A.B.N. 15 122 162 396

GLOBAL RESOURCES CORPORATION LIMITED
(FORMERLY CLONCURRY METALS LIMITED)
ANNUAL FINANCIAL REPORT
30 JUNE 2011

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17 October 2011

Dear Shareholders,

In the last few years your Company has altered its strategic plan to focus on activities outside Australia and most recently, after the acquisition of three excellent projects, it has been decided to focus predominantly on our assets in Turkey. Two of the three Turkey projects are well advanced and the next logical step is to carry out an initial drilling programme at each of Yunt Dag and Aktarma.

Global Resources has signed an agreement to earn up to 60% of Yunt Dag from Pilot Gold Inc. (TSX:PLG) on very reasonable terms. Yunt Dag is prospective for High Sulphidation Gold and Porphyry mineralisation and has had high quality exploration programmes carried out in the past by previous explorers. With the assistance of Pilot Gold, and by re-analysing previous data, our geological team has delineated several exciting drill targets. The drilling permitting process has begun and we anticipate drilling there within November 2011.

We have issued shares to acquire 100% of Aktarma and are equally excited about the prospects of discovering a Low Sulphidation Gold system here. Recent work by our team has confirmed that it is a gold bearing system (rock chip assays up to 6.13g/t Au), we have approximately 1,800m of strike currently delineated, and our recent gradient array IP survey showed a very strong resistivity response along strike but under cover of the outcropping system. A pole-dipole IP survey is currently underway and will be used to finalise the initial drilling programme. The known structure is open both ways along strike and at depth, and there has been no work to determine whether there are repeating structures in parallel. We therefore believe there is plenty of upside there and we are very keen to do wider exploration to test the extent of that potential, and to drill the known system to determine its grade and continuity.

Additionally we have acquired Ispir by issuing shares, and while there is a known porphyry to the south of the prospect and some basic exploratory work has been carried out, it is a less advanced project and may require a number of years of further work to gauge the potential.

We are currently reviewing several options to realise value for our Queensland and Mexican assets and will inform you of our progress in these areas in due course.

In this tumultuous market we have had a difficult year with regards to fund raising and - while we are not alone - we are frustrated at having had to raise money in these trying times, leading to substantial dilution of all our long standing shareholders. Nonetheless, the much needed funding will now allow Global Resources to undertake meaningful exploration at each of the three projects mentioned.

We look forward to developing value for your Company through the projects in Turkey, the first step of which will be the impending drilling at Yunt Dag and Aktarma.

We thank you once again for your continued support and look forward to reporting positive results from our work in Turkey.

Yours sincerely

Stephen Everett
Chairman
Global Resources Corporation Limited

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Directors' Report

The directors present their report together with the financial statements of the Group comprising Global Resources Corporation Limited (formerly Cloncurry Metals Limited) (the 'Company') and its subsidiaries, for the financial year ended 30 June 2011 and the auditor's report thereon.

1. Directors

The directors of the Company at any time during or since the end of the financial year are:

Name, qualifications and independence status	Age	Experience, special responsibilities and other directorships
Stephen Everett B. Eng (Chem), MAICD Chairman and Non-Executive Director *Appointed 6 April 2009* Member of the Remuneration Committee	59	Mr. Everett is a chemical engineer who has more than 35 years management experience including production and project management, marketing, corporate restructuring, debt/equity financing, and government relations. Mr. Everett's senior executive positions have included Managing Director and Chief Executive Officer of private and publicly listed companies. He was formerly Chairman of Australian Solomons Gold Limited, JMS Civil and Mining Pty Ltd and BeMaX Resources NL.
Michael Arnett LLB B.Comm. Independent Non-Executive Director *Appointed 22 June 2007* Chairman of the Audit Committee Chairman of the Remuneration Committee	49	Mr Arnett has more than 25 years experience in the areas of capital raising, corporate, commercial, banking and finance, mergers and acquisitions and securities predominantly in the mining, oil and gas sector. He currently holds directorships of listed companies NRW Holdings Limited and Nexus Energy Limited and is Executive Chairman of New Guinea Energy Limited. Mr Arnett is a consultant, and former partner and member of the Board of Natural Resources Business Unit of the international law firm Norton Rose (formerly Deacons).
Barry Casson CA MAICD Finance Director *Appointed 12 October 2006* Member of the Audit Committee Member of the Remuneration Committee	60	Mr Casson is Finance Director and Company Secretary. Mr Casson is a Chartered Accountant with approximately 40 years accounting and primarily commercial experience and approximately 27 years experience in the mining industry as Finance Director, Chief Financial Officer or equivalent. He has had extensive international experience in project financing and corporate transactions. He is a Member of the Institute of Company Directors in Australia. Mr Casson was Chief Financial Officer and Joint Company Secretary of Australian Solomons Gold Limited until 18 December 2009. He is currently a non-executive director of Metallica Minerals Ltd (ASX: MLM) and Archipelago Metals Limited, an unlisted public company.
Simon Finnis Masters of Business and Technology Managing Director *Appointed 1 March 2010* Member of the Audit Committee	45	Mr Finnis has more than 25 years experience in a diverse range of mining operations including open cut, underground and dredge mining operations in gold, copper, and mineral sands. For the past decade, he has been involved in various roles in the development of four projects, the most recent being the Gold Ridge Mine on the island of Guadalcanal, Solomon Islands and previously the Pooncarie Mineral Sands Project in western New South Wales. Mr Finnis was Chief Executive Officer of Global Resources Corporation Limited (formerly Cloncurry Metals Limited) until 1 April 2009 and was re-appointed as Managing Director in March 2010. In between these roles, Mr Finnis was the Chief Operating Officer for Australian Solomons Gold Limited.

Directors' Report

2. Company secretary

Barry Casson CA MAICD

Mr Casson is a qualified chartered accountant and has held a number of company secretary positions over many years.

3. Directors' meetings

An audit committee and a remuneration committee were established in July 2007. Two meetings were held by the audit committee during the year ended 30 June 2011. The remuneration committee did not meet during the year to 30 June 2011 as there were no relevant matters not otherwise dealt with by the board of directors.

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

	Board Meetings		Audit committee meetings		Remuneration committee meetings	
Director	A	B	A	B	A	B
Michael Arnett	14	14	2	2	-	-
Barry Casson	14	14	2	2	-	-
Stephen Everett (i)	14	14	1	1	-	-
Simon Finnis	14	14	2	2	-	-

A – Number of meetings attended; includes resolutions passed by circular resolution (7).

B – Number of meetings held during the time the director held office during the year.

(i) Mr Everett is not a member of the audit committee and attended by invitation given his role as chairman of the board.

4. Corporate governance statement

This statement outlines the main corporate governance practices in place throughout the financial year, which comply with the ASX Corporate Governance Council recommendations unless otherwise stated.

4.1. Board of directors

Role of the board

The board's primary role is the protection and enhancement of long-term shareholder value.

To fulfil this role, the board is responsible for the overall corporate governance of the Group including formulating its strategic direction, approving and monitoring capital expenditure, setting remuneration, appointing, removing and creating succession policies for directors and senior executives, establishing and monitoring the achievement of management's goals and ensuring the integrity of risk management, internal control, legal compliance and management information systems.

It is also responsible for approving and monitoring financial and other reporting. Details of the board's charter are located on the Company's website (www.grcl.com.au).

On his appointment to the full time role of managing director on 1 March 2010, Mr Finnis assumed responsibility and accountability for matters of administration and for the operational and strategic direction of the Company and the Group.

Board processes

To assist in the execution of its responsibilities, the board has maintained a remuneration committee and an audit committee. These committees have written mandates and operating procedures, which are reviewed periodically, depending on the circumstances of the Group. The board has also established a framework for the management of the Group including a system of internal control, a business risk management process and the establishment of appropriate ethical standards.

The full board currently holds at least four scheduled meetings each year, plus strategy meetings and any extraordinary meetings at such other times as may be necessary to address any specific significant matters that may arise.

The agenda for meetings is prepared in conjunction with the chairperson, managing director and company secretary. Papers are circulated a week prior to each meeting and standing items include an operational and activities report, financial reports, strategic matters, governance and compliance. The directors are regularly involved in discussions with each other on all Group matters, not only at board meetings.

Directors' Report

4.1. Board of directors (continued)

Director education

Given the quality and experience of the board, the Group has no formal process to educate new directors about the nature of the business, current issues, the corporate strategy and the expectations of the Group concerning performance of directors. Directors maintain regular contact with each other and have the opportunity to meet with management to gain a better understanding of business operations. Directors have access to continuing education opportunities to update and enhance their skills and knowledge as, and if, sought by individual directors.

The Company maintains a register of the ASX Listing Rules including ASX updates and circulates updates to the board as appropriate.

Independent professional advice and access to company information

Each director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the chairperson, may seek independent professional advice from a suitably qualified advisor at the Group's expense. The director must consult with an advisor suitably qualified in the relevant field, and obtain the chairperson's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the director is also to be made available to all other members of the board.

Composition of the board

The names of the directors of the Company in office at the date of this report, specifying which are independent, are set out in the Directors' Report on page 1 of this report. The board endeavours to compose the board using the following principles:

- a minimum of four directors, with a broad range of expertise covering technical, legal, commercial and corporate, both nationally and internationally.
- a majority of independent non-executive directors. Currently this objective is not being met:
  - Technically not independent is the directorship of Stephen Everett who holds an indirect interest in approximately 5.2% of the Company. The legal definition of a substantial shareholder is 10%; however the generally accepted policy, and policy of the Company, is to limit independence to holding less than a 5% interest in the Company (also refer below to note on the lack of independence of Mr Everett as chairman).
  - Technically not independent is the directorship of Simon Finnis who was, prior to his appointment as a director in April 2009, the chief executive officer of the Company. Good corporate governance policy in this regard requires a minimum of three years between management and directorship positions.
  - Technically not independent is the directorship of Barry Casson, who also acts as company secretary and provides part time services to fulfil the Company's need of a finance director.
  - Mr Arnett is an independent non-executive director.

  The board will continue to monitor the mix of the board as additional opportunities and activities evolve going forward. However, given the current state of Group activities, there is no justification to change the present composition of the Board.
- a majority of directors having extensive knowledge of the Group's industries.
- a non-executive independent director as chairperson. As noted above, Mr Everett is not an independent chairperson as he holds an indirect interest of approximately 5.2% of the Company. Mr Everett is, however, a non-executive director.
- enough directors to serve on various committees without overburdening the directors or making it difficult for them to fully discharge their responsibilities; and
- a maximum period of three years service, subject to re-election every three years.

The board considers the mix of skills and the diversity of board members when assessing the composition of the board. The board assesses existing and potential directors' skills to ensure they have the appropriate industry expertise in the Group's operating segments.

An independent director is a director who is not a member of management (a non-executive director) and who:

- holds less than five per cent of the voting shares of the Company and is not an officer of, or otherwise associated, directly or indirectly, with a shareholder of more than five per cent of the voting shares of the Company.
- has not within the last three years been employed in an executive capacity by the Company or another Group member, or been a director after ceasing to hold any such employment.
- within the last three years has not been a principal or employee of a material professional adviser or a material consultant to the Company or another Group member.
- is not a material supplier or customer of the Company or another Group member, or an officer of, or otherwise associated, directly or indirectly, with a material supplier or customer.
- has no material contractual relationship with the Company or another Group member other than as a director of the Company.
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

Directors' Report

4.1. Board of directors (continued)

The reason for departure from this general policy of the Company, and the specifics of ASX Corporate Governance Recommendation 2.1, is one of practicality. The board has focussed on the overarching principle of having directors who add value to the business and are not conflicted with the objectives of the Company. Each director remains committed to adding value for all shareholders.

4.2. Nomination committee

The Company does not have a nomination committee as it considers that, given the current size and scope of activities, the full board should oversee the appointment and induction process for directors and committee members, and the selection, appointment and succession planning process of the Group's executives. The board develops guidelines on the appropriate skill mix, personal qualities, expertise and diversity of each position. Where a vacancy occurs or there is a need for particular skills, the board will determine the selection criteria based on the skills deemed necessary. The board may delegate specific directors to identify potential candidates with advice from an external consultant. The board will then consider the applicants and appoint the most suitable candidate. Board candidates must stand for election at the next general meeting of shareholders.

Pending the establishment of a nomination committee, the chairperson is authorised to use an external facilitator to annually review the effectiveness of the board, its committees, individual directors, and senior executives. The other directors have an opportunity to contribute to the review process. The performance criteria take into account each director's contribution to setting the direction, strategy and financial objectives of the Group, and monitoring compliance with regulatory requirements and ethical standards. To date there has not been any performance review undertaken as the board continues to develop and refine the refocusing of company activities. Following any performance review, the review will generate recommendations to the board, which will vote on them. The nomination of existing directors for reappointment is not automatic and is contingent on their past performance, contribution to the Group and the current and future needs of the board and the Group. Directors displaying unsatisfactory performance are required to retire.

The terms and conditions of the appointment and retirement of non-executive directors are set out in a letter of appointment and include expectations of conduct, disclosure requirements regarding interests in the Company's securities and appointments to other boards, and the availability of independent professional advice.

The remuneration committee charter also provides for an annual review of the performance of the managing director and the staff members reporting directly to him and the results are discussed at a board meeting.

4.3. Remuneration committee

The remuneration committee reviews and makes recommendations to the board on remuneration packages and policies applicable to the executive officers and directors themselves of the Company and of other Group executives for the Group. It is also responsible for share option schemes, incentive performance packages, superannuation entitlements, retirement and termination entitlements, fringe benefits policies and professional indemnity and liability insurance policies.

The members of the remuneration committee during the year were:

- Michael Arnett (chairperson) – independent non-executive director
- Stephen Everett – non-executive director
- Barry Casson – finance director

The board policy is that the remuneration committee will comprise a majority of independent non-executive directors. At the present time, Mr Everett is not an independent director as he holds an indirect interest in approximately 5.2% of the Company. Mr Casson is neither an independent nor a non-executive director as he is the company secretary and also provides part-time services to fulfil the Company's need of a finance director. Notwithstanding these relationships, the board views the experience of both committee members as adding significant value to the committee and the Company.

The managing director, Simon Finnis, is invited to remuneration committee meetings as required to discuss other staff members' performances and remuneration packages but does not attend meetings involving matters pertaining to him.

The remuneration committee usually meets a minimum of once a year and further meetings are held as required. However, in the year under review, there were no meetings held due to the limited nature of requirements not otherwise dealt with by the board of the Company.

The remuneration committee's charter is available on the Company's website.

4.4. Remuneration report – audited

4.4.1. Principles of compensation – audited

Remuneration is referred to as compensation throughout this report.

Key management personnel have the authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the directors of the Company and senior executives for the Group. During the year under review, the Company had four directors and the Group had one other key senior executive.

The following principles of compensation have been agreed to by the board and will form the basis of the remuneration committee principles of compensation going forward.

Directors' Report

4.4. Remuneration report – audited (continued)

4.4.1. Principles of compensation – audited (continued)

Compensation levels for key management personnel of the Group are competitively set to attract and retain appropriately qualified and experienced directors and executives. The remuneration committee obtains independent advice on the appropriateness of compensation packages of the Group given trends in comparative companies both locally and internationally, and the objectives of the Group's compensation strategy.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:

- the capability and experience of the key management personnel
- the Group's performance including:
  - the successful implementation of exploration programmes designed to confirm and establish resources for development into operations
  - the Group's earnings, when and if appropriate
  - the growth in share price and delivering enhancement of shareholder value
  - the amount of incentives within each key management person's compensation.

Compensation packages include a mix of fixed and variable compensation and short and long-term performance-based incentives.

Fixed compensation

Fixed compensation consists of base compensation (which is calculated on a total cost basis and includes any FBT charges related to employee benefits) as well as employer contributions to superannuation funds, as required by law.

Compensation levels are reviewed annually by the remuneration committee through a process that considers individual performance and overall performance of the Group.

Performance linked compensation

Performance linked compensation includes short-term and long-term incentives and is designed both to reward key management personnel for meeting or exceeding their financial and personal objectives and to keep the Group competitive in the marketplace. The short-term incentive ('STI') is an 'at risk' bonus provided in the form of cash and based on agreed key performance indicators ('KPIs') for each position.

The long-term incentive ('LTI') is provided as options over ordinary shares of the Company under the rules of the Employee Share Option Plan ('ESOP'). In accordance with the terms of the ESOP, share options are granted under a service condition whereby the grantee must be employed by the Group at the time the options vest. If share options are unvested at termination of the grantee's engagement by the Group, the options expire on termination of the grantee's engagement. If share options are vested but unexercised at termination of the grantee's engagement, the options expire 30 days after the termination of the grantee's engagement. Otherwise, share options expire on their expiry date.

Short-term incentive bonus

Each year the remuneration committee sets the KPIs for the key management personnel. The KPIs will generally include measures relating to the Group, and to the individual, and include financial, people, strategy, and risk measures. The measures are chosen as they directly align the individual's reward to the KPIs of the Group and to its strategy and performance.

The remuneration committee recommends the cash incentive to be paid to each individual. These recommendations are reviewed and confirmed by the board. This method of assessment was chosen as it provides the committee with an objective assessment of the individual's performance.

Long-term incentive

Options are issued under the ESOP (made in accordance with thresholds set in plans that have been initially approved by the board) and it provides for key management personnel to receive varying numbers of options over ordinary shares for no consideration. The actual number of options issued depends on the seniority and responsibility of the executive concerned. The exercise prices and vesting periods of the options are set so as to provide a realistic incentive to each executive and to reflect the executive's contribution to the Group and enhancement of value for all shareholders.

In addition to the options provided to executives, the Company has issued options to certain directors. These entitlements have not been granted as part of a broad scheme to remunerate the board but rather as a specific and largely pre-agreed recognition of the contribution of these directors to the establishment of the Company and its portfolio of projects, and its listing on the Australian Securities Exchange ('ASX') in October 2007. These remaining option entitlements are noted in the table in Section 4.4.4.4.

The Company's policy relating to exercise and vesting dates for options provided to executives and to certain directors is summarised as follows:

- The exercise prices and vesting terms for options issued to the managing director recognise the highly competitive labour market in Australia within the mining industry. Commercial salary arrangements are currently seen as being only part of the attraction to executives and increasingly executives desire a meaningful incentive in the form of options or shares offered. The Company has recognised this aspect and negotiated with the managing director the terms of issue, which include a five year term and varying exercise prices generally expressed in three tranches and vesting on grant date. Generally the Company endeavours to establish a modest premium to current prices when setting exercise prices of such incentive options.

Directors' Report

4.4. Remuneration report – audited (continued)

4.4.1. Principles of compensation – audited (continued)

Long-term incentive (continued)

- The exercise prices for options issued to other directors and an executive have been set at significantly higher levels than those applicable to the managing director. These terms were agreed prior to the Company listing in October 2007. As noted above, this acknowledges that the issue of options does not form part of the remuneration base of the relevant directors and executive but instead rewards them in the longer term for the significant efforts already made and yet to be made. Accordingly the premiums were set at a more realistic hurdle rate relative to price expectations based on successful exploitation of the Group's projects. The five year term is consistent with the options terms for the managing director.

The Group does not have a formal policy in place regarding hedging of options or rights by key management personnel.

Consequences of performance on shareholder wealth

The board considers that the most effective way to increase shareholder wealth is through the successful exploration and development of the Group's mineral exploration permits. The board considers that the Group's LTI schemes incentivise key management personnel to successfully explore the Group's mineral permits by providing rewards that are directly correlated to delivering value to shareholders through share price appreciation.

Service contracts

The Company has entered into a service contract with the managing director. There are no service contracts with any other director or executive.

The service contract outlines the components of compensation paid to the managing director but does not prescribe how compensation levels are modified year to year. Compensation levels are reviewed each year to take into account individual performance, any change in the scope of the role performed by the managing director, cost-of-living changes and any changes required to meet the principles of the compensation policy.

Individual performance is measured against agreed key performance indicators, including successful completion of operational tasks, timely execution of work programmes, adherence to governance standards and procedures and feedback from stakeholders and other interested parties.

The managing director, Mr Simon Finnis, was appointed to his current role on 1 March 2010 following service as chief executive officer of the Company from 1 September 2007 to 1 April 2009, and as a member of the board of directors from 6 April 2009 onwards.

Mr Finnis is retained as managing director pursuant to a consultancy contract between Finnis 1 Pty Ltd, Simon Finnis and the Company which provides for the services of Mr Finnis on a full time basis. The major terms of the contract include:

- an initial term of three years commencing 1 March 2010.
- an annual fee of $305,000 payable monthly in arrears.
- termination upon three months notice, except in the event of a change of control where an additional six months notice is required.
- rights to a short term incentive of up to 20% of the annual fee, subject to agreed KPIs which are reviewed annually.
- a long term incentive of 1,500,000 options, each vesting immediately and having a five year expiry date from the date of issue, and exercisable as follows:
  - 500,000 options exercisable at 10 cents per share
  - 500,000 options exercisable at 12.5 cents per share
  - 500,000 options exercisable at 15 cents per share

Non-executive directors

Total compensation for all non-executive directors was set by the board on 22 June 2007 at $147,000. The levels of fees set were based on a review involving reference to fees paid to other non-executive directors of comparable companies at the time. There has been no change to these levels since 2007. Directors' base fees are presently set at $35,000 per annum for the chairperson and $28,000 per annum for each non-executive director. These fees are paid quarterly in arrears.

The chairperson, finance director and non-executive director do not receive performance related compensation. Directors' fees cover all main board activities including membership of a committee(s). Additional services provided outside of board duties attract a separate daily rate agreed by the remuneration committee.

There is no board retirement scheme and there is currently no intention to establish such a scheme.

4.4.2. Directors' and executive officers' remuneration – audited

Details of the nature and amount of each major element of remuneration of each director of the Company and the named Company and Group executives for the year ended 30 June 2011 are:

Directors' Report

4.4. Remuneration report – audited (continued)

4.4.2. Directors' and executive officers' remuneration – audited (continued)

		Short-term				Post-employment	Other long term	Termination benefits	Share-based payments		S300A(1)(e)(i) proportion of remuneration performance related %	S300A(1)(e)(i) value of options as proportion of remuneration %
		Salary & fees	STI cash bonus $	Non-monetary benefits	Total	Superannuation benefits			Options (ii)	Total $		
Directors												
Non-executive directors												
Mr S Everett	2011	35,000	-	-	35,000	-	-	-	-	35,000	-	-
Mr M Arnett	2011	28,000	-	-	28,000	-	-	-	-	28,000	-	-
Executive directors												
Mr S Finnis	2011	305,000	25,000	250	330,250	-	-	-	-	330,250	8%	-
Mr B Casson	2011	28,000	-	-	28,000	-	-	-	759	28,759	-	3%
Executives												
Mr F Bunting (i)	2011	-	-	-	-	-	-	-	2,530	2,530	-	100%

Directors' Report

4.4. Remuneration report – audited (continued)

4.4.2. Directors' and executive officers' remuneration – audited (continued)

		Short-term				Post-employment	Other long term	Termination benefits	Share-based payments		S300A(1)(e)(i) proportion of remuneration performance related %	S300A(1)(e)(i) value of options as proportion of remuneration %
		Salary & fees	STI cash bonus $	Non-monetary benefits	Total	Superannuation benefits			Options	Total $		
Directors												
Non-executive directors												
Mr S Everett	2010	35,000	-	-	35,000	-	-	-	-	35,000	-	-
Mr M Arnett	2010	28,000	-	-	28,000	-	-	-	-	28,000	-	-
Executive directors												
Mr S Finnis	2010	120,307	-	-	120,307	-	-	-	94,000	214,307	-	43.9%
Mr B Casson	2010	28,000	-	-	28,000	-	-	-	2,795	30,795	-	9.1%
Executives												
Mr F Bunting	2010	10,500	-	-	10,500	-	-	-	9,315	19,815	-	47.0%

Directors' Report

4.4. Remuneration report – audited (continued)

4.4.2. Directors' and executive officers' remuneration – audited (continued)

Notes in relation to the table of directors' and executive officers' remuneration - audited

(i) Mr Bunting resigned as a director of the Company on 6 April 2009. However, he has continued to provide valuable ongoing input. Mr Bunting was also a shareholder and director of GRC Mexico Pty Ltd (formerly Global Resources Corporation Pty Limited) ('GRC Mexico') which was acquired by the Company in March 2010. Mr Bunting was, and remains, a director of the Mexican subsidiary of GRC Mexico and continues to contribute to the exploration reviews for the El Rodeo Project. Given this continued involvement in the management of the Group Mr Bunting retains the incentive options issued to him in July 2007 (refer to section 4.4.4.4 for further details).

(ii) The fair value of options issued during the year is calculated at the date of the grant using a Black & Scholes option-pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options recognised in this reporting period. Market conditions have been taken into account within the valuation model.

Details of performance related remuneration - audited

The Group's policy in relation to the proportion of remuneration that is performance related is discussed on page 6.

4.4.3. Analysis of bonuses included in remuneration – audited

Details of the vesting profile of the short-term incentive cash bonuses awarded as remuneration to each director of the Company, each of the named Company executives and relevant Group executives and other key management personnel are detailed below:

	Included in remuneration $ (i)	Vested in year %	Forfeited in year %
Directors			
Mr S Finnis	25,000	41	-

(i) Amounts included in remuneration for the financial year represent the amount that vested in the financial year based on achievement of personal goals and satisfaction of specified performance criteria. No amounts vest in future financial years in respect of the bonus schemes for the 2011 financial year.

4.4.4. Equity instruments – audited

All options refer to options over ordinary shares of Global Resources Corporation Limited, which are exercisable on a one-for-one basis under the Employee Share Option Plan.

4.4.4.1. Options and rights over equity instruments granted as compensation – audited

No options over ordinary shares in the Company were granted as compensation to key management personnel during the reporting period. Details of options that vested during the reporting period are as follows:

	Number of options granted during 2008	Grant date	Fair value per option at grant date	Exercise price per option	Expiry date	Number of options vested during 2011
Directors						
Mr B Casson	90,000	30 Jul 2007	5.9 cents	60 cents	09 Oct 2012	90,000
Executives						
Mr W F Bunting	300,000	30 Jul 2007	5.9 cents	60 cents	09 Oct 2012	300,000

Directors' Report

4.4. Remuneration report – audited (continued)

4.4.4. Equity instruments – audited (continued)

4.4.4.1. Options and rights over equity instruments granted as compensation – audited (continued)

No options have been granted as compensation to key management personnel since the end of the financial year.

Options are granted under a service condition whereby the grantee must be employed by the Group at the time the options vest. If share options are unvested at termination of the grantee's engagement by the Group, the options expire on termination of the grantee's engagement. If share options are vested but unexercised at termination of the grantee's engagement, the options expire 30 days after the termination of the grantee's engagement. Otherwise, share options expire on their expiry date. The options are exercisable from their vesting date to their expiry date, subject to continuing service. Options issued under the Company's ESOP have been provided at no cost to the recipient.

Further details regarding options issued to directors and executives under the Company's ESOP are in note 19 to the financial statements.

4.4.4.2. Modification of terms of equity-settled share-based payment transactions – audited

No terms of equity-settled share-based payment transactions have been altered or modified by the issuing entity during the reporting period or the prior period.

4.4.4.3. Exercise of options granted as compensation - audited

No shares were issued on the exercise of options during the reporting period, or since the end of the reporting period.

4.4.4.4. Analysis of options and rights over equity instruments granted as compensation - audited

Details of vesting profiles of the options granted as remuneration to each key management person of the Group and the named Company executives and Group executives are detailed below.

	Number of options granted	Option grant date	% vested at year end	% forfeited / cancelled in year	Financial years in which grant vests
Directors					
Mr B Casson	90,000	30 July 2007	100%	-%	1 July 2010
Executives					
Mr W F Bunting	300,000	30 July 2007	100%	-%	1 July 2010

4.4.4.5. Analysis of movements in options – audited

During the reporting period, there has been no movement in options over ordinary shares issued as remuneration under the Company's ESOP to key management persons and the named Company executives and Group executives. However, subsequent to the end of the reporting period, key management persons and the named Company executives and Group executives participated in the $1.6 million capital raising announced by the Company on 14 July 2011 (refer to section 8 of the Directors' Report). Participation entitled key management persons and the named Company executives and Group executives to options over ordinary shares in the Company on the same terms as other shareholders of the Company who participated in the capital raising.

Directors' Report

4.5. Audit committee

The audit committee has a documented charter, approved by the board. A majority of members must (preferably) be independent directors although, in the current circumstances of the Company, this is not possible. The chairperson may not be the chairperson of the board. The committee advises on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Group.

The members of the audit committee during the year were:

- Michael Arnett, LLB, B.Com. (chairman) – independent non-executive director
- Simon Finnis – managing director - Despite his lack of independence, Mr Finnis' contribution as managing director is seen as particularly relevant and important to the audit committee.
- Barry Casson, CA MAICD – finance director and company secretary

The external auditor is invited to the annual and half-year audit committee meetings.

The managing director and the finance director have declared in writing to the board that the financial records of the Company for the financial year have been properly maintained and that the Company's financial reports for the financial year ended 30 June 2011 comply with accounting standards and present a true and fair view of the Company's financial condition and operational results. This statement is required annually.

The audit committee's charter is available on the Company's website.

The responsibilities of the audit committee include:

- reviewing the annual and half-year financial reports and other financial information distributed externally. This includes approving new accounting policies to ensure compliance with Australian Accounting Standards and assessing whether the financial information is consistent with committee members' information and adequate for shareholder needs
- assessing corporate risk assessment processes
- assessing whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence. Each reporting period the external auditor provides an independence declaration in relation to the audit or review
- providing advice to the board in respect of whether the provision of the non-audit services by the external auditor is compatible with the general standard of independence of auditors imposed by the *Corporations Act 2001*
- assessing the adequacy of the internal control framework and the Company's code of ethical standards
- organising, reviewing and reporting on any special reviews or investigations deemed necessary by the board
- monitoring the procedures to ensure compliance with the *Corporations Act 2001* and the ASX Listing Rules and all other regulatory requirements
- addressing any matters outstanding with auditors, the Australian Taxation Office, the Australian Securities and Investments Commission, the ASX and financial institutions.

The audit committee will review the performance of the external auditors on an annual basis and normally meets with them during the year to:

- discuss the external audit plans, identifying any significant changes in structure, operations, internal controls or accounting policies likely to impact the financial statements and to review the fees proposed for the audit work to be performed
- review the half-year and preliminary final report prior to lodgement with the ASX, and any significant adjustments required as a result of the auditor's findings, and to recommend board approval of these documents, prior to announcement of results
- review the draft annual and half-year financial report, and recommend board approval of the financial report
- review the results and findings of the auditor, the adequacy of accounting and financial controls, and to monitor the implementation of any recommendations made.

4.6. Risk management

Oversight of the risk management system

The board oversees the establishment, implementation, and annual review of the Company's risk management system. Management has established and implemented the risk management system for assessing, monitoring and managing operational, financial reporting, and compliance risks for the Group. The operational and other risk management compliance and controls are assessed each financial year. The risk management policy of the Company is currently being reviewed and updated to reflect its changing focus and areas of activity.

Risk profile

The audit committee reports to the board regularly, as appropriate to the Company's circumstances and activities, on the status of risks through integrated risk management programmes aimed at ensuring risks are identified, assessed and appropriately managed.

Directors' Report

4.6. Risk management (continued)

Risk management and compliance and control

The board is responsible for the overall internal control framework, but recognises that no cost-effective internal control system will preclude all errors and irregularities. The board's policy on internal control takes into account the size and scope of current activities, and is included within the terms of the risk management policy currently being reviewed and updated by the Board

Policies have been established to ensure:

- capital expenditure and commitments above a certain size obtain prior board approval
- financial exposures are controlled, including the use of derivatives
- occupational health and safety standards and management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations
- business transactions are properly authorised and executed
- financial reporting accuracy and compliance with the financial reporting regulatory framework
- environmental regulation compliance

Quality and integrity of personnel

Formal appraisals are conducted at least annually for all employees. Training and development and appropriate remuneration and incentives with regular performance reviews create an environment of cooperation and constructive dialogue with employees and senior management. Given the present size and scope of activities, there is no formal succession plan currently in place to ensure competent and knowledgeable employees fill senior positions when retirements or resignations occur.

Financial reporting

The managing director and finance director have declared in writing to the board that the Company's financial reports are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board.

Monthly actual results are reported against budgets approved by the directors and revised forecasts for the year are prepared regularly.

Environmental regulation

The Group's operations are subject to significant environmental regulation under both Commonwealth and State legislation in relation to its exploration activities in Queensland. The Group is also subject to foreign jurisdiction environmental regulations in Mexico and Turkey.

The Group is committed to achieving a high standard of environmental performance. Due to the size and scope of current activities the Company has not established an environmental management committee; however the board charter includes focus on this area of operating performance. The board is responsible for the regular monitoring of environmental exposures and compliance with environmental regulations.

As part of this process the board is responsible for:

- setting and communicating environmental objectives and quantified targets
- monitoring progress against these objectives and targets
- implementing environmental management plans in operating areas which may have a significant environmental impact
- identifying where remedial actions are required and implementing action plans
- regular monitoring of licence requirements, with performance against licence conditions reported to the various State regulators on a regular basis.

To enable the board to meet its responsibilities, the managing director maintains a regular internal reporting process with all key employees and reports to the board as and when relevant. For the year ended 30 June 2011 there were no relevant or outstanding requirements of environmental regulations as the Group had completed all environmental obligations in respect of exploration activity undertaken on its portfolio of projects.

Assessment of effectiveness of risk management

The Group does not employ internal auditors.

The audit committee is responsible for ensuring compliance with internal controls and risk management programmes by regularly assessing the effectiveness of the above-mentioned compliance and control systems.

Directors' Report

4.7. Ethical standards

All directors, executives and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group, in accordance with the Company's Code of Conduct Policy.

Conflict of interest

Directors must keep the board advised, on an ongoing basis, of any interest that could potentially conflict with the interests of the Group. The board has developed procedures to assist directors to disclose potential conflicts of interest.

Where the board believes that a significant conflict exists for a director on a board matter, the director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered. Details of director related entity transactions with the Group are set out in note 25 to the financial statements.

Code of conduct

The Group has advised each director, executive and employee that they must comply with the Code of Conduct Policy adopted by the board. The policy may be viewed on the Company's website, and it covers the following:

- aligning the behaviour of the board and management with the code of conduct by maintaining appropriate core Group values and objectives
- fulfilling responsibilities to shareholders by delivering shareholder value
- responsibilities to the individual, such as privacy, use of privileged or confidential information, and conflict resolution
- managing potential or actual conflicts of interest
- corporate opportunities such as preventing directors and key executives from taking improper advantage of property, information or position for personal gain
- confidentiality of corporate information
- protection and proper use of the Group's assets
- compliance with all laws and regulations affecting the Group
- reporting of unlawful or unethical behaviour including protection of those who report violations in good faith.

Trading in Company securities by directors and employees

The key functions of the Trading Blackout Policy on trading in Company securities by directors and employees are:

- to identify those to whom the policy is applicable
- to identify the circumstances in which a trading blackout will be imposed. Directors, executives, employees and their family members may acquire shares in the Company but are prohibited from dealing in Company shares or exercising options:
  - between 5 trading days before and 2 full trading days after the release of any financial results to the ASX
  - while a major announcement is pending e.g. an announcement relating to the negotiation of a material transaction or a material change to the affairs of the Company. In these circumstances, the blackout remains in effect for 2 full trading days after the announcement.
  - whilst in possession of price sensitive information not yet released to the market
- to raise awareness of legal prohibitions on dealing in the Company's securities.

The policy also details the insider trading provisions of the *Corporations Act 2001* and is reproduced in full on the Company's website.

4.8. Communication with shareholders

The board policy is to provide shareholders with information using a comprehensive Continuous Disclosure Policy which includes identifying matters that may have a material effect on the price of the Company's securities, notifying them to the ASX, posting them on the Company's website, and issuing media releases. More details of the policy are available on the Company's website.

In summary, the Continuous Disclosure Policy operates as follows:

- the managing director and the company secretary are responsible for interpreting the Group's policy and where necessary informing the board. The company secretary is responsible for all communications with the ASX. Such matters are advised to the ASX on the day they are discovered.
- the full annual report is provided via the Company's website to all shareholders (unless a shareholder has specifically requested to receive a physical copy or not to receive the document), including relevant information about the operations of the Group during the year, changes in the state of affairs and details of future developments
- the half-yearly report contains summarised financial information and a review of the operations of the Group during the period. The half-year reviewed financial report is lodged with the Australian Securities and Investments Commission and the ASX, and sent to any shareholder who requests it
- proposed major changes in the Group which may impact on share ownership rights are submitted to a vote of shareholders

Directors' Report

4.8. Communication with shareholders (continued)

- all announcements made to the market, and related information (including information provided to analysts or the media during briefings), are placed on the Company's website after they are released to the ASX
- the full texts of notices of meetings and associated explanatory material are placed on the Company's website
- the external auditor attends the annual general meetings to answer questions concerning the conduct of the audit, the preparation and content of the auditor's report, accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

All of the above information is made available on the Company's website within one day of public release, and is e-mailed to all shareholders who lodge their e-mail contact details with the Company. Information on lodging e-mail addresses with the Company is available on the Company's website.

The board encourages full participation of shareholders at the annual general meeting to ensure a high level of accountability and identification with the Group's strategy and goals. Important issues are presented to the shareholders as single resolutions.

The shareholders are requested to vote on the appointment and aggregate remuneration of directors, the granting of options and shares to directors, the remuneration report and changes to the constitution.

4.9. Diversity

The board appreciates the need to have an appropriate blend of diversity both on the board and in the Group's senior executive positions. However, in the current circumstances of the Group and given the small number of key management personnel, the board has not yet established a formal policy on diversity.

	30 June 2011	30 June 2011	30 June 2010	30 June 2010
Gender representation	Female (%)	Male (%)	Female (%)	Male (%)
Board representation	-	100%	-	100%
Key management personnel representation	-	100%	-	100%
Group representation	18%	82%	13%	87%

The board considers the Group's key management personnel, excluding Company directors, to be the Group's senior executives.

5. Principal activities

The principal activities of the Group during the course of the financial year were the exploration and evaluation of its existing portfolio of exploration projects located in Mexico while continuing to seek new opportunities both locally and elsewhere. Late in the financial year the Company commenced exploration in Turkey following the acquisition of two gold projects in May 2011. A third project interest in Turkey was acquired at the end of June 2011 however no exploration had commenced during the financial year.

5.1. Mexico

The Company's primary focus for activity through the reporting period was the El Rodeo project in Mexico

El Rodeo is a 3,000 ha (approx) group of concessions in the state of Michoacan, in the south-east of Mexico. It is a multi-faceted project, with the following three projects having been advanced in the period:

- Cacanicuas – A large Copper/Molybdenum porphyry system. During the reporting period a large scale geophysics programme was carried out at El Rodeo which included ground based magnetic and Induced Polarisation ('IP') surveys. Several interesting features were identified, particularly by the IP survey at Cacanicuas, which will require follow up work in due course.
- La Calera – A gold dominant skarn. The work on this prospect focussed on locating extensions to the known gold bearing gossan. The work consisted of a large scale mapping and geochemical programme which extended the soil grid to the north-west and south-east and generally along the known strike of the prospect. It was also the subject of a geophysical programme that, together with the geochemical survey, has identified several targets, one in between La Calera and Cacanicuas, which has a coincident copper from geochem anomaly, and a magnetic anomaly.
- Real de Espiritu Santo – This former producing silver mine was the subject of most of the tangible work at El Rodeo. In late 2010, our team in Mexico made safe and sampled the historical workings and the resultant assay results showed very high grade silver. In follow up work in the surrounding area, similar veining was located and sampled at Jacal (approximately 1km to the north-east) and El Carmen (approximately 1km to the north). Both these sampling programmes provided high grade silver results and the programme in total prompted a drilling campaign that commenced early in 2011. 2,000m of diamond drilling was carried out at Espiritu Santo and El Carmen between January and April 2011 and the initial results were released late in April, with subsequent results announced in July. The drilling showed broad intersects of silver mineralisation but did not locate any significant high grade silver mineralisation over any significant widths.

  This drilling did not meet the expectations of the Company or the market, and it is considered unlikely that an economic silver deposit will be discovered in this area. Accordingly the expenses that relate to exploratory work at Espiritu Santo have been impaired, along with administrative costs relating to this prospect.

Directors' Report

5. Principal activities (continued)

5.2. Queensland

The Company has held a significant number of mineral exploration tenements in Queensland since it was listed in 2007. As the market has generally changed since listing, the Company has been forced to change its focus from the initial tenements held. However, it has constantly reviewed the areas of interest and has been progressively adding to that portfolio as opportunities have presented themselves, as well as reducing other holdings in areas no longer meeting the criteria of the Company. The granted tenements are predominantly in the region south of Cloncurry and in the Burdekin area south of Townsville, while the applications extend broadly across the State of Queensland.

Project areas (containing granted tenements and tenement applications) and target types are:

- South Cloncurry - Iron Oxide Cu-Au, Broken Hill type (BHt) Ag-Pb-Zn, and phosphate.
- Dobbyn – Structurally controlled Oxide Cu.
- Burdekin - Epithermal Au-Ag.
- Monto- Epithermal Au-Ag, and Porphyry and skarn Cu-Au.
- Clermont - Porphyry Cu- Au-Mo and epithermal Au-Ag.
- Charters Towers - Intrusive and breccia related Au.
- Georgetown - Intrusive and breccia related Au.

These areas have not been actively explored by the Company in the current reporting period although the Company continues to consider various strategies for maximising their potential and providing the best outcome for the Company and its shareholders.

5.3. Turkey

The Company has acquired interests in three gold projects in Turkey; namely 100% interests in the Aktarma and Ispir projects, and a right to earn up to a 60% interest in the Yunt Dag Project.

Aktarma project

Aktarma is located 50km north of Izmir City and within the Biga geological province in western Turkey. Geologically it lies on the northern margin of the regional Ergarma Graben and hosts a strong multi-element soil and rock geochemical anomaly, 1,500m in length, with values up to 0.6g/t Au in soil and 5.5g/t Au in rock from previous explorers.

Recent work by the Company has returned further good grade gold from chip samples (up to 6.13g/t Au) and has identified several geophysical anomalies that show excellent potential for extensions to the known structure at Aktarma. The property exhibits many similarities to the Ovacik and Kucukdere mines in terms of its geological setting, mineralisation style, and proximity to the graben margin. All targets on the property are untested by drilling and the potential to find low sulphidation gold epithermal styles of mineralisation is considered to be excellent.

The initial exploration programme at Aktarma confirmed that the Aktarma Low Sulphidation Epithermal System is strongly gold bearing. The initial programme consisted of 285 rock chip samples, a Gradient IP survey and a ground magnetic survey. The first results were announced on 6 July 2011 just after the close of this reporting period. The geophysical surveys indicated good potential for extensions to known outcrops of the mineralised epithermal system with a strong resistivity signature along strike from the outcrop. A preliminary drilling programme is now in the permitting stage.

The Company issued 2.25 million ordinary shares on 23 May 2011 to acquire 100% of the Aktarma project.

Ispir project

The Ispir project is located 125km southeast of the city of Trabzon, on the Black Sea coast of Turkey.

Ispir has both high sulphidation gold epithermal and copper-molybdenum porphyry styles of mineralisation. Six target areas have been identified by previous explorers after carrying out silt, soil and rock sampling. The property is adjacent to the Ulutas copper molybdenum porphyry system which was drilled between 1971 and 1974 by Turkish government agency MTA and is expected to be up for public tender within 12 months.

The Company issued 2.25 million ordinary shares on 23 May 2011 to acquire 100% of the Ispir project.

Yunt Dag project

The Yunt Dag project is located 12km northwest of Balikesir City and is also situated in the Biga geological province, which has a rich mining history. There are several gold mines currently in production in the vicinity, namely Ovacik, operated by Koza Altin (a private Turkish mining company), and Kisladag and Efemcukuru, both operated by Eldorado Gold Corporation (www.eldoradogold.com).

Previous explorers completed silt, soil and rock sampling, as well as an IP/Resistivity/Magnetic Survey and a detailed alteration mapping programme.

A large (2 x 1.5km) magnetic anomaly correlating with gold anomalies in soil samples was encountered in the eastern part of the tenements and indicates a porphyry system at depth. In the southern part of the IP survey area a significant chargeability anomaly was encountered that may be indicative of a high sulphidation system at depth. These targets are ready to be tested by drilling.

Directors' Report

5. Principal activities (continued)

5.3. Turkey (continued)

The terms of the Yunt Dag option agreement are summarised in the table below:

Yunt Dag			
	Expenditures required (US$)	Number of GRC shares issued	GRC % equity interest earned
Year 1	500,000	500,000	
Year 2	700,000	1,000,000	
Year 3	1,000,000	1,000,000	
Sub Total	2,200,000	2,500,000	51%
Decision to earn another 9% (GRM option)			
Years 4-5	2,000,000	2,500,000	
Total	4,200,000	5,000,000	60%
JV 60% GRM, 40% PLG			

Note: GRM means Global Resources Corporation Limited. PLG means Pilot Gold Inc, listed on the TSX in Canada

The Company issued the initial requirement of 500,000 shares on 29 June 2011 to the subsidiary of the Canadian listed Pilot Gold Inc (TSX: PLG) which currently owns this project. There is no obligation for the Company to proceed past the initial Year 1 commitment. However, if the Company elects to discontinue activity after the initial year, the Company will hold no interest in the project.

The above three projects are each subject to a 2% Net Smelter Royalty payable to Agola Sirketi Madencilik Limited ('Agola'), a subsidiary of Pilot Gold Inc.

5.4. Objectives

During the financial year, the Group initially concentrated on the El Rodeo project and that culminated in drilling at Espiritu Santo in early 2011. Due to those drilling results and the fact that the next stages of work at El Rodeo are likely to be expensive, the project is no longer a priority for the Company. Various ways to achieve shareholder value from this asset are under review.

In late 2010, the Company agreed to acquire 3 new projects in Turkey. The acquisition process became protracted as Fronteer Gold Inc (with which the Company had originally agreed the terms of acquisition) announced it had entered into a plan of arrangement involving Fronteer Gold, Newmont Mining Corporation and Pilot Gold Inc (the 'Arrangement'). The Arrangement became effective on 6 April 2011. Further to the Arrangement, Agola Madencilik Sirketi Limited (then a subsidiary company of Fronteer Gold) and a number of other Fronteer Gold assets were transferred to Pilot Gold Inc. Effecting closure of the Arrangement delayed completion of the Company's project acquisition documentation; however the Acquisition Agreement for Aktarma and Ispir was executed on 16 May 2011 and the Option Agreement over Yunt Dag was executed on 27 June 2011. These projects represent excellent opportunities for the Company and will be the focus of the exploration effort for the foreseeable future. Turkey is a burgeoning mining jurisdiction and the Company also believes it will offer further opportunities.

The Queensland tenements are generally grass roots exploration targets and, as such, are not considered to be priority targets for the Company at this stage. The Company is actively seeking partners to take these projects forward.

6. Operating and financial review

Overview of the Group

During the reporting period the Company actively explored its project interests in Mexico, and successfully acquired three new project interests in the emerging mining province of Turkey. These latest acquisitions are the culmination of the strategy to move away from Australian based exploration and into jurisdictions that offer security of tenure, supportive legislation and most importantly of all, significant resource opportunities. It is the view of the board that this move will deliver exploration success, growth in the Company and the opportunity for further acquisitions.

Shareholder returns

The nature of the Group's business is evolving from the initial high risk, high reward strategy of its Queensland focussed base metals exploration at the time of listing in 2007, to a more recent focus on emerging mining provinces in Mexico and now Turkey with an increasing emphasis on gold. These new focus projects remain exploration based and accordingly continue to represent risk; however the board believes these new projects reduce the risk profile going forward and increase the potential for discovery and ultimately shareholder returns.

No dividend is expected during the next twelve months and the directors can give no assurance as to the payment of future dividends or the level of franking of such dividends. The payment of fully franked dividends will depend upon the availability of sufficient distributable profits, the Company's franking credit position, working capital requirements, future capital expenditure requirements, general business and financial conditions and any other factors the directors may consider relevant.

Directors' Report

6. Operating and financial review (continued)

Investments for future performance

The Group's main focus is the development and evaluation of its portfolio of mining projects in Turkey and a continuing search for other opportunities there. The Group is applying its financial resources and expertise towards this purpose.

Review of financial condition

During the period under review, the Company has been seeking to establish new project interests with an increasing focus on global opportunities. This strategy led to the incorporation of GRC Madencilik Ltd Sirketi, a wholly owned subsidiary of the Company, in Turkey in April 2011 and the current focus on the Yunt Dag, Aktarma and Ispir Projects in Turkey.

At balance date the Group had approximately $247,000 in cash resources to support its operations. On 14 July 2011, the Company announced a $1.6 million capital raising to provide the Group with the funds to advance its project interests in Turkey and with general working capital. The capital raising was concluded on 12 August 2011 providing the Group with gross proceeds of approximately $597,000. As the capital raised was insufficient for the Group to be able to pursue its objectives, on 5 September 2011, the Company announced that it had entered into an agreement with Blackswan Equities to raise $1.6 million through the placement of 200,000,000 shares. Conclusion of this agreement will provide the Group with the funding necessary to advance exploration activity in Turkey.

The Group continues to actively seek additional project interests, and again appears to be more likely to add to overseas interests than to interests in Australia, due to the nature and cost of opportunities becoming available. The Group will continue to monitor the cash required to meet future obligations, and the availability of additional equity in the Australian market at the appropriate time. The ongoing operation of the Group is dependent upon the Group raising additional funding from shareholders or other parties prior to 30 June 2012. There is no assurance however that, in the current economic environment, the Group will be able to raise additional funds on reasonable terms.

Significant changes in the state of affairs

As noted above, the Company has been changing its focus over time. Though initially focussed on its Queensland projects, as a result of the global financial crisis, the Company was forced to seek a new direction. However, it has continued to review and improve upon its land position in Queensland although it has not actively explored in this jurisdiction in recent times. Nonetheless, the Company is actively pursuing ways to achieve value from this strong land position.

The Company's shift from Queensland was initially to Mexico following the acquisition of an exclusive option over the El Rodeo project in early 2010. In the period since acquisition, the Company has undertaken exploration over a number of the most promising prospects. The current year's exploration programme delivered some encouraging results and, while the El Rodeo Project remains an exciting multi-prospect project, there is a need for high cost exploration to advance this project. Given the drilling from Espiritu Santo did not intersect any economic mineralisation, the decision has been made to impair the costs of the past Espiritu Santo exploration programmes.

The Company has been pragmatic in its approach and will now concentrate on the new acquisitions in Turkey for the foreseeable future where the board believes the value generation for exploration expenditures appears more favourable. Accordingly the focus of the Company will be in Turkey with these and potentially additional projects identified during the future programmes.

7. Dividends

No dividends have been paid or declared during or since the end of the financial year (2010: nil).

8. Events subsequent to reporting date

(i) Fundraising of $597,000

On 14 July 2011, the Company announced that it would conduct a capital raising to provide approximately $1.6M in funding. The primary purpose of the capital raising was to provide the Group with both the capacity to advance the Aktarma, Ispir and Yunt Dag projects in Turkey and general working capital to be utilised for exploration of other areas of interest and general administrative costs. The process involved the following:

- the placement of 21,000,000 new ordinary shares in the Company at $0.016 per share. Each new ordinary share subscribed for has one attaching option which, if exercised, entitles the holder to one new ordinary share in the Company. Each option has an exercise price of $0.03, an expiry date of 22 August 2013 and vests on approval of the issue by shareholders. The placement was completed on 19 July 2011 raising $336,000. 21,000,000 new ordinary shares and options were issued on that date.
- a 1 for 2 non-renounceable rights issue of new ordinary shares. Shareholders of the Company were entitled to 1 new ordinary share for every two existing ordinary shares held at 7.00pm on 22 July 2011 at a price of $0.016 per share. Each new ordinary share subscribed for has one attaching option which, if exercised, entitles the holder to one new ordinary share in the Company. Each option has an exercise price of $0.03, an expiry date of 22 August 2013 and vests on the date of issue. The non-renounceable rights issue closed on 12 August 2011 raising approximately $261,000. As a result, 16,329,543 new ordinary shares and options were issued on 22 August 2011.

Melbourne Capital Limited ('MCL') was engaged to act as lead manager of the capital raising. MCL arranged the placement of the 21,000,000 shares ahead of the commencement of the rights issue. As consideration for its role in the placement, MCL received a cash fee of 6% of the total placement funds ($20,160).

Directors' Report

8. Events subsequent to reporting date (continued)

(i) Fundraising of $597,000 (continued)

The rights issue was not underwritten. Adverse market conditions and the deterioration of the Company's share price created a substantial shortfall in the uptake of rights. Attempts by MCL to place the shortfall shares on an 'all reasonable endeavours' basis were unsuccessful. As a result, on 5 September 2011, the Company announced that the previous arrangement with MCL to place the shortfall shares had been terminated. No consideration, other than the cash fee noted above, was paid to MCL for its role as lead manager of the capital raising.

A general meeting of shareholders held on 30 August 2011 approved the issue of the options attaching to the placement, ratified the placement of 21 million shares (so as to refresh the Company's capacity to issue up to 15% of issued capital under ASX Listing Rule 7.4) and approved directors' ability to participate in the rights issue shortfall.

All new ordinary shares issued as part of the capital raising rank equally with the existing ordinary shares in the Company.

(ii) Proposed fundraising of $1.6m

On 5 September 2011, the Company further announced that it had entered into an agreement with Blackswan Equities to place 200,000,000 shares at an issue price of 0.8 cents per share to raise A$1.6M (the 'Placement'). The Placement is intended to be made to institutional and sophisticated investors.

The Placement will be completed in two tranches, with tranche 1 occurring using the 15% threshold capacity under Listing Rule 7.1, and tranche 2 subject to shareholder approval. The details of the tranches are as follows:

- Tranche 1: The placement of 26,773,108 shares raising $214,185. The placement of tranche 1 was completed on 9 September 2011.
- Tranche 2: The placement of 173,226,892 shares raising a further $1,385,815.

Subject to shareholder approval, Blackswan Equities will receive 20,000,000 options at $0.01 for their role in this equity raising.

The funds raised via the Placement will allow the Company to undertake an aggressive exploration programme on its newly acquired assets in Turkey.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

9. Likely developments

The Group will continue to focus on the exploration and evaluation of its portfolio of mining projects and will continue its search for further opportunities. Given that the nature of the Group's activities is exploration focused, no further information can be provided as to likely developments as such developments will depend on exploration success at the Group's various project interests, and the nature of any new acquisitions going forward.

10. Directors' interests

The relevant interest of each director in the shares or options over such instruments issued by the Company, as notified by the directors to the ASX in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this report is as follows:

	Direct interest in ordinary shares	Indirect interest in ordinary shares	Options over ordinary shares - ESOP	Options over ordinary shares - Other (v)
Mr S Everett (i), Non-Executive Chairman	-	10,704,175	Nil	2,500,000
Mr S Finnis (ii), Managing Director	6,752	2,454,087	1,500,000	820,280
Mr M Arnett (iii), Independent Non-Executive Director	392,699	619,712	Nil	130,843
Mr B Casson (iv), Finance Director	1	935,544	300,000	311,848

(i) Mr Everett has an indirect interest in shares and options held by Prima Group Holdings Pty Ltd (373,696 shares) and by Prima Group Holdings Pty Ltd as trustee for the Prima Group Holdings Superannuation Fund (10,330,479 shares, 2,500,000 options).

(ii) Mr Finnis has an indirect interest in shares and options held by Mrs H Finnis (440,529 shares, 146,843 options), Finnis 1 Pty Ltd (883,029 shares, 294,343 options) and the Finnis Family Superannuation Fund (1,130,529 shares, 376,843 options).

(iii) Mr Arnett has an indirect interest in shares held by the Carmich Family Trust (261,856 shares) and by Mayburys Pty Ltd (357,856 shares).

(iv) Mr Casson has an indirect interest in shares and options held by Mrs E Casson (30,000 shares, 10,000 options), Silverfox Retirement Pty Ltd (905,529 shares, 301,843 options) and Fylbin Pty Ltd (15 shares, 5 options).

(v) The directors of the Company hold an interest in these options as a result of direct participation and / or the participation of their indirect interests in the 1 for 2 non-renounceable rights issue completed on 12 August 2011 (refer to sections 8 and 11 of the Directors' Report).

Directors' Report

11. Share options

Options granted to directors and executives of the Company under the Employee Share Option Plan

No options were granted to directors or executives of the Company under the Company's ESOP during the year ended 30 June 2011. In previous financial years, the Company has granted 1,800,000 options for no consideration over unissued shares in the Company to directors of the Company as part of their remuneration.

	Number of options granted	Exercise price	Expiry date
Directors			
Mr S Finnis	500,000	$0.10	19 Mar 2015
	500,000	$0.125	19 Mar 2015
	500,000	$0.15	19 Mar 2015
Mr B Casson	120,000	$0.40	09 Oct 2012
	90,000	$0.50	09 Oct 2012
	90,000	$0.60	09 Oct 2012

Options granted to participants in a share placement

Since the end of the financial year, the Company has granted options for no consideration over unissued ordinary shares in the Company to participants in a placement of 21,000,000 new ordinary shares completed on 19 July 2011. Each new ordinary share subscribed for has one attaching option which, if exercised, entitles the holder to one new ordinary share in the Company.

	Number of options granted	Exercise price	Expiry date
Holder			
Share placement participants	21,000,000	$0.03	22 Aug 2013

Options granted to participants in a 1 for 2 non-renounceable rights issue

Since the end of the financial year, the Company has granted options for no consideration over unissued ordinary shares in the Company to participants in 1 for 2 non-renounceable rights issue (the 'Rights Issue') completed on 12 August 2011. The Rights Issue resulted in the issue of 16,329,543 new ordinary shares in the Company. Each new ordinary share subscribed for has one attaching option which, if exercised, entitles the holder to one new ordinary share in the Company.

	Number of options granted	Exercise price	Expiry date
Holder			
Rights Issue participants	16,329,543	$0.03	22 Aug 2013

Unissued shares under options

At the date of this report unissued ordinary shares of the Company under option are:

Expiry date	Type	Exercise price	Number of shares
09 Oct 2012	ESOP	$0.2875	500,000
09 Oct 2012	ESOP	$0.40	520,000
09 Oct 2012	ESOP	$0.50	390,000
09 Oct 2012	ESOP	$0.60	390,000
19 Mar 2015	ESOP	$0.10	500,000
19 Mar 2015	ESOP	$0.125	500,000
19 Mar 2015	ESOP	$0.15	500,000
22 Aug 2013	Other	$0.03	37,329,543
			40,629,543

All options issued under the terms of the Company's ESOP expire on the earlier of their expiry date or termination of the recipient's employment or fulfilment of the role of a director or officer of the Company. These options have varying vesting dates and exercise prices. All other options issued expire on their expiry date.

No class of options entitles the holder to participate in any share issue of the Company.

Directors' Report

12. Indemnification and insurance of officers and auditors

Indemnification

The Company has agreed to indemnify the following current directors of the Company, Stephen Everett, Michael Arnett, Barry Casson and Simon Finnis, and former directors Dr Ross Fardon, Robert Thorpe and Frank Bunting, 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.

Insurance premiums

The Company has arranged directors' and officers' liability insurance, for past, present or future directors, secretaries, and executive officers. The insurance cover relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The insurance policies outlined above do not contain details of the premiums paid in respect of individual directors or officers of the Company.

13. Non-audit services

During the year ended 30 June 2011, KPMG, the Group's auditor, has performed certain other services in addition to their statutory duties.

The board has considered the non-audit service provided, which was the preparation of income tax returns, and is satisfied that the provision of those non-audit services by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- the non-audit services were reviewed by the board to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Group, KPMG, and its related practices for audit and non-audit services provided during the year are set out in Note 28 to the financial statements.

14. JORC statement

The information in this Director's Report that relates to Exploration Results is based on information compiled by Dr Alex Losada-Calderon, an Australian Geologist who is employed by TAE Resources Pty Ltd, a company associated with him and retained by the Company to provide specialist geological services. Dr Losada-Calderon is a Member of AusIMM and has in excess of 5 years' experience which is relevant to the styles of mineralisation and types 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". Dr Losada-Calderon consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

15. Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 54 and forms part of the directors' report for financial year ended 30 June 2011.

This report is made with a resolution of the directors:

Mr Simon Finnis
Managing Director

Dated this 20th day of September 2011

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2011

	Note	2011	2010
		$	$
Assets			
Cash and cash equivalents	*15*	246,692	1,295,261
Trade and other receivables	*14*	74,475	194,923
Prepayments		35,177	24,678
Total current assets		356,344	1,514,862
Exploration and evaluation assets	*11*	3,391,257	3,311,817
Property, plant and equipment	*12*	77,981	95,882
Total non-current assets		3,469,238	3,407,699
Total assets		3,825,582	4,922,561
Liabilities			
Trade and other payables	*20*	206,307	238,616
Finance lease liability	*18*	14,651	27,029
Current tax payable		27,922	-
Total current liabilities		248,880	265,645
Total liabilities		248,880	265,645
Net assets		3,576,702	4,656,916
Equity			
Share capital		13,291,522	10,811,848
Reserves		(62,145)	472,279
Accumulated losses		(9,652,675)	(6,627,211)
Total equity		3,576,702	4,656,916

The notes on pages 26 to 50 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2011

	Note	2011	2010
		$	$
Other income	7	51,544	-
Net loss on sale of plant and equipment		-	(387)
Administrative expenses		(1,640,985)	(1,030,641)
Impairment of exploration and evaluation assets	11	(1,463,478)	(1,896,926)
Gain on business combination		-	1,225,416
Loss from operating activities		(3,052,919)	(1,702,538)
Finance income	9	29,689	112,008
Finance expenses	9	(2,234)	(2,914)
Net finance income		27,455	109,094
Loss before income tax		(3,025,464)	(1,593,444)
Income tax expense	10	-	-
Loss for the period		(3,025,464)	(1,593,444)
Other comprehensive income			
Foreign currency translation differences for foreign operations		(537,713)	112,747
Total comprehensive income for the period		(3,563,177)	(1,480,697)

		2011	2010
Earnings per share			
Basic and diluted earnings per share	17	(2.8 cents)	(2.4 cents)

The notes on pages 26 to 50 are an integral part of these consolidated financial statements

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2011

	Share capital	Translation reserve	Equity compensation reserve	Accumulated losses	Total equity
	$	$	$	$	$
Balance at 1 July 2009	9,638,964	-	251,907	(5,033,767)	4,857,104
Total comprehensive income for the period					
Profit or loss	-	-	-	(1,593,444)	(1,593,444)
Other comprehensive income					
Foreign currency translation differences	-	112,747	-	-	112,747
Total other comprehensive income	-	112,747	-	-	112,747
Total comprehensive income for the period	-	112,747	-	(1,593,444)	(1,480,697)
Transactions with owners directly recorded in equity					
Contributions by and distributions to owners					
Share based payment transactions	-	-	107,625	-	107,625
Issue of ordinary shares	1,953,052	-	-	-	1,953,052
Issue of shares previously held as treasury shares	(780,168)	-	-	-	(780,168)
Total transactions with owners	1,172,884	-	107,625	-	1,280,509
Balance at 30 June 2010	10,811,848	112,747	359,532	(6,627,211)	4,656,916
Balance at 1 July 2010	10,811,848	112,747	359,532	(6,627,211)	4,656,916
Total comprehensive income for the period					
Profit or loss	-	-	-	(3,025,464)	(3,025,464)
Other comprehensive income					
Foreign currency translation differences	-	(537,713)	-	-	(537,713)
Total other comprehensive income	-	(537,713)	-	-	(537,713)
Total comprehensive income for the period	-	(537,713)	-	(3,025,464)	(3,563,177)
Transactions with owners directly recorded in equity					
Contributions by and distributions to owners					
Share based payment transactions	-	-	3,289	-	3,289
Issue of ordinary shares	2,479,674	-	-	-	2,479,674
Total transactions with owners	2,479,674	-	3,289	-	2,482,963
Balance at 30 June 2011	13,291,522	(424,966)	362,821	(9,652,675)	3,576,702

The notes on pages 26 to 50 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2011

	Note	2011	2010
		$	$
Cash flows from operating activities			
Cash paid to suppliers and employees		(1,475,124)	(779,097)
Interest received		34,314	113,580
Net cash used in operating activities	*15*	(1,440,810)	(665,517)
Cash flows from investing activities			
Acquisition of property, plant and equipment	*12*	(26,878)	(5,449)
Proceeds from sale of plant and equipment		-	1,000
Proceeds of disposal of shares held as treasury shares		515,508	-
Acquisition of subsidiary, net of cash acquired		-	(120,124)
Acquisition of exploration & development projects		(1,873,865)	(1,290,558)
Net cash used in investing activities		(1,385,235)	(1,415,131)
Cash flows from financing activities			
Proceeds of share placement		1,440,000	-
Proceeds of share purchase plan		468,135	
Payment of share issue transaction costs		(116,047)	(6,377)
Repayment of borrowings		-	(104,039)
Payment of finance lease liabilities		(14,612)	(16,823)
Net cash from (used in) financing activities		1,777,476	(127,239)
Net decrease in cash and cash equivalents		(1,048,569)	(2,207,887)
Cash and cash equivalents at 1 July		1,295,261	3,503,148
Cash and cash equivalents at 30 June	*15*	246,692	1,295,261

The notes on pages 26 to 50 are an integral part of these consolidated financial statements

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NOTES TO THE FINANCIAL STATEMENTS

1. Reporting entity

Global Resources Corporation Limited (formerly Cloncurry Metals Limited) (the 'Company') is a company domiciled in Australia. The address of the Company's registered office is First Floor, 13 Manning Street, South Brisbane, Queensland. The consolidated financial statements of the Company as at and for the year ended 30 June 2011 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities'). The Group is primarily involved in exploration, notably for copper / molybdenum, gold and silver in Michoacan, Mexico and for gold at Aktarma, Ispir and Yunt Dag in Turkey.

2. Basis of preparation

a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards ('IFRSs') adopted by the International Accounting Standards Board ('IASB').

The consolidated financial statements were authorised for issue by the board of directors on 20 September 2011.

b) Basis of measurement and preparation

The consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Group will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of operations.

The Group currently has no source of operating cash inflows other than interest income and has incurred net cash outflows for the year ended 30 June 2011 of $1,048,569 (30 June 2010: $2,207,887). At 30 June 2011, the Group has cash balances of $246,692 (30 June 2010: $1,295,261) and net working capital (current assets less current liabilities) of $107,464 (30 June 2010: $1,249,217).

As outlined in note 27, the Group has recently undertaken capital raising activities to provide $2.2M in funding. At the date of signing these financial statements, $0.8M of this total has been received by the Company. The remaining $1.4M is expected to be received on settlement of tranche 2 of the share placement announced on 5 September 2011 (the 'Share Placement').

Prior to the completion of tranche 1 of the Share Placement on 9 September 2011, the participants in the Share Placement provided their irrevocable agreement to subscribe for shares under the terms of the Share Placement. However, the settlement of tranche 2 of the Share Placement remains subject to shareholder approval of the issue of the 173,226,892 shares which comprise tranche 2. A general meeting of the Company will be held on 19 October 2011 to obtain the required shareholder approval. The directors have no reason to believe that approval of the issue of the 173,226,892 shares comprising tranche 2 will not be obtained at this meeting.

The funding received will be used both to advance the Group's projects at Aktarma, Ispir and Yunt Dag in Turkey and for general working capital to be used for exploration of other areas of interest and general administration costs. However, the ongoing operation of the Group will remain dependent upon the Group raising further additional funding from shareholders or other parties prior to 30 June 2012. There is no assurance that, in the current economic conditions, the Group will be able to raise additional funds on reasonable terms. In the event that the Group does not obtain additional funding, it may not be able to continue its operations as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial statements.

In the longer term, the development of economically recoverable mineral deposits found on the Group's existing or future exploration properties depends on the ability of the Group to obtain financing through equity financing, debt financing or other means. If the Group's exploration programmes are ultimately successful, additional funds will be required to develop the Group's properties and to place them into commercial production. The only source of future funds presently available to the Group is the raising of equity capital by the Company. The ability to arrange such funding in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Group. There can be no assurance that the Group will be successful in its efforts to raise additional funding on terms satisfactory to the Group. If adequate funding is not available, the Group may be required to delay, reduce the scope of, or eliminate its current or future exploration activities or relinquish rights to certain of its interests. Failure to obtain additional funding on a timely basis could cause the Group to forfeit its interests in some or all of its properties and reduce or terminate its operations.

The consolidated financial statements have been prepared on the historical cost basis.

c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

d) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

- note 11 - impairment of exploration and evaluation assets
- note 19 - measurement of share-based payments

2. Basis of preparation (continued)

e) Removal of parent entity financial statements

The Group has applied amendments to the *Corporations Act 2001* that remove the requirement for the Group to lodge parent entity financial statements. Parent entity financial statements have been replaced by the specific parent entity disclosures in note 29.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Group entities.

a) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Group measures goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align with the policies adopted by the Group.

(iii) Loss of control

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available for sale financial asset depending on the level of influence retained.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

3. Significant accounting policies (continued)

b) Foreign currency (continued)

(ii) Foreign operations (continued)

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains or losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the foreign currency translation reserve.

c) Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group's non-derivative financial assets are comprised of loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables are comprised of trade and other receivables.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

(ii) Non-derivative financial liabilities

The Group initially recognises financial liabilities on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group's non-derivative financial liabilities are comprised of trade and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to / from retained earnings.

d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within other income/other expenses in profit or loss.

(ii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

3. Significant accounting policies (continued)

d) Property, plant and equipment (continued)

(ii) Depreciation (continued)

The estimated useful lives for the current and prior period are as follows:

- plant and equipment 5 – 10 years
- office equipment and software 3 – 5 years
- furniture and fittings 5 - 10 years
- leased motor vehicles 3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

e) Exploration and evaluation assets

Exploration and evaluation costs are capitalised as exploration and evaluation assets on an area of interest basis. Such costs comprise net direct costs and an appropriate portion of related overhead expenditure, but do not include general overheads or administrative expenditure not having a specific connection with a particular area of interest. Costs incurred before the Group has obtained the legal right to explore an area of interest are recognised in profit or loss.

An exploration and evaluation asset is only recognised if the right to the area of interest is current and either:

- the expenditure is expected to be recouped through successful development and exploitation of an area of interest, or by its sale; or
- activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in or in relation to the area of interest are continuing.

Accumulated costs in respect of areas of interest are recognised in profit or loss when the above criteria do not apply or when the directors assess that the carrying value may exceed the recoverable amount.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated within costs of development. The aggregated cost is first tested for impairment and then reclassified from exploration and evaluation assets to mining property and development assets within property, plant and equipment. The costs of a productive area are amortised over the life of the area of interest to which such costs relate on the production output basis.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability, and facts and circumstances suggest that the carrying amount of the asset exceeds the recoverable amount. Such indicators of impairment include the following:

- the right to explore has expired during the period or will expire in the near future and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration and evaluation in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or
- sufficient data exists to indicate that the carrying amount of the asset is unlikely to be recovered in full from successful development or by sale even if development in the specific area is likely to proceed.

For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units consistent with exploration activity. The cash generating units are not larger than the areas of interest.

f) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised in the Group's statement of financial position.

g) Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise or indications that a debtor will enter bankruptcy.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ('CGU') exceeds its estimated recoverable amount.

3. Significant accounting policies (continued)

g) Impairment (continued)

(ii) Non-financial assets (continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro-rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

h) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iii) Share-based payment transactions

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market vesting conditions at the vesting date.

i) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

j) Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on lease liabilities and are recognised in profit or loss using the effective interest method.

k) Income tax

Income tax expense comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity, or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3. Significant accounting policies (continued)

k) Income tax (continued)

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

l) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ('GST'), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

m) Earnings per share

The Group presents basic and diluted earnings per share ('EPS') data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

n) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's managing director to make decisions about resources to be allocated to segments and to assess their performance.

Segment results that are reported to the managing director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and head office expenses.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

o) New standards and interpretations not yet adopted

The following exposure draft has been identified as one which may impact the entity in the period of initial application. It has not been applied in preparing this financial report.

- Exposure Draft 2011/3 *Amendments to IFRS 9 Financial Instruments* (November 2009) and IFRS 9 *Financial Instruments (October 2010): Mandatory Effective Date* proposes to change the mandatory effective date of IFRS 9 to annual periods beginning on or after 1 January 2015 rather than being applied for annual periods beginning on or after 1 January 2013 as currently required. Early application of IFRS 9 would continue to be permitted. Final amendments in relation to the proposed change in effective date have not yet been released.

4. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Exploration and evaluation assets

The fair value of the option to acquire the El Rodeo Mineral Project in the state of Michoacan, Mexico (the 'Option'), which was recognised as a result of a business combination, is based on a valuation of the Option prepared for the Company's shareholders by an independent expert.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes or when acquired in a business combination.

Share-based payment transactions

The fair value of the employee share option plan is measured using a Black-Scholes model. Measurement inputs include share price on measurement date, exercise price of the option, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the options (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market conditions attached to the transactions are not taken into account in determining fair value.

5. Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board does not have a risk management committee and the board as a whole is responsible for developing risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations.

At 30 June 2011, the Group is yet to generate operating revenue. Therefore, no formal policy for the analysis of creditworthiness is currently in place.

The Group's exposure to credit risk is limited to accrued interest on its term deposits and GST and Value Added Tax ('VAT') recoverable on payments made to suppliers. The Group mitigates credit risk on cash and term deposits by dealing with regulated banks in Australia, Mexico and Turkey.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Cash flow is monitored on an ongoing basis. Management reports comparing actual cash flows to budget are circulated to the board on a monthly basis.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk on purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily the United States dollars ('USD'). The Group does not hedge its foreign currency exposure.

The Group's investments in subsidiaries are not hedged.

Interest rate risk

The Group adopts a policy of optimising interest rates on its term deposits by investing in a range of terms that are conservative and ensure liquidity is available when required to meet the Group's commitments.

Capital management

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the Group's exploration and evaluation activities and supporting functions.

There were no changes in the Group's approach to capital management during the year.

6. Operating segments

The Group has three reportable segments, as described below, which correspond to the Group's geographical areas of interest. For each of the geographical areas of interest, the Group's managing director reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- *Australian exploration projects*.
  This segment encompasses the Group's exploration and project evaluation activities in Queensland, Australia.
- *Mexican exploration projects.*
  This segment encompasses the Group's exploration and project evaluation activities at the El Rodeo project in Michoacan, Mexico.
- *Turkish exploration projects*
  This segment encompasses the Group's exploration and project evaluation activities at the Yunt Dag, Aktarma and Ispir projects in Turkey.

Comparative segment information has been presented in conformity with the requirement of AASB 8 *Operating Segments*.

	Australia		Turkey		Mexico		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
	$	$	$	$	$	$	$	$
Segment profit or loss								
Reportable segment loss before income tax	(273,997)	(1,896,926)	-	-	(1,189,481)	-	(1,463,478)	(1,896,926)
Net reportable segment assets								
Reportable segment assets	391,856	5,766,848	357,982	-	4,265,750	3,300,207	5,015,588	9,067,055
Impairment of segment assets	(273,997)	(5,766,848)	-	-	(1,189,481)	-	(1,463,478)	(5,766,848)
Net reportable segment assets	117,859	-	357,982	-	3,076,269	3,300,207	3,552,110	3,300,207
Reportable segment liabilities	15,350	39,525	47,244	-	31,617	77,055	94,211	116,580
Capital expenditure	-	-	26,878	-	-	-	26,878	-

	2011	2010
	$	$
Reconciliations of reportable segment profit or loss, assets and liabilities		
Profit or loss		
Total loss for reportable segments	(1,463,478)	(1,896,926)
Gain on business combination	-	1,225,416
Unallocated amounts: other corporate expenses	(1,561,986)	(921,934)
Consolidated loss before income tax	(3,025,464)	(1,593,444)
Assets		
Total assets for reportable segments	3,552,110	3,300,207
Unallocated exploration and evaluation assets	-	11,610
Other assets	273,472	1,610,744
Consolidated total assets	3,825,582	4,922,561
Liabilities		
Total liabilities for reportable segments	94,211	116,580
Other liabilities	154,669	149,065
Consolidated total liabilities	248,880	265,645

7. Other income

	2011 $	2010 $
Cancellation of fees owed by the Group	51,544	-
	51,544	-

At the date of acquisition of GRC Mexico Pty Ltd (formerly Global Resources Corporation Pty Limited ('GRC Mexico')) by the Company, GRC Mexico owed $51,544 in consulting fees to Bunting Exploration Services Pty Ltd, an entity controlled by Mr W F Bunting, a former director of the Company. During the year ended 30 June 2011, Mr Bunting agreed that these fees were not outstanding and the liability was cancelled.

8. Personnel expenses

	2011 $	2010 $
Wages and salaries	846,222	279,039
Other associated personnel expenses	20,587	6,740
Contributions to defined contribution plans	15,318	3,119
Equity-settled share-based payment transactions	3,289	107,625
Total personnel expenses	885,416	396,523

9. Finance income and expenses

	2011 $	2010 $
Finance income		
Interest income on bank deposits	29,689	112,008
	29,689	112,008
Finance expense		
Interest expense on finance lease	(2,234)	(2,905)
Bank interest	-	(9)
	(2,234)	(2,914)
Net finance income	27,455	109,094

10. Income tax expense

	2011 $	2010 $
Numerical reconciliation between tax expense and pre-tax accounting loss		
Loss for the period	(3,025,464)	(1,593,444)
Income tax using the Company's domestic tax rate of 30% (2010: 30%)	(907,639)	(478,033)
Non-assessable gain on business combination	-	(367,625)
Non-assessable income	(15,463)	-
Non-deductible expenses	695,688	88,477
Change in unrecognised temporary differences	(402,785)	338,072
Current year losses for which no deferred tax asset was recognised	630,199	419,109
Total income tax expense	-	-

	2011			2010		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
	$	$	$	$	$	$
10. Income tax expense (continued)						
Income tax recognised directly in equity						
Treasury shares	515,508	(27,922)	487,586	-	-	-
	515,508	(27,922)	487,586	-	-	-

11. Exploration and evaluation assets

	2011	2010
	$	$
Opening balance	3,311,817	1,342,130
Option to acquire the El Rodeo mineral project	-	2,990,000
Acquisitions	1,960,939	762,611
Effect of foreign exchange rate movements	(418,021)	114,002
Impairment	(1,463,478)	(1,896,926)
Balance at 30 June	3,391,257	3,311,817

The principal activities of the Group in the current year have been a drilling programme undertaken at the El Rodeo mineral project in Mexico, and preliminary exploratory activity undertaken at the Aktarma project in Turkey.

Mexico: Option to acquire the El Rodeo mineral project

The option to acquire the El Rodeo mineral project (the 'Project') is held by Minas GRC S.A. de C.V. ('Minas GRC'), a company incorporated in Mexico. The option was acquired by the Group on 19 March 2010 in a business combination and was valued at 34,132,420 Mexican Pesos (A$2,990,000) at the date of acquisition.

The option is for a six year period which commenced on 15 September 2007. The exercise price of the option is US$3 million plus applicable taxes. Exercise of the option also commits the Group to payment of an on-going Net Smelter Royalty ('NSR') once the Project is in commercial production. The NSR applies to all economic mineral production from the Project.

From the commencement date of 15 September 2007, the terms of the option agreement commit the Group to a series of staged payments which are deemed to be advance payments of the NSR. At 30 June 2011, US$250,000 in advance payments of NSR had been made and the following advance payments of NSR are payable at future dates:

- US$100,000, plus applicable value added tax, payable on 15 September 2011
- US$100,000, plus applicable value added tax, payable on 15 September 2012

Once commercial production has commenced, the NSR is required to be calculated and paid on a quarterly basis with the calculation to take into account all advance payments of the NSR. At the election of Minas GRC, the NSR may be calculated as either a fixed rate NSR or a variable rate NSR. Minas GRC must confirm its election at the time of exercising the option.

(i) Under the fixed rate method, Minas GRC will pay a fixed rate of 3% subject to the right of Minas GRC to buy 1% of the NSR for US$5,000,000. Exercise of this right will reduce the NSR to a fixed rate of 2%.

(ii) Under the variable rate method, the applicable NSR rate is as follows:
   - 2.0% where the price of copper is less than US$2.00/lb
   - 2.5% where the price of copper is between US$2.00 and US$3.00/lb
   - 3.0% where the price of copper is greater than US$3.00/lb and less than US$4.00/lb
   - 4% where the price of copper is equal to or greater than US$4.00/lb

   The trigger values of US$2.00, US$3.00 and US$4.00 are adjustable for inflation using the US Consumer Price Index from the date of commencement of the option agreement.

The option agreement may be terminated by Minas GRC by giving 30 days written notice.

11. Exploration and evaluation assets (continued)

Turkey: Acquisition of the Aktarma and Ispir projects

On 23 May 2011, the Company issued 4,500,000 new ordinary shares to Agola Madencilik Limited Sirketi ('Agola') as consideration for the acquisition of a 100% interest in the Aktarma and Ispir gold projects in Turkey (refer note 16). The Group's interest in these projects is held by GRC Madencilik Limited Sirketi ('GRC Madencilik'), a wholly owned subsidiary incorporated in Turkey (refer note 26).

The terms of the purchase agreement commit GRC Madencilik to the payment of a royalty (the 'Production Royalty') to Agola once the projects are in commercial production. The Production Royalty is equal to 2% of the net smelter return ('NSR') from all products mined from the Aktarma and Ispir projects and is payable quarterly. The NSR is calculated as the gross proceeds of sale of products mined less allowable deductions for costs incurred by GRC Madencilik with respect to processed products such as smelting, refining, transportation, insurance and storage costs plus any applicable taxes. The cost of mining and milling the product is not an allowable deduction.

The Production Royalty payment obligation automatically expires upon the expiration or cancellation of the Aktarma mining rights or the Ispir mining rights but continues if GRC Madencilik, or an affiliate, re-acquires these rights within two years after expiration or cancellation.

Turkey: Option to acquire an interest in the Yunt Dag project

On 29 June 2011, the Company issued 500,000 new ordinary shares to Agola, a subsidiary of Pilot Gold Inc, the current owner of the Yunt Dag project, to establish an interest in the project (refer note 16). Under the terms of the option agreement with Pilot Gold Inc, the Company is now committed to spend US$500,000 prior to 29 June 2012 on exploratory activity at the project site. There is no obligation on the Company to proceed beyond this initial commitment. However, if the Company elects to discontinue activity at Yunt Dag after the initial one year commitment, it will hold no interest in the project.

In order to earn a 51% equity interest in the Yunt Dag project, the Group is required to spend a further US$700,000 on exploratory activity in the twelve months ended 29 June 2013 and a further US$1,000,000 in the twelve months ended 29 June 2014. In addition to the expenditure commitments, the Company must issue to the project owner 1,000,000 new ordinary shares in the twelve months ended 29 June 2013 followed by 1,000,000 new ordinary shares in the twelve months ended 29 June 2014. The Group will hold a 51% equity interest in the project only if a total of US$2,200,000 has been spent on exploratory activity and a total of 2,500,000 new ordinary shares have been issued in the required time frame. If the Group fails to meet these commitments or elects not to continue, it will hold no equity interest in the Yunt Dag project.

Subsequent to the initial three year period, the option agreement allows the Group to increase its stake from 51% of the project to 60% of the project by spending a further US$2,000,000 over the two year period ended 29 June 2016 and issuing a further 2,500,000 new ordinary shares in the Company to the project owner in the same time frame.

The terms of the option agreement are summarised in the following table:

Yunt Dag Project			
	Expenditures (US$)	Number of shares	% interest earned
Year 1	500,000	500,000	
Year 2	700,000	1,000,000	
Year 3	1,000,000	1,000,000	
Sub Total	2,200,000	2,500,000	51%
Decision to earn another 9% (GRM(1) option)			
Years 4-5	2,000,000	2,500,000	
Total	4,200,000	5,000,000	60%
JV 60% GRM (1), 40% PLG			

(1) GRM means Global Resources Corporation Limited

Impairment loss

The recoverability of the carrying amounts of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. The Group has fully impaired all expenditure capitalised in the current year in respect of Australian tenements where the tenement has been relinquished or is undergoing the process of relinquishment. All exploration overhead incurred in Australia and capitalised during the financial year has also been fully impaired.

The Group has fully impaired all costs capitalised to date in respect of the Espiritu Santo target area within the El Rodeo project. All exploration overhead incurred in Mexico and capitalised to date has also been fully impaired.

12. Property, plant and equipment

	Plant and equipment $	Office furniture and equipment $	Leased motor vehicles $	Total $
Cost				
Balance at 1 July 2009	43,984	110,751	61,161	215,896
Additions	-	5,449	-	5,449
Disposals	-	(2,629)	-	(2,629)
Balance at 30 June 2010	43,984	113,571	61,161	218,716
Balance at 1 July 2010	43,984	113,571	61,161	218,716
Additions	1,752	25,126	-	26,878
Disposals	-	-	-	-
Balance at 30 June 2011	45,736	138,697	61,161	245,594
Depreciation and impairment losses				
Balance at 1 July 2009	12,372	40,105	19,857	72,334
Depreciation for the year	9,043	29,461	13,238	51,742
Disposals	-	(1,242)	-	(1,242)
Balance at 30 June 2010	21,415	68,324	33,095	122,834
Balance at 1 July 2010	21,415	68,324	33,095	122,834
Depreciation for the year	7,759	23,782	13,238	44,779
Disposals	-	-	-	-
Balance at 30 June 2011	29,174	92,106	46,333	167,613
Carrying amounts				
At 1 July 2009	31,612	70,646	41,304	143,562
At 30 June 2010	22,569	45,247	28,066	95,882
At 1 July 2010	22,569	45,247	28,066	95,882
At 30 June 2011	16,562	46,591	14,828	77,981

13. Tax assets and liabilities

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items.

	2011	2010
	$	$
Deductible temporary differences	48,901	12,097
Tax losses acquired in a business combination	-	423,545
Tax losses carried forward	3,520,965	2,236,238
Tax losses brought to account to reduce income tax expense	(44,948)	-
Tax losses and temporary differences brought to account to reduce the provision for deferred income tax	(38,427)	(10,822)
Total unrecognised deferred tax assets	3,486,491	2,661,058

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from.

Provision for deferred income tax

The provision for deferred income tax comprises the estimated expense at the applicable rate of 30% on the following items:

Exploration and evaluation assets	34,596	3,483
Fixed assets	3,268	5,052
Finance leases	-	311
Prepayments and accrued income	563	1,976
Deferred tax asset attributable to tax losses and temporary differences brought to account to reduce the provision for deferred income tax	(38,427)	(10,822)
Total provision for deferred income tax	-	-

14. Trade and other receivables

Current

Accrued interest income	460	5,086
Net tax receivable (GST / VAT)	63,806	165,723
Receivables due from related parties	4,288	2,700
Other receivables	5,921	21,414
Total current trade and other receivables	74,475	194,923

15. Cash and cash equivalents

Cash and bank balances	230,692	34,907
Term deposits	16,000	1,260,354
Total cash and cash equivalents	246,692	1,295,261

The Group’s exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 21.

15. Cash and cash equivalents (continued)

Reconciliation of cash flows from operating activities

	Note	2011 $	2010 $
Cash flows from operating activities			
Loss for the period		(3,025,464)	(1,593,444)
Adjustments for:			
Loss on sale of plant and equipment		-	387
Depreciation		38,012	43,778
Gain on acquisition of the GRC Mexico group		-	(1,225,416)
Investment acquisition costs		-	135,516
Interest expense on finance lease	*9*	2,234	2,905
Equity-settled share-based payment transactions	*8*	3,289	107,625
Impairment of exploration and evaluation assets	*11*	1,463,478	1,896,926
Operating loss before changes in working capital and provisions		(1,518,451)	(631,723)
Change in trade and other receivables		120,448	(48,133)
Change in prepayments		(10,499)	(14,606)
Change in trade and other payables		(32,308)	28,945
Net cash used in operating activities		(1,440,810)	(665,517)

16. Capital and reserves

Share capital

	2011 No. of shares	2010 No. of shares
On issue at 1 July	97,528,624	58,340,050
Issued for cash	38,629,226	-
Issued as consideration for the acquisition of exploration and evaluation assets	5,000,000	
Issued in a business combination	-	39,188,574
On issue at 30 June	141,157,850	97,528,624

Issue of ordinary shares

In November 2010, the Company issued 14,629,226 new ordinary shares at $0.032 per share (2010: nil) under the terms of a Share Purchase Plan. All issued shares are fully paid.

At a general meeting of the Company on 16 February 2011, shareholders approved the issue of up to 45 million new ordinary shares by the Company. Following receipt of this approval, the Company agreed the placement of 24 million new ordinary shares at an issue price of $0.06 per share. All issued shares are fully paid.

In May 2011, the Company issued 4,500,000 fully paid ordinary shares as consideration for the acquisition of the Aktarma and Ispir gold projects in Turkey by GRC Madencilik Limited Sirketi, a wholly owned subsidiary of the Company (refer note 26). The Company issued a further 500,000 fully paid ordinary shares in June 2011 as consideration for GRC Madencilik Limited Sirketi obtaining the right to acquire up to a 51% interest in the Yunt Dag project in Turkey (refer note 11).

No options over ordinary shares were issued during the financial year.

Ordinary shares

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regards to the Company's residual assets.

16. Capital and reserves (continued)

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Equity compensation reserve

The equity compensation reserve represents the fair value of the options granted as determined using the Black-Scholes option pricing model and taking into account the terms and conditions on which the options were granted.

Treasury shares

All treasury shares held by a subsidiary company were disposed of during the year.

17. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 30 June 2011 was based on the loss attributable to ordinary shareholders of $3,025,464 (2010: $1,593,444) and a weighted average number of ordinary shares of 109,041,972 (2010: 65,060,220).

	2011	2010
	$	$
Loss for the period	3,025,464	1,593,444

	Note	2011	2010
		No. of shares	No. of shares
Weighted average number of ordinary shares			
Issued ordinary shares at 1 July	*16*	97,528,624	58,340,050
Effect of shares issued in November 2010		8,537,055	-
Effect of shares issued in March 2011		8,021,918	-
Effect of shares issued in May 2011		480,822	-
Effect of shares issued in June 2011		5,479	-
Effect of shares issued in relation to a business combination		-	11,166,059
Effect of shares held as treasury shares		(5,531,926)	(4,445,889)
Weighted average number of ordinary shares at 30 June		109,041,972	65,060,220

Diluted earnings per share

There were 3,300,000 options (2010: 3,300,000 options) outstanding at balance date with exercise prices ranging from 10 cents to 60 cents. These options were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

18. Finance lease liability

This note provides information about the contractual terms of the Group's interest-bearing finance lease liability, which is measured at amortised cost. For more information about the Group's exposure to interest rate and liquidity risk refer to note 21.

	2011	2010
	$	$
Current liabilities		
Finance lease liability	14,651	27,029

18. Finance lease liability (continued)

Term and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

	Currency	Nominal interest rate	Year of maturity	30 June 2011 Face value	30 June 2011 Carrying amount	30 June 2010 Face value	30 June 2010 Carrying amount
		%		$	$	$	$
Finance lease liabilities	AUD	8.38	2011	-	-	27,029	27,029
Finance lease liabilities	AUD	8.89	2012	14,651	14,651	-	-

In December 2010, the Company refinanced the residual payment of $21,406 due on expiry of the lease of a Company vehicle over an 18 month term at a nominal interest rate of 8.89%

Finance lease liabilities

Finance lease liabilities of the Group are payable as follows:

	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	2011	2011	2011	2010	2010	2010
	$	$	$	$	$	$
Less than one year	15,310	659	14,651	28,417	1,388	27,029
	15,310	659	14,651	28,417	1,388	27,029

19. Equity-based compensation.

Description of the share option programme

On 30 July 2007 the Company established a share option programme that entitles directors, key management personnel and senior employees to purchase shares in the Company.

On 30 July 2007 the Company granted options over ordinary shares to key management personnel and other employees. These options have vesting periods of nil to three years from 9 October 2007; the date the Company listed on the Australian Securities Exchange.

On 19 March 2010 the Company granted a further 1,500,000 options to a director related entity. These options vested immediately. Prior to the grant of these options, 1,000,000 options that had been granted to the director in his capacity as chief executive officer on 30 July 2007 were cancelled.

All options were granted at no cost to the recipients. The vesting of the options is not performance based.

All options expire on the earlier of their expiry date or termination of the individual's employment or position as an officer or employee of the Company.

Terms and conditions of the share option programme

The terms and conditions related to the grants under the share option programme are as follows; all options are to be settled by physical delivery of shares:

Grant date	Number of instruments	Exercise price	Vesting date	Expiry date	Fair value per option
Option grant to employees on 30 July 2007	200,000	$0.2875	09 Oct 2009	09 Oct 2012	$0.11
Option grant to employees on 30 July 2007	100,000	$0.2875	09 Oct 2007	09 Oct 2012	$0.12
Option grant to employees on 30 July 2007	200,000	$0.2875	09 Oct 2008	09 Oct 2012	$0.11
Option grant to key management on 30 July 2007	520,000	$0.40	09 Oct 2008	09 Oct 2012	$0.09
Option grant to key management on 30 July 2007	390,000	$0.50	09 Oct 2009	09 Oct 2012	$0.07
Option grant to key management on 30 July 2007	390,000	$0.60	09 Oct 2010	09 Oct 2012	$0.06
Option grant to director related entity on 19 March 2010	500,000	$0.10	19 Mar 2010	19 Mar 2015	$0.05
Option grant to director related entity on 19 March 2010	500,000	$0.125	19 Mar 2010	19 Mar 2015	$0.05
Option grant to director related entity on 19 March 2010	500,000	$0.15	19 Mar 2010	19 Mar 2015	$0.05

19. Equity-based compensation (continued)

Disclosure of share option programme

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price 2011	Number of options 2011	Weighted average exercise price 2010	Number of options 2010
Outstanding at 1 July	$0.293	3,300,000	$0.398	3,250,000
Granted during the period	-	-	$0.125	1,500,000
Cancelled during the period	-	-	$0.284	(1,000,000)
Lapsed during the period	-	-	$0.50	(450,000)
Outstanding at 30 June	$0.293	3,300,000	$0.293	3,300,000
Exercisable at 30 June	$0.293	3,300,000	$0.223	2,910,000

The options outstanding at 30 June 2011 have exercise prices in the range $0.10 to $0.60 and a weighted average contractual life of 2.39 years.

No share options were exercised during the 2011 financial year (2010: no options exercised).

Inputs for measurement of grant date fair values

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using a Black-Scholes option-pricing model, incorporating the expected volatility of the Company's share price over the life of the options as set out below:

	2011	2010
Fair value at grant date (weighted average of fair values)	-	$0.0495
Share price at grant date	-	$0.05
Exercise price	-	$0.10 - $0.15
Expected volatility (weighted average volatility)	-	239.76%
Option life (expected weighted average life)	-	5 years
Expected dividends	-	-
Risk-free interest rate (based on government bonds)	-	4%

Share options granted to key management personnel and other employees are granted under a service condition whereby the grantee must be employed by the Group at the time the options vest. If share options are unvested at termination of the grantee's engagement, the options expire on termination of the grantee's engagement. If share options are vested but unexercised at termination of the grantee's engagement, the options expire 30 days after the termination of the grantee's engagement. Otherwise, share options expire on their expiry date.

	2011 $	2010 $
Employee expenses		
Share options granted in 2008 – equity settled	3,289	33,406
Share options granted in 2010 – equity settled	-	74,219
	3,289	107,625

20. Trade and other payables

Current		
Trade payables	62,912	47,071
Payables due to related parties	67,975	153,342
Non-trade payables and accrued expenses	75,420	38,203
Total current trade and other payables	206,307	238,616

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 21.

21. Financial instruments

Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2011	2010
	$	$
Trade and other receivables	74,475	194,923
Cash and cash equivalents	246,692	1,295,261
	321,167	1,490,184

The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was:

Australia	40,226	79,993
Mexico	20,500	114,930
Turkey	13,749	-
Total trade and other receivables	74,475	194,923

Impairment losses

The ageing of trade and other receivables at the reporting date was:

	Gross 2011	Impairment 2011	Gross 2010	Impairment 2010
	$	$	$	$
Not past due	74,475	-	194,923	-
Total trade and other receivables	74,475	-	194,923	-

The trade and other receivables balance is primarily GST paid by Group entities on purchases in Australia and VAT paid by subsidiary companies on purchases in Mexico and Turkey. GST and VAT are recoverable from the respective taxation authorities in these countries.

Based on historic default rates, the Group believes that no impairment allowance is necessary in respect of trade and other receivables.

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments.

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years
	$	$	$	$	$	$
30 June 2011						
Finance lease liabilities	(14,651)	(15,310)	(8,351)	(6,959)	-	-
Trade and other payables	(206,307)	(206,307)	(196,619)	(9,688)	-	-
	(220,958)	(221,617)	(204,970)	(16,647)	-	-
30 June 2010						
Finance lease liabilities	(27,029)	(28,416)	(28,416)	-	-	-
Trade and other payables	(238,616)	(238,616)	(215,086)	(23,530)	-	-
	(265,645)	(267,032)	(243,502)	(23,530)	-	-

21. Financial instruments (continued)

Currency risk

Exposure to currency risk

The Group's exposure to foreign currency risk was as follows based on notional amounts:

In AUD	USD	USD
	2011	2010
Trade payables	36,316	-
Gross exposure	36,316	-

The following significant exchange rates applied during the year:

	Average rate	Average rate	Reporting date spot rate	Reporting date spot rate
	2011	2010	2011	2010
United States Dollar (USD)	0.9903	-	1.0718	-

Sensitivity analysis

A strengthening of the AUD, as indicated below, against the USD at 30 June would have increased (decreased) equity and profit and loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The Group had no exposure to foreign currency risk in the comparative period.

	Strengthening		Weakening	
30 June 2011	Equity	Profit or loss	Equity	Profit or loss
USD (10 percent movement)	-	(3,301)	-	4,488

Interest rate risk

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount	
	2011	2010
	$	$
Fixed rate instruments		
Financial liabilities	14,651	27,029
Variable rate instruments		
Financial assets	246,692	1,295,261

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss $		Equity $	
	100bp increase	100bp decrease	100bp increase	100bp decrease
30 June 2011				
Variable rate instruments	2,467	(2,467)	-	-
30 June 2010				
Variable rate instruments	12,953	(12,953)	-	-

21. Financial instruments (continued)

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	30 June 2011		30 June 2010	
	Carrying amount	Fair value	Carrying amount	Fair value
	$	$	$	$
Trade and other receivables	74,475	74,475	194,923	194,923
Cash and cash equivalents	246,692	246,692	1,295,261	1,295,261
Trade and other payables	(206,307)	(206,307)	(238,616)	(238,616)
Finance lease liability	(14,651)	(14,651)	(27,029)	(27,029)
	100,209	100,209	1,224,539	1,224,539

22. Contingencies

Contingent liabilities considered remote

The Company has placed a bank guarantee of $15,895 with its landlord, 13 Manning Street Pty Ltd ATF Manning Street Unit Trust, relating to the Company's lease of the corporate head office. The guarantee expires on 30 April 2014; three months after the date of expiration of the lease of the corporate head office (refer note 24).

23. Capital and other commitments

Mining tenements

As a condition of retaining the right to explore its Australian tenements, the Group is required to pay an annual rental charge and incur a minimum level of expenditure for each tenement. With respect to the El Rodeo project in Mexico, the Group is required to pay an annual rental charge and to make advance payments of net smelter royalties (refer note 11). With respect to projects in Turkey, the Group is committed to US$500,000 in expenditure at Yunt Dag in the first year of operations (refer note 11), the payment of a security deposit on transfer of the tenement licences at Aktarma and Ispir and the payment of annual licence fees for the duration of the tenement licences at Aktarma and Ispir.

Expenditure commitments are as follows:

	2011	2010
	$	$
Less than one year	1,640,918	1,457,140
Between one and five years	907,119	2,926,179
	2,548,037	4,383,319

24. Operating leases

Non-cancellable operating lease rentals are payable as follows:

Less than one year	100,261	52,345
Between one and five years	107,711	-
	207,972	52,345

The Group leases its corporate head office in Brisbane, Queensland under an operating lease. The lease expires on 31 January 2014. There is an option to renew the lease for a further two years after that date. Lease payments are increased annually to reflect market rates.

The Group leases office space in Townsville, Queensland. This lease has no fixed duration and can be terminated at any time by giving three months notice in writing.

The Group also leases office space in Ankara, Turkey. The lease expires on 31 May 2012. Thereafter, the lease is automatically extended every year by one year under the same terms and conditions unless either party gives written notice to the contrary at least two months prior to the expiration of the current term.

25. Related parties

Key management personnel remuneration

The key management personnel remuneration is as follows:

	2011	2010
	$	$
Short-term employee benefits	421,250	221,807
Share-based payments	3,289	106,110
Total key management personnel remuneration	424,539	327,917

Individual directors and executives compensation disclosures

Information regarding individual directors and executives' compensation and some equity instruments disclosures as required by Corporations Regulation 2M.3.03 is provided in the remuneration report section of the directors' report.

Apart from the details disclosed in this note, no director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

Key management personnel and director transactions

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Group in the reporting period. The terms and conditions of transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

			Transaction value year ended 30 June	
	Transaction	Note	2011	2010
			$	$
Former directors				
Dr R. Fardon	Retainer		-	26,250
Mr W F Bunting	Retainer		-	10,500
Mr R Thorpe	Retainer		-	10,500
Other related parties				
Australian Solomons Gold Limited	Rent expense		-	32,147
Australian Solomons Gold Limited	Recovery of expenses		-	792
Bunting Exploration Services Pty Ltd	Cancellation of fees	(i)	51,544	-
Finnis 1 Pty Ltd	Accounting services		-	3,752
Finnis 1 Pty Ltd	Consulting services		-	34,000
Finnis 1 Pty Ltd	Director's fees	(ii)	330,000	101,667
Fylbin Pty Ltd	Consulting services	(iii)	27,493	46,616
Fylbin Pty Ltd	Director's fees	(iii)	28,000	28,000
Fylbin Pty Ltd	Settlement of loan		-	67,777
Fylbin Pty Ltd	Settlement of fees		-	30,250

25. Related parties (continued)

Key management personnel and director transactions (continued)

	Transaction	Note	Transaction value year ended 30 June 2011	2010
			$	$
New Guinea Energy Limited	Recovery of expenses	(iv)	43,777	24,749
New Guinea Energy Limited	Return of rental bond	(iv)	21,238	-
Maybury's Pty Ltd	Director's fees	(v)	28,000	28,000

	Note	Balance receivable / (payable) as at 30 June 2011	2010
Key management personnel			
Mr S Everett	(vi)	(9,625)	(26,250)
Mr S Everett	(vii)	1,000	1,000
Mr S Finnis		-	(733)
Former directors			
Mr R Thorpe	(vii)	1,700	1,700
Other related parties			
Bunting Exploration Services Pty Ltd	(i)	-	(51,544)
Finnis 1 Pty Ltd	(ii)	(25,417)	(27,958)
Fylbin Pty Ltd	(iii)	(7,700)	-
Mayburys Pty Ltd	(v)	(7,700)	-
New Guinea Energy Limited	(iv)	-	(20,453)

(i) At the date of acquisition of GRC Mexico Pty Ltd (formerly Global Resources Corporation Pty Limited) by the Company, GRC Mexico Pty Ltd owed $51,544 in consulting fees to Bunting Exploration Services Pty Ltd, an entity controlled by Mr W F Bunting, a former director of the Company. During the year ended 30 June 2011, Mr Bunting agreed that these fees were not payable and the liability was cancelled.

(ii) Mr Finnis provided his services as managing director, through Finnis 1 Pty Ltd, an entity which he controls. At 30 June 2011, $25,417 in managing director's fees was payable to Finnis 1 Pty Ltd.

(iii) Fylbin Pty Ltd, an entity controlled by Mr B Casson, provided the Group with management, accounting and secretarial services during the year. Mr Casson also provided his services as a director of the Company through this entity. At 30 June 2011, $7,700 in director's fees was payable to Fylbin Pty Ltd.

(iv) Over the period from 1 July 2010 to 28 February 2011, the Company's corporate head office was leased jointly with New Guinea Energy Limited, a company of which Mr M Arnett is executive chairman. Rental expense for the corporate office was paid in full by the Company with 50% of the cost subsequently on-charged to New Guinea Energy Limited. The Company and New Guinea Energy Limited had jointly provided a bank guarantee to the landlord in respect of the rental agreement. The term deposit which secured the guarantee was registered in the Company's name but was advanced jointly by the Company and New Guinea Energy Limited. On expiration of the lease on 28 February 2011, and the subsequent cancellation of the bank guarantee, the Company repaid to New Guinea Energy Limited the share of the term deposit that had been advanced by New Guinea Energy Limited together with that company's proportional allocation of the interest that had accrued on the term deposit.

(v) Mr M Arnett provided his services as a director of the Company through Mayburys Pty Ltd, an entity which he controls. At 30 June 2011, $7,700 in director's fees was payable to Mayburys Pty Ltd.

(vi) At 30 June 2011, $9,625 in director's fees for the quarter ended 30 June was payable to Mr S Everett.

(vii) Cash calls made by GRC Mexico Pty Ltd (formerly Global Resources Corporation Pty Limited) on former shareholders Mr S Everett and Mr R Thorpe prior to the acquisition of GRC Mexico Pty Ltd by the Company remain outstanding at 30 June 2011.

25. Related parties (continued)

Key management personnel and director transactions (continued)

Options and rights over equity instruments

The movement during the reporting period in the number of options over ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1 July 2010	Granted as compensation	Other changes	Held at 30 June 2011	Vested during the year	Vested and exercisable at 30 June 2011
Directors						
Mr B Casson	300,000	-	-	300,000	90,000	300,000
Mr S Finnis	1,500,000	-	-	1,500,000	-	1,500,000
Executives						
Mr W F Bunting	1,000,000	-	-	1,000,000	300,000	1,000,000

	Held at 1 July 2009	Granted as compensation	Other changes	Held at 30 June 2010	Vested during the year	Vested and exercisable at 30 June 2010
Directors						
Mr B Casson	300,000	-	-	300,000	90,000	210,000
Mr S Finnis	1,000,000	1,500,000	(1,000,000)	1,500,000	1,500,000	1,500,000
Executives						
Mr W F Bunting	1,000,000	-	-	1,000,000	300,000	700,000

No options were exercised by key management personnel during the financial year.

Movements in shares

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties is as follows:

	Held at 1 July 2010	Purchases / other acquisitions	Sales / other disposals	Held at 30 June 2011
Directors				
Mr S Everett	7,671,434	532,741	-	8,204,175
Mr M Arnett	120,000	761,568	-	881,568
Mr B Casson	320,011	303,686	-	623,697
Mr S Finnis	879,501	761,058	-	1,640,559
Executives				
Mr W F Bunting	7,428,802	-	-	7,428,802

	Held at 1 July 2009	Purchases / other acquisitions	Sales / other disposals	Held at 30 June 2010
Directors				
Mr S Everett	15,846,001	7,428,793	(15,603,360)	7,671,434
Mr M Arnett	120,000	-	-	120,000
Mr B Casson	320,011	-	-	320,011
Mr S Finnis	879,501	-	-	879,501
Executives				
Mr W F Bunting	10	7,428,792	-	7,428,802

25. Related parties (continued)

Other related parties

Contributions to superannuation funds on behalf of employees are disclosed in note 8.

26. Group entities

	Country of incorporation	Ownership interest	
		2011	2010
		%	%
Parent entity			
Global Resources Corporation Limited (formerly Cloncurry Metals Limited)			
Significant subsidiaries			
GRC Madencilik Limited Sirketi	Turkey	100	-
GRC Mexico Pty Ltd (formerly Global Resources Corporation Pty Limited)	Australia	100	100
Minas GRC S.A. de C.V.	Mexico	100	100
Sextant Resources Inc.	Canada	100	100
Southern Energy Corporation Pty Ltd	Australia	100	100

On 6 April 2011, the Company incorporated a new wholly owned subsidiary, GRC Madencilik Limited Sirketi, in Turkey. GRC Madencilik Limited Sirketi is the owner of the Group's interests in the Yunt Dag, Aktarma and Ispir projects in Turkey (refer note 11).

27. Subsequent events

(i) Fundraising of $597,000

On 14 July 2011, the Company announced that it would conduct a capital raising to provide approximately $1.6M in funding. The primary purpose of the capital raising was to provide the Group with both the capacity to advance the Aktarma, Ispir and Yunt Dag projects in Turkey and general working capital to be utilised for exploration of other areas of interest and general administration costs. The process involved the following:

- the placement of 21,000,000 new ordinary shares in the Company at $0.016 per share. Each new ordinary share subscribed for has one attaching option which, if exercised, entitles the holder to one new ordinary share in the Company. Each option has an exercise price of $0.03, an expiry date of 22 August 2013 and vests on approval of the issue by shareholders. The placement was completed on 19 July 2011 raising $336,000. 21,000,000 new ordinary shares and options were issued on that date.
- a 1 for 2 non-renounceable rights issue of new ordinary shares. Shareholders of the Company were entitled to 1 new ordinary share for every two existing ordinary shares held at 7.00pm on 22 July 2011 at a price of $0.016 per share. Each new ordinary share subscribed for has one attaching option which, if exercised, entitles the holder to one new ordinary share in the Company. Each option has an exercise price of $0.03, an expiry date of 22 August 2013 and vests on the date of issue. The non-renounceable rights issue closed on 12 August 2011 raising approximately $261,000. As a result, 16,329,543 new ordinary shares and options were issued on 22 August 2011.

Melbourne Capital Limited ('MCL') was engaged to act as lead manager of the capital raising. MCL arranged the placement of the 21,000,000 shares ahead of the commencement of the rights issue. As consideration for its role in the placement, MCL received a cash fee of 6% of the total placement funds ($20,160).

The rights issue was not underwritten. Adverse market conditions and the deterioration of the Company's share price created a substantial shortfall in the uptake of rights. Attempts by MCL to place the shortfall shares on an 'all reasonable endeavours' basis were unsuccessful. As a result, on 5 September 2011, the Company announced that the previous arrangement with MCL to place the shortfall shares had been terminated. No consideration, other than the cash fee noted above, was paid to MCL for its role as lead manager of the capital raising.

A general meeting of shareholders held on 30 August 2011 approved the issue of the options attaching to the placement, ratified the placement of 21 million shares (so as to refresh the Company's capacity to issue up to 15% of issued capital under ASX Listing Rule 7.4) and approved directors' ability to participate in the rights issue shortfall.

All new ordinary shares issued as part of the capital raising rank equally with the existing ordinary shares in the Company.

(ii) Proposed fundraising of $1.6M

On 5 September 2011, the Company further announced that it had entered into an agreement with Blackswan Equities to place 200,000,000 shares at an issue price of 0.8 cents per share to raise A$1.6M (the "Placement"). The Placement is intended to be made to institutional and sophisticated investors.

The Placement will be completed in two tranches, with tranche 1 occurring using the 15% threshold capacity under Listing Rule 7.1, and tranche 2 subject to shareholder approval. The details of the tranches are as follows:

- Tranche 1: The placement of 26,773,108 shares raising $214,185. The placement of tranche 1 was completed on 9 September 2011.
- Tranche 2: The placement of 173,226,892 shares raising a further $1,385,815.

27. Subsequent events (continued)

(ii) Proposed fundraising of $1.6M (continued)

Subject to shareholder approval, Blackswan Equities will receive 20,000,000 options at $0.01 for their role in this equity raising.

The funds raised via the Placement will allow the Company to undertake an aggressive exploration programme on its newly acquired assets in Turkey.

28. Auditor's remuneration

	2011 $	2010 $
KPMG Australia		
Audit and review of financial reports	45,000	36,000
Taxation services	15,278	5,453
	60,278	41,453

29. Parent entity disclosures

As at and throughout, the financial year ending 30 June 2011, the parent entity of the Group was Global Resources Corporation Limited (formerly Cloncurry Metals Limited).

	2011 $	2010 $
Results of parent entity		
Loss for the period	(2,519,448)	(2,825,374)
Total comprehensive income for the period	(2,519,448)	(2,825,374)
Financial position of parent entity at year end		
Current assets	157,768	1,373,921
Total assets	3,710,434	4,280,446
Current liabilities	142,098	188,039
Total liabilities	142,098	188,039
Total equity of the parent entity comprising of:		
Share capital	13,584,104	11,592,016
Equity compensation reserve	362,821	359,532
Accumulated losses	(10,378,589)	(7,859,141)
Total equity	3,568,336	4,092,407

Parent entity contingencies

The directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required.

Directors' Declaration

1. In the opinion of the directors of Global Resources Corporation Limited (formerly Cloncurry Metals Limited) (the 'Company'):

   (a) the consolidated financial statements and notes that are set out on pages 22 to 50 and the Remuneration Report in section 4.4 in the Directors' Report, are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2011 and of its performance for the financial year ended on that date; and

      (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

   (b) 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. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the managing director and the finance director for the financial year ended 30 June 2011.

3. The directors draw attention to note 2(a) to the consolidated financial statements which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Dated at Brisbane this 20th day of September 2011.

Simon Finnis	Barry Casson
Managing Director	*Finance Director*

Independent auditor's report to the members of Global Resources Corporation Limited

Report on the financial report

We have audited the accompanying financial report of Global Resources Corporation Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2011, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 29 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 judgement, 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 control relevant to the entity's preparation of the financial report that gives a true and fair view 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 control. 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 performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

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 complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Group's financial position as at 30 June 2011 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(a).

Material uncertainty regarding continuation as a going concern

Without qualifying our opinion, we draw attention to note 2(b) in the financial report. The ability of the Group to continue as a going concern is dependent upon raising additional funding from shareholders or other parties and/or the reduction of expenditure in line with available funding and operating cash flows. The outcome of the potential funding transactions cannot presently be determined with certainty. Accordingly, there is material uncertainty as to whether the Group will continue as a going concern and therefore, whether it will realise its assets, in particular exploration and evaluation assets, and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the remuneration report

We have audited the remuneration report included in section 4.4 of the directors' report for the year ended 30 June 2011. 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 auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Global Resources Corporation Limited for the year ended 30 June 2011, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Simon Crane
Partner

Brisbane
20 September 2011

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Global Resources Corporation Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 30 June 2011 there have been:

(a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Simon Crane
Partner

Brisbane
20 September 2011

ASX additional information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below:

Offices and officers

Directors

Stephen Everett	Non-executive chairman
Simon Finnis	Managing director
Barry Casson	Finance director
Michael Arnett	Non-executive director

Company secretary

Barry Casson

Registered office

First Floor, 13 Manning Street
South Brisbane QLD 4101
Telephone: 07 3844 3999
Facsimile: 07 3844 4088
Website: www.grcl.com.au
Email: info@grcl.com.au

Share registry

Computershare Investor Services
117 Victoria Street
West End QLD 4101

Postal address

PO Box 3025
South Brisbane BC, QLD 4101

Auditor

KPMG
Level 16, 71 Eagle Street
Brisbane QLD 4000

Shareholdings as at 17 October 2011

Substantial holders

The number of equity securities held by substantial holders and their associates are set out below:

Holder	Number of ordinary shares held	Number of listed options held
Prima Group Holdings Pty Ltd	10,704,175	2,500,000

Voting rights

Ordinary shares

Refer to note 16 in the financial statements.

Options

There are no voting rights attached to the options.

Distribution of equity security holders

Ordinary shares	Number of holders	Number held	% of total
1 to 1,000	16	1,076	0.00
1,001 to 5,000	32	92,294	0.04
5,001 to 10,000	67	566,635	0.28
10,001 to 100,000	265	11,714,609	5.71
> 100,001	257	192,885,887	93.97
Total	637	205,260,501	100.00

The number of shareholders holding less than a marketable parcel of ordinary shares is 276.

Distribution of equity security holders (continued)

Listed options	Number of holders	Number held	% of total
1 to 1,000	3	1,505	0.01
1,001 to 5,000	13	38,801	0.10
5,001 to 10,000	9	78,209	0.21
10,001 to 100,000	25	1,019,555	2.73
> 100,001	33	36,191,473	96.95
Total	83	37,329,543	100.00

Unquoted equity securities

The Company has issued 3,300,000 options to 4 holders under the terms of an Employee Share Option Plan.

Securities exchange

The Company is listed on the Australian Securities Exchange.

Other information

Global Resources Corporation Limited (formerly Cloncurry Metals Limited), incorporated and domiciled in Australia, is a publicly listed company limited by shares.

On-market buy-back

There is no current on-market buy-back.

Top 20 holders of ordinary share capital

Rank	Holder	Number held	% of total
1	Prima Group Holdings Pty Ltd ATF Prima Group Holdings Super Fund	10,330,479	5.03
2	Bar-Jonah Capital Pty Ltd	7,428,792	3.62
3	Bunting Exploration Services Pty Ltd	7,428,792	3.62
4	Peter Anthony Secker	7,280,363	3.55
5	Melbourne Capital Ltd	6,338,655	3.09
6	Pilot Gold Inc	5,000,000	2.44
7	Seven Towers Pty Ltd	4,367,731	2.12
8	R D Thorpe Pty Ltd ATF the R D Thorpe Super Fund	4,176,480	2.03
9	Tempo Capital Pty Ltd	3,594,804	1.75
10	Befavo Pty Ltd ATF the H G Shore Super Fund	3,559,572	1.73
11	Finhide Pty Ltd	3,282,697	1.60
12	Lamae Pty Ltd ATF Elm Super Fund	3,258,761	1.59
13	Megastone Pty Ltd	2,700,000	1.32
14	Michael Joyce Pty Ltd	2,642,000	1.29
15	Twopots Pty Ltd	2,617,731	1.28
16	Mungala Investments Pty Ltd	2,500,000	1.22
17	Gecko Resources Pty Ltd	2,400,000	1.17
18	Mr Hans-Ulrich Buhler	2,000,000	0.97
19	Elinora Investments Pty Ltd	2,000,000	0.97
20	Loxden Pty Ltd ATF Frank Brady Super Fund	2,000,000	0.97
	Total	84,906,857	41.36
	Total remaining holders balance	120,353,644	58.64

Top 20 holders of listed options

Rank	Name	Number held	% of total
1	Elinora Investments Pty Ltd	5,000,000	13.39
2	Melbourne Capital Ltd	5,000,000	13.39
3	Seven Towers Pty Ltd	3,200,000	8.57
4	Prima Group Holdings Pty Ltd ATF Prima Group Holdings Super Fund	2,500,000	6.70
5	Mr Matthew Burford	2,187,500	5.86
6	Rytech Pty Ltd ATF Rytech Super Fund	2,000,000	5.36
7	Mr Adrian Wing & Mrs Michelle Wing	2,000,000	5.36
8	Challand Pty Ltd	1,500,000	4.02
9	Dreampt Pty Ltd	1,500,000	4.02
10	R D Thorpe Pty Ltd ATF The R D Thorpe Super Fund	1,250,000	3.35
11	Finhide Pty Ltd	1,004,989	2.69
12	Mr Theam Chye Lim	1,000,000	2.68
13	Megastone Pty Ltd	1,000,000	2.68
14	Sealth Pty Ltd	1,000,000	2.68
15	Mr Clyde Jeffrey & Mrs Jill Jeffrey	937,500	2.51
16	Loxden Pty Ltd ATF Frank Brady Super Fund	829,726	2.22
17	Clontelle Pty Ltd ATF Kenneth Roxburgh Super Fund	400,000	1.07
18	Tromso Pty Ltd	400,000	1.07
19	Mrs Hayley Geraldine Finnis & Mr Simon Finnis	376,843	1.01
20	CYC Financial Services Pty Ltd	375,000	1.00
	Total	33,461,558	89.63
	Total remaining holders balance	3,867,985	10.37

Tenement holdings

Tenement number	Location	Sub-blocks	Status	% GRM ownership
Australian tenements				
EPM 15946	South Cloncurry, Queensland	30	Granted	100
EPM 15947	South Cloncurry, Queensland	22	Granted	100
EPM 15948	South Cloncurry, Queensland	26	Granted	100
EPM 15952	South Cloncurry, Queensland	5	Granted	100
EPM 15969	Burdekin, Queensland	58	Granted	100
EPM 15971	Burdekin, Queensland	4	Granted	100
EPM 17117	South Cloncurry, Queensland	53	Granted	100
EPM 17745	Burdekin, Queensland	51	Granted	100
EPM 18412	Charters Towers, Queensland	17	Granted	100
EPM 18413	Charters Towers, Queensland	7	Granted	100
EPM 18540	Monto, Queensland	91	Granted	100
EPM 18541	Monto, Queensland	100	Granted	100
EPMA 17749	Burdekin, Queensland	30	Application	100
EPMA 17957	South Cloncurry, Queensland	2	Application	100
EPMA 18421	Charters Towers, Queensland	74	Application	100
EPMA 18531	Clermont, Queensland	100	Application	100

Tenement holdings (continued)

Tenement number	Location	Sub-blocks	Status	% GRM ownership
Australian tenements (continued)				
EPMA 18532	Clermont, Queensland	100	Application	100
EPMA 18535	Dobbyn, Queensland	96	Application	100
EPMA 18536	Dobbyn, Queensland	26	Application	100
EPMA 18537	Dobbyn, Queensland	96	Application	100
EPMA 18599	Georgetown, Queensland	40	Application	100
EPMA 18600	Georgetown, Queensland	16	Application	100
EPMA 18604	Georgetown, Queensland	52	Application	100
EPMA 18616	Croydon, Queensland	30	Application	100
EPMA 18619	Croydon, Queensland	17	Application	100
EPMA 18656	Clermont, Queensland	11	Application	100
EPMA 18679	South Cloncurry, Queensland	43	Application	100
EPMA 18680	South Cloncurry, Queensland	15	Application	100
EPMA 18725	Palmer River, Queensland	16	Application	100
EPMA 18726	Palmer River, Queensland	4	Application	100
EPMA 18731	Palmer River, Queensland	100	Application	100
EPMA 18823	Monto, Queensland	88	Application	100
EPMA 18824	Monto, Queensland	40	Application	100
EPMA 18848	South Cloncurry, Queensland	50	Application	100
Mexican tenements				
221376	Michoacan, Mexico	-	Option to acquire	-
226081	Michoacan, Mexico	-	Option to acquire	-
210924	Michoacan, Mexico	-	Option to acquire	-
211378	Michoacan, Mexico	-	Option to acquire	-
214757	Michoacan, Mexico	-	Option to acquire	-
215963	Michoacan, Mexico	-	Option to acquire	-
224433	Michoacan, Mexico	-	Option to acquire	-
236424	Michoacan, Mexico	-	Granted	100
Turkish tenements				
200705463	Aktarma, Turkey	-	Granted	100
200705477	Aktarma, Turkey	-	Granted	100
200711519	Aktarma, Turkey	-	Granted	100
200711520	Aktarma, Turkey	-	Granted	100
200711521	Aktarma, Turkey	-	Granted	100
200711522	Aktarma, Turkey	-	Granted	100
200801920	Ispir, Turkey	-	Granted	100
200801921	Ispir, Turkey	-	Granted	100
200801887	Ispir, Turkey	-	Granted	100
200801888	Ispir, Turkey	-	Granted	100
200801889	Ispir, Turkey	-	Granted	100
200801890	Ispir, Turkey	-	Granted	100
200803104	Ispir, Turkey	-	Granted	100

Tenement holdings (continued)

Tenement number	Location	Sub-blocks	Status	% GRM ownership
Turkish tenements (continued)				
200802300	Ispir, Turkey	-	Granted	100
200711862	Yunt Dag, Turkey	-	Option to acquire equity interest	-
200711861	Yunt Dag, Turkey	-	Option to acquire equity interest	-
200711860	Yunt Dag, Turkey	-	Option to acquire equity interest	-