 and performance; and
 - ii. Complying with Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
 - b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2, and
 - c) Subject to the disclosure in Note 2.1(a) "Going Concern," there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2012.

On behalf of the Board



W. Norris
Managing Director
28 September 2012

Independent auditor's report



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Independent auditor's report to members of Noble Mineral Resources Limited

Report on the financial report

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

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2.1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Liability limited by a scheme approved
under Professional Standards Legislation

GHM:MJ:Noble:032



Opinion

In our opinion:

- a. the financial report of Noble Mineral Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.1.

Report on the Remuneration Report

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

Opinion

In our opinion, the Remuneration Report of Noble Mineral Resources Ltd for the year ended 30 June 2012, complies with section 300A of the *Corporations Act 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 2.1 (a)-Going Concern, of the financial report. As a result of these matters, there is a material uncertainty whether the consolidated entity will be able to continue as a going concern and therefore whether it will be able to realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in this financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Ernst & Young

G H Meyerowitz
Partner
Perth
28 September 2012

Independent auditor's report (continued)



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Auditor's Independence Declaration to the Directors of Noble Mineral Resources Limited

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

A handwritten signature in black ink, appearing to read 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to read 'G H Meyerowitz'.

G H Meyerowitz
Partner
28 September 2012

ASX additional information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 28 September 2012.

(a) Distribution of equity securities

(i) Ordinary share capital

- 655,522,952 fully paid ordinary shares are held by 2,135 individual shareholders.

All issued ordinary shares carry one vote per share and carry the rights to dividends.

(ii) Options

- 156,654,503 options are held by 857 individual option holders.

Options do not carry a right to vote.

The numbers of shareholders, by size of holding, in each class are:

	Fully paid Ordinary shares	options A\$0.35 Expiry 21.7.13	Listed options A\$0.48 Expiry 1.5.15	Listed Options A\$0.40 Expiry 19.8.14	Options A\$0.83 Expiry 30.11.14	Options A\$0.20 Expiry 8.7.14	Options A\$0.31 Expiry 4.7.15	Options A\$0.55 Expiry 31.10.15	Options A\$0.20 Expiry 30.9.15
1 – 1000	284	242	1	-	-	-	-	-	-
1,001 – 5,000	358	156	2	-	-	-	-	-	-
5,001 – 10,000	329	70	9	-	-	-	-	-	-
10,001 – 100,000	929	169	47	-	9	-	-	-	-
100,000 and over	235	80	18	5	34	1	2	1	11
	2,135	717	77	5	43	1	2	1	11

There were 405 holders of less than a marketable parcel of ordinary shares.

(b) Substantial shareholders

	Fully paid	
	Number	Percentage
Wei An Developments Limited	92,500,000	14.11
Bank of America Corporation	67,710,757	10.33
Global Gold Holdings Limited	69,062,500	10.54
Sino Portfolio International Limited	57,336,648	8.75
Mr Wayne Norris	43,140,000	6.58
	329,749,905	50.31

ASX additional information (continued)

(c) Twenty largest shareholders of quoted equity securities

(i) Fully paid ordinary shares

		Fully paid	
		Number	Percentage
1	Wei An Developments Limited	92,192,819	14.06
2	National Nominees Limited	85,161,932	12.99
3	Global Gold Holdings Limited	69,062,500	10.54
4	Sino Portfolio International Limited	57,336,648	8.75
5	HSBC Custody Nominees (Australia) Limited <A/C 2>	26,626,508	4.06
6	Mr Wayne David Norris <The Ausgold A/C>	24,754,021	3.78
7	Platinum Parade Sdn Bhd	20,245,777	3.09
8	ABN Amro Clearing Sydney Nominees Pty Limited <Custodian A/C>	20,217,792	3.08
9	HSBC Custody Nominees (Australia) Limited	19,690,817	3.00
10	HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	14,712,481	2.24
11	J P Morgan Nominees Australia Limited	12,756,439	1.95
12	Syarikat Pesaka Antah Sdn Bhd	9,999,000	1.53
13	Pershing Australia Nominees Pty Ltd <Phillip Securities (HK) A/C>	9,101,759	1.39
14	Bell Potter Nominees Limited <BB Nominees A/C>	8,970,767	1.37
15	Platinum Parade Sdn Bhd	8,342,391	1.27
16	J P Morgan Nominees Australia Limited <Cash Income A/C>	7,106,500	1.08
17	Citicorp Nominees Pty Ltd	6,312,877	0.96
18	Mr Wayne David Norris <Ausgold Super Fund A/C>	5,000,000	0.76
19	Merrill Lynch (Australia) Nominees Pty Ltd	4,894,609	0.75
20	HSBC Custody Nominees (Australia) Limited <GSCO ECA>	4,858,550	0.74
		507,344,187	77.39

(ii) Listed share options expiring 21 July 2013

		Fully paid	
		Number	Percentage
1	Global Gold Holdings Limited	12,706,644	18.41
2	Mr Wayne Norris <The Ausgold A/C>	6,750,000	9.78
3	HSBC Custody Nominees (Australia) Limited	6,239,385	9.04
4	Citicorp Nominees Pty Limited	5,688,314	8.24
5	Wei An Developments Limited	3,333,334	4.83
6	Platinum Parade Sdn Bhd	1,440,756	2.09
7	Mr Amit Eliyahu	1,425,000	2.06
8	Mr Wayne David Norris	1,425,000	2.06
9	Lampsac Pty Ltd <Central Coast Superfund A/C>	1,280,513	1.86
10	Mr Wayne David Norris <Ausgold Super Fund A/C>	1,250,000	1.81
11	Mr Jackie Au Yeung	1,118,750	1.62
12	Chatenois Pty Ltd	1,025,000	1.49
13	Giap Ch'ng Ooi	912,813	1.32
14	SHL Pty Ltd	833,334	1.21
15	PT Dragon Capital Management	700,000	1.01
16	Mrs Heather Joy Cole	630,000	0.91
17	ABN Amro Clearing Sydney Nominees Pty Limited >Custodian A/C>	615,211	0.89
18	Mr Terry Stark	566,500	0.82
19	Mr Daniel Choong Yew Chee	500,000	0.72
20	Mr Richard Paul Keddie	500,000	0.72
		48,940,554	70.89

(iii) Listed share options expiring 1 May 2015

		Fully paid	
		Number	Percentage
1	Merril Lynch (Australia) Nominees Pty Ltd	14,924,894	51.49
2	Platinum Parade Sdn Bhd	2,608,696	9.00
3	National Nominees Limited	1,607,094	5.54
4	HSBC Custody Nominees (Australia) Limited <GSCO ECA>	1,449,275	5.00
5	Syarikat Pesaka Antah Sdn Bhd	1,449,275	5.00
6	ABN Amro Clearing Sydney Nominees Pty Limited >Custodian A/C>	1,273,163	4.39
7	Mr Anthony John Vetter and Mrs Jeannette Vetter	607,500	2.10
8	Sumbing Pty Ltd	545,000	1.88
9	Citicorp Nominees Pty Ltd	529,030	1.83
10	Hotlake Pty Ltd	507,247	1.75
11	Equity Trustees Limited <SGH Tiger A/C>	405,798	1.40
12	Lasta Nominees Pty Ltd	280,000	0.97
13	Mr Roy Peter Wiseman and Mr Benjamin Adam Wiseman	250,000	0.86
14	Equity Trustees Limited <SGH PI Smaller Co's Fund>	184,591	0.64
15	UOB Kay Hian Private Limited <Clients A/C>	150,001	0.52
16	Goffacan Pty Ltd	145,128	0.50
17	Capital Homes (London) Limited	140,000	0.48
18	Equity Trustees Limited <SGH Micro Cap Fund A/C>	125,000	0.43
19	Nalje Pty Ltd <Gaudion Super Fund A/C>	100,000	0.34
20	Mr Todd Wayne Olliver	100,000	0.34
		27,381,692	94.46

(d) Unlisted options

Unlisted options on issue at 28 September 2012 were as follows:

Number of options	Exercise price	Expiry date	Number of holders	Note
8,579,230	A\$0.83	30 November 2014	36	1
1,140,000	A\$0.31	4 July 2015	2	1
11,000,000	A\$0.83	30 November 2014	7	2
6,000,000	A\$0.20	8 July 2014	1	3
4,250,000	A\$0.40	19 August 2014	5	4
5,000,000	A\$0.55	31 October 2015	1	5
22,687,501	A\$0.20	30 September 2015	11	6

Note 1: These options have been issued under the terms of the Company's Employee Share Option Plan.

The names of the holders of 20% or more options in these unquoted securities are listed below:

Note	Name	Number of options
2	Wayne Norris	3,500,000
2	Tunku Naquiyuddin	2,500,000
3	Investec Bank Limited	6,000,000
4	Jackie Au Yeung	2,000,000
4	SEMS Technical Services Limited	1,000,000
5	Jackie Au Yeung	5,000,000
6	Sino Portfolio International Limited	15,625,000

ASX additional information (continued)

(e) On-market buy-back

There is currently no on-market buy-back in place.

(f) Summary of tenements

Projects	Licence Number	Area km ²	Registered Holder / Applicant	Status	Interest
<i>Republic of Ghana</i>					
Bibiani	ML 1997008	49.0	Noble Gold Bibiani Ltd	Granted	100%
Bibiani North Donkoto	PL 6/44	19.21	Noble Gold Bibiani Ltd	Granted	100%
Asuontaa	PL 2/215	29.32	Noble Gold Bibiani Ltd	Granted	100%
Cape Three Points	PL 2/33	79.0	Noble Mineral Resources Ghana Ltd	Granted	100%
Brotet	PL 2/228	26.0	Brotet Mining Ltd and Noble Mineral Resources Ghana Ltd	Granted	85%
Tumentu	PL 2/316	8.7	Obotan Minerals Ltd and Noble Mineral Resources Ghana Ltd	Granted	86.5%
Nakroba	PL 2/439	3.04	Noble Mineral Resources Ghana Ltd	Awaiting Ministerial consent	100%

