

For personal use only



ABN 36 124 893 465

HALF YEAR FINANCIAL REPORT

31 DECEMBER 2010

CONTENTS

| | |
|---|--------|
| Corporate Information | 1 |
| Directors' Report | 2 |
| Consolidated Statement of Financial Position | 4 |
| Consolidated Statement of Comprehensive Income | 5 |
| Consolidated Statement of Changes in Equity | 6 |
| Consolidated Statement of Cash Flows | 7 |
| Notes to the Consolidated Financial Statements | |
| 1. Basis of preparation and accounting policies | 8 |
| 2. Operating segments | 10 |
| 3. Revenue and other income | 13 |
| 4. Cash and cash equivalents | 14 |
| 5. Trade and other receivables | 14 |
| 6. Other financial assets | 15 |
| 7. Property, plant and equipment | 16 |
| 8. Mineral rights, exploration and evaluation | 16 |
| 9. Trade and other payables | 17 |
| 10. Provisions | 17 |
| 11. Derivative financial instruments | 18 |
| 12. Loans and borrowings | 18 |
| 13. Issued capital | 19 |
| 14. Reserves | 21 |
| 15. Losses per share | 21 |
| 16. Business combination | 22 |
| 17. Commitments and contingencies | 24 |
| 18. Events after the reporting date | 24 |
| Directors' declaration | 25 |
| Independent auditor's review report | Insert |

CORPORATE INFORMATION

ABN 36 124 893 465

Directors

| | |
|-----------------------|------------------------|
| HRH Tunku Naquiyuddin | Chairman |
| Mr Wayne David Norris | Managing Director |
| Mr Brian David Thomas | Non-Executive Director |

Company Secretary

Anthony Ho

Registered Office and Principal Place of Business

15 Bowman Street
South Perth, Western Australia, 6151
Telephone: 61 8 9474 6771

Ghanaian Office

6 Sunflower Road
East Legon, Accra
Ghana

Share Registry

Computershare Investor Services Pty Ltd
45 St George's Terrace
Perth, Western Australia, 6000
Telephone: 61 8 9323 2000

Auditor

Ernst & Young
11 Mounts Bay Road
Perth, Western Australia, 6000

Solicitors

Steinepreis Paganin
Level 4, Next Building
16 Milligan Street
Perth, Western Australia, 6000

Stock Exchange

ASX Limited
Exchange Plaza
2 The Esplanade
Perth, Western Australia, 6000
ASX Code: NMG
 NMGO
 NMGOA

DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 December 2010.

Directors

The names and details of the Company's directors in office during the 6-month period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

HRH Tunku Naquiyuddin (Chairman)
Mr Wayne David Norris (Managing Director)
Mr Alan Peter Taylor (resigned 15 October 2010)
Mr Brian David Thomas (Non-Executive Director)

Review and results of operations

Noble Mineral Resources Limited (ASX:NMG) has completed a pivotal 6-month period in its evolution, with a series of accomplishments that have put the Company on track to start gold production at its Bibiani Project in Ghana in 2011, ramping up to 150,000 ounces a year during 2012.

Noble began the financial year by raising A \$40.2m through a share placement and share purchase plan, and finished the 6-month period by successfully raising A \$30m. A further A \$22.3m is expected to be raised over the coming 7-month period via short dated options expiring 21 July 2011. 74,433,069 bonus share options expiring on 21 July '11 at A \$0.30 and 74,433,069 bonus shares options expiring 21 July '13 at A \$0.35 were issued to eligible shareholders who were registered on 14 July '10, 5pm WST ("Record Date"). For every 4 ordinary shares held as at the Record Date, the Company issued 1 option for free. The options entitle the holder one Ordinary Share in the Company once exercised.

This substantial cash injection has enabled the Company to complete the acquisition of the Bibiani project in Ghana, through the acquisition of 100% of the issued capital of Noble Gold Bibiani Limited (*formerly Central African Gold Ghana Limited*). It has also ensured the Company has sufficient funds to refurbish the 2.7Mtpa processing plant at Bibiani, undertake a full feasibility study of the project and complete an aggressive drilling campaign at Bibiani.

Significant progress has been made during the period in the refurbishment of the Bibiani mill:

- Key components have been removed from the crushing circuit and milling section.
- All necessary electrical cables at the milling section have been disconnected and coiled.
- SAG and Ball Mill liners have been stripped.
- Major equipment has also been removed from the carbon-in-leach section, including the carbon regeneration kiln, quench tank, screens and cyanide mixing tanks.
- Key components such as the gyratory crusher have started arriving.

An aggressive drilling campaign has also commenced during the period as part of the plan to increase the reserve and resource gold inventory in the lead up to the start of production. The drilling campaign is aimed at part in increasing the existing resource base of 1.98 million ounces by identifying near-mine targets which stand to become immediate sources of ore for the 2.7Mtpa mill once the refurbishment is complete.

Results

The Group incurred a loss of US \$11,058,000 for the 6-month period ended 31 December 2010. This loss included exploration and evaluation expenditure of US \$666,000 in accordance with the Group's accounting policies.

The Group finished the half year with cash or cash equivalents of US \$36,548,000 plus a further US \$2,730,000 of funds on deposit securing environmental obligations.

DIRECTORS' REPORT (CONTINUED)

Rounding

The amounts contained in this report and in the half year financial report have been rounded to the nearest US\$1,000 (unless otherwise stated) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

Competent Person's Statement

The information in this announcement that relates to Mineral Resource and Ore Reserve estimates is based on information compiled by Mr Phillip Schiemer (BSc (Hons), Geology and Geophysics), who is a Corporate Member of the Australasian Institute of Mining and Metallurgy and a member of the Australian Institute of Geoscientists. Mr Schiemer is employed by Noble Mineral Resources Ltd, and has sufficient experience which is relevant to the style of mineralisation being reported herein as Mineral Resources, Ore Reserves and Exploration Results 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' (JORC Code). Mr Schiemer consents to the inclusion in this report of the matters based on his information in the form and content in which it appears.

Auditor independence declaration

We have obtained the following independence declaration from our auditor, Ernst & Young.

Signed in accordance with a resolution of directors.



W. Norris
Managing Director
South Perth, 16 March 2011

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2010

| | Note | Consolidated | |
|--|------|----------------------------|-----------------------------|
| | | 31 Dec 2010 US \$ (000) | 30 June 2010 US \$ (000) |
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 4 | 36,925 | 30,889 |
| Trade and other receivables | 5 | 642 | 111 |
| Other financial assets | 6 | 6,218 | - |
| Total current assets | | 43,785 | 31,178 |
| Non-current assets | | | |
| Other receivables | 5 | - | 6,155 |
| Other financial assets | 6 | 2,828 | 8 |
| Property, plant and equipment | 7 | 43,472 | 134 |
| Mineral rights, exploration and evaluation | 8 | 36,551 | 514 |
| Total non-current assets | | 82,851 | 6,811 |
| TOTAL ASSETS | | 126,636 | 37,989 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | 9 | 15,463 | 548 |
| Provisions | 10 | 218 | 66 |
| Derivative financial instruments | 11 | 4,094 | - |
| Total current liabilities | | 19,775 | 614 |
| Non-current liabilities | | | |
| Provisions | 10 | 7,134 | - |
| Loans and borrowings | 12 | 34,162 | - |
| Deferred tax liability | | 10,820 | - |
| Total non-current liabilities | | 52,116 | - |
| TOTAL LIABILITIES | | 71,891 | 614 |
| NET ASSETS | | 54,745 | 37,375 |
| EQUITY | | | |
| Issued capital | 13 | 69,842 | 41,954 |
| Reserves | 14 | 850 | 310 |
| Accumulated losses | | (15,947) | (4,889) |
| TOTAL EQUITY | | 54,745 | 37,375 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the half-year ended 31 December 2010

| | Note | Consolidated | |
|--|------|----------------------------|----------------------------|
| | | 31 Dec 2010 US \$ (000) | 31 Dec 2009 US \$ (000) |
| Revenue | 3 | 324 | 46 |
| Other income | 3 | 1,790 | 7 |
| Exploration and evaluation expenses written off | | (666) | (227) |
| Corporate and administrative expenses | 3 | (6,157) | (751) |
| Borrowing expenses | | (45) | (262) |
| Other expenses | 3 | (6,304) | (3) |
| Loss before income tax | | (11,058) | (1,190) |
| Income tax | | - | - |
| Net loss for the period | | (11,058) | (1,190) |
| Other comprehensive income | | | |
| Exchange differences arising on translation of operations | | - | 126 |
| Income tax expense on other comprehensive income | | - | - |
| Total other comprehensive income | | - | 126 |
| Total comprehensive loss for the period | | (11,058) | (1,064) |
| | | Cents | Cents |
| Losses per share for loss from continuing operations attributable to the ordinary equity holders: | | | |
| Basic losses per share | 15 | (3.65) | (0.85) |
| Diluted losses per share | 15 | (3.65) | (0.85) |

For personal use only

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the half-year ended 31 December 2010

| | Issued Capital US \$ (000) | Foreign Currency Translation Reserve US \$ (000) | Option Reserve US \$ (000) | Accumulated Losses US \$ (000) | Total US \$ (000) |
|---|----------------------------------|--|----------------------------------|--------------------------------------|----------------------|
| Balance as at 1 July 2010 | 41,954 | 310 | - | (4,889) | 37,375 |
| Net profit (loss) for the period | - | - | - | (11,058) | (11,058) |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive profit (loss) for the period | - | - | - | (11,058) | (11,058) |
| Issue of share capital | 29,839 | - | 540 | - | 30,379 |
| Exercise of options | 10 | - | - | - | 10 |
| Share issue costs | (1,961) | - | - | - | (1,961) |
| Balance as at 31 December 2010 | 69,842 | 310 | 540 | (15,947) | 54,745 |
| Balance as at 1 July 2009 | 4,339 | (651) | - | (2,199) | 1,489 |
| Net profit (loss) for the period | - | - | - | (1,190) | (1,190) |
| Other comprehensive income | - | 126 | - | - | 126 |
| Total comprehensive profit (loss) for the period | - | 126 | - | (1,190) | (1,064) |
| Issue of share capital | 5,186 | - | - | - | 5,186 |
| Share issue costs | (4) | - | - | - | (4) |
| Balance as at 31 December 2009 | 9,521 | (525) | - | (3,389) | 5,607 |

CONSOLIDATED STATEMENT OF CASH FLOWS
for the half-year ended 31 December 2010

| | Note | Consolidated | |
|---|------|----------------------------|----------------------------|
| | | 31 Dec 2010 US \$ (000) | 31 Dec 2009 US \$ (000) |
| Cash flows from operating activities | | | |
| Interest income received | | 324 | 47 |
| Interest expense paid | | (3) | - |
| Payments to suppliers and employees | | (9,946) | (564) |
| Payments for exploration and evaluation expenditure | | (666) | (252) |
| Net cash flows used in operating activities | | (10,291) | (769) |
| Cash flows from investing activities | | | |
| Proceeds from sale of property, plant and equipment | | 10 | - |
| Purchase of property, plant and equipment | | (5,593) | (11) |
| Deposits paid on property, plant and equipment | | (2,080) | - |
| Payments for exploration and evaluation assets | | (225) | - |
| Advancement of loans to subsidiary prior to acquisition | | (6,556) | - |
| Cash acquired on acquisition of subsidiary | 16 | 3,122 | - |
| Net cash flows used in investing activities | | (11,322) | (11) |
| Cash flows from financing activities | | | |
| Proceeds from issue of share capital | | 27,634 | 4,532 |
| Share issue costs | | (1,421) | (3) |
| Proceeds from borrowings | | 1,100 | - |
| Repayment of borrowings | | (374) | (600) |
| Other | | 763 | - |
| Net cash flows from financing activities | | 27,702 | 3,929 |
| Net increase (decrease) in cash and cash equivalents | | 6,089 | 3,149 |
| Net foreign exchange differences | | (430) | 498 |
| Cash and cash equivalents at the beginning of the period | | 30,889 | 3,481 |
| Cash and cash equivalents at the end of the period | | 36,548 | 7,128 |
| Analysis of balances of cash and cash equivalents: | | | |
| Cash at bank and in hand | | 4,780 | 4,664 |
| Short-term deposits | | 32,145 | 2,464 |
| Cash and cash equivalents as stated In the statement of financial position | 4 | 36,925 | 7,128 |
| Overdraft | 10 | (377) | - |
| Cash and cash equivalents as stated In the statement of cash flows | | 36,548 | 7,128 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the half year ended 31 December 2010

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of preparation

This general purpose condensed financial report for the half-year ended 31 December 2010 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2010 and considered together with any public announcements made by Noble Mineral Resources Limited during the half-year ended 31 December 2010 in accordance with the continuous disclosure obligations of the ASX listing rules.

Apart from the change in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

(a)(i) Bibiani Project – Future cash flow requirements

As at the date of signing the financial statements, the Bibiani Project is in the process of being prepared to return to commercial production. The Group's capital and working capital requirements are sensitive to the time it will take to get the Bibiani Project ready for start up, the time it will take to achieve plant optimisation and ultimately the assumed ounces of gold to be produced on a monthly basis. Any material delays in getting the plant ready for start up could materially impact the Group's future cash flow requirements.

(b) New accounting policies adopted

The accounting policies adopted are consistent with those of the previous financial year except as follows:

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

The Group has adopted new and amended Australian Accounting Standards and AASB Interpretations effective from 1 July '10.

When the adoption of the Standard or Interpretation is deemed to have an impact on the financial statements or performance of the Group, its impact is described below:

AASB 107 Statement of Cash Flows

The amendment to the Standard arising from the Annual Improvement Project requires that only expenditure resulting in the recognition of an asset in the Statement of Financial Position is eligible for classification as investing activities in the Statement of Cash Flows. The adoption of the amendment has resulted in the reclassification of exploration and evaluation expenditure amounting to \$666,000 (2009: \$252,000) from investing to operating activities in the consolidated Cash Flow Statement.

(ii) Adoption of accounting policies following the acquisition of Noble Gold Bibiani Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the half year ended 31 December 2010

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

Inventories

Finished goods and consumables on hand have been valued at the lower of cost and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Provisions

Provisions are recognised when the consolidated entity has a present financial obligation as a result of a past event, the obligation can be reliably measured, and it is probable that the consolidated entity will be required to settle the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date.

Rehabilitation and decommissioning provision

The consolidated entity records the present value of the estimated cost to restore development and operating locations. The estimated costs are revalued at each reporting period as activities dictate. The nature of rehabilitation and decommissioning activities include dismantling and removing structures and operating facilities, rehabilitating mines, closure and restoration of plant and waste sites and revegetation of affected areas.

Employee benefits

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

Long service leave

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

Derivative financial instruments

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

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with consultants and financiers by reference to the fair value of the equity instruments at the date at which they were issued. The fair value is determined using the Black Scholes option pricing model using relevant input assumptions including the price of the underlying security, life of the equity instrument, expected volatility of the underlying security and the risk-free rate on interest.

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the half year ended 31 December 2010

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(c) Change in functional and presentation currency

An entity's functional currency is the currency of the primary economic environment in which the entity operates. Due to the acquisition of Noble Gold Bibiani Limited (*formerly Central African Gold Ghana Limited*), Noble Mineral Resources Limited now has over 80% of its net assets denominated in US dollars. The majority of the Company's funding and expenditures will be denominated in US dollars going forward. Consequently, the Company announced on 27 January '11 that the directors had determined that the functional currency of the Company is US dollars. The change in functional currency has been applied with effect from 1 July '10 in accordance with the requirements of the Accounting Standards.

Following the change in functional currency, Noble Mineral Resources Limited has elected to change its presentation currency from Australian dollars to US dollars. The directors believe that changing the presentation currency to US dollars will provide shareholders with a more accurate reflection of the Group's underlying financial performance and position. The change in presentation currency represents a voluntary change in accounting policy, which has been applied retrospectively.

To give effect to the change in functional currency, the assets and liabilities of the Company at 30 June '10 were converted to US dollars at a fixed exchange rate on 1 July '10 of US\$1:A\$1.1678 and the contributed equity, reserves and retained earnings were converted at applicable historical rates. In order to derive US dollar comparatives (presentation currency), the Australian dollar functional currency assets and liabilities at 30 June '10 were converted at the spot rate of US\$1:A\$1.1678 on the reporting date, revenue and expenses for the half year ended 31 December '09 were converted at the average exchange rate of US\$1:A\$1.2350 for the reporting period, or at the exchange rates ruling at the date of the transaction to the extent practicable, and equity balances were converted at applicable historical rates.

The above stated procedures resulted in a foreign currency translation reserve of US\$310,000 on 1 July '10. Earnings per share for the half year ended 31 December '09 has also been restated in US dollars to reflect the change in the presentation currency.

All amounts are presented in US dollars and rounded to the nearest thousand unless otherwise indicated.

2. OPERATING SEGMENTS

Identification of reportable segments

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

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

The Group has the following segments:

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

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2010

| | OPERATING SEGMENTS (CONTINUED) | | | | | |
|--|--------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | Bibiani | | Cape Three Points | | Total | |
| | 31 Dec 2010 US \$(000) | 31 Dec 2009 US \$(000) | 31 Dec 2010 US \$(000) | 31 Dec 2009 US \$(000) | 31 Dec 2010 US \$(000) | 31 Dec 2009 US \$(000) |
| Interest income | 2 | - | - | - | 2 | - |
| Total segment revenue | 2 | - | - | - | 2 | - |
| Corporate and other unallocated interest income | | | | | 322 | 46 |
| Total revenue per the statement of comprehensive income | | | | | 324 | 46 |
| Result | | | | | | |
| Segment result | (7,743) | - | (541) | (420) | (8,284) | (420) |
| Inter-segment eliminations | | | | | 1,116 | 233 |
| Corporate and other unallocated | | | | | (3,890) | (1,003) |
| Net profit (loss) before tax as per the statement of comprehensive income | | | | | (11,058) | (1,190) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2010

| | OPERATING SEGMENTS (CONTINUED) | | | | | |
|--|--------------------------------|--------------|-------------------|--------------|----------------|---------------|
| | Bibiani | | Cape Three Points | | Total | |
| | 31 Dec 2010 | 30 June 2010 | 31 Dec 2010 | 30 June 2010 | 31 Dec 2010 | 30 Jun 2010 |
| | US \$(000) | US \$(000) | US \$(000) | US \$(000) | US \$(000) | US \$(000) |
| Segment assets | | | | | | |
| Segment assets | 84,363 | - | 4,912 | - | 89,275 | - |
| Inter-segment eliminations: | | | | | | |
| Investments in subsidiaries | | | | | (3,591) | (94) |
| Inter-entity loans | | | | | (56,729) | - |
| Unallocated assets | | | | | 68,260 | 38,083 |
| Other | | | | | 26,682 | - |
| Total assets per the statement of financial position | | | | | 123,897 | 37,989 |
| Segment liabilities | | | | | | |
| Segment liabilities | 164,436 | 6,834 | 7,396 | 1,825 | 171,832 | 8,659 |
| Inter-segment eliminations: | | | | | | |
| Inter-entity loans | | | | | (109,142) | (8,481) |
| Unallocated liabilities | | | | | 5,514 | 436 |
| Total liabilities per the statement of financial position | | | | | 68,204 | 614 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2010

3. REVENUE AND OTHER INCOME

| | Consolidated | |
|--|--------------|-------------|
| | 31 Dec 2010 | 31 Dec 2009 |
| | US \$ (000) | US \$ (000) |
| (a) Revenue | | |
| Interest income | 324 | 46 |
| (b) Other income | | |
| Foreign currency gains | 1,775 | 7 |
| Profit on sale of plant and equipment | 10 | - |
| Other | 5 | - |
| | 1,790 | 7 |
| (c) Corporate and administrative expenses | | |
| <i>Include:</i> | | |
| Staff costs and employee benefits | 3,368 | 171 |
| Travel and accommodation | 408 | 112 |
| Insurance | 388 | 15 |
| Stock exchange and share registry fees | 147 | 27 |
| Bank fees | 107 | 1 |
| Public relations | 95 | 71 |
| (d) Other expenses | | |
| <i>Include:</i> | | |
| Loss on derivative financial instruments | 2,830 | - |
| Depreciation | 1,533 | 2 |
| Repairs and maintenance | 1,021 | - |
| Electricity | 487 | 1 |
| Fuel | 125 | - |

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2010

4. CASH AND CASH EQUIVALENTS

| | Consolidated | |
|--------------------------|----------------------------|-----------------------------|
| | 31 Dec 2010 US \$ (000) | 30 June 2010 US \$ (000) |
| Cash at bank and in hand | 4,780 | 7,077 |
| Short-term deposits | 32,145 | 23,812 |
| | 36,925 | 30,889 |

5. TRADE AND OTHER RECEIVABLES

| | Consolidated | |
|----------------------------|----------------------------|-----------------------------|
| | 31 Dec 2010 US \$ (000) | 30 June 2010 US \$ (000) |
| Current | | |
| Interest income receivable | - | 83 |
| Taxes recoverable | (i) 429 | 23 |
| Other receivables | 213 | 5 |
| | 642 | 111 |

(i) Taxes recoverable relate to Australian GST, Ghanaian VAT and Ghanaian Withholding Tax.

Non-current

| | | |
|----------------|--------|-------|
| Unsecured loan | (ii) - | 6,155 |
|----------------|--------|-------|

(ii) Pursuant to an agreement to acquire Noble Gold Bibiani Limited ("NGBL") [formerly *Central African Gold Ghana Limited*], the Company advanced funds to NGBL as a term loan facility to pay NGBL's monthly operating costs and other working capital requirements. The loan was unsecured for a period of one year at the LIBOR interest rate (set by reference to Reuters or, if not available, on the basis of rates provided by agreed Reference Banks). Upon the acquisition of 100% of the issued capital of NGBL the unsecured loan has been eliminated in full on consolidation of NGBL.

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2010

6. OTHER FINANCIAL ASSETS

| | Consolidated | |
|---------------------------------|--|-----------------------------|
| | 31 Dec 2010 US \$ (000) | 30 June 2010 US \$ (000) |
| Current | | |
| Deposits paid | (i) 2,080 | - |
| Prepayments | (ii) 4,138 | 178 |
| | 6,218 | 178 |
| | | |
| (i) | Deposits paid represent deposits on plant and equipment and capital expenditure related to the mine refurbishment. | |
| (ii) | Prepayments represent advanced payments to suppliers and prepaid insurance costs. | |
| Non-current | | |
| Rental bond | 8 | 8 |
| Foreign withholding tax credits | 90 | - |
| EPA reclamation bond | (i) 2,730 | - |
| | 2,828 | 8 |
| | | |

- (i) The EPA Reclamation Bond is an amount held in the joint name of Noble Gold Bibiani Ltd (*formerly Central African Gold Ghana Limited*) and Environmental Protection Agency (Ghana) with Barclays Bank (GH) Limited in relation to the rehabilitation provision.

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2010

7. PROPERTY, PLANT AND EQUIPMENT

| | Consolidated 31 Dec 2010 US \$ (000) |
|--|---|
| As at 1 July 2010 net of accumulated depreciation and impairment | 134 |
| Additions | (i) 5,593 |
| Disposals | (13) |
| Acquisition of subsidiary | (ii) 39,291 |
| Depreciation charge for the period | (1,533) |
| As at 31 December 2010 | <u>43,472</u> |

- (i) Additions include costs capitalised on assets under construction, including mill refurbishment.
(ii) Property, plant and equipment costs acquired on acquisition of 100% of the issued capital of Noble Gold Bibiani Limited (*formerly Central African Gold Ghana Limited*) are provisional.

| | Consolidated 31 Dec 2010 US \$ (000) | 30 June 2010 US \$ (000) |
|---|---|-------------------------------------|
| Property, plant and equipment – at Cost | 45,106 | 235 |
| Accumulated depreciation | (1,634) | (101) |
| | <u>43,472</u> | <u>134</u> |

8. MINERAL RIGHTS, EXPLORATION AND EVALUATION ASSETS

| | Consolidated 31 Dec 2010 US \$ (000) | 31 Dec 2009 US \$ (000) |
|---|---|------------------------------------|
| Exploration, evaluation and development costs carried forward in respect of areas of interest | 36,551 | 514 |
| Reconciliation | | |
| As at 1 July 2010 carrying amount | 514 | 514 |
| Acquisition of mineral rights | (i) (ii) 36,037 | - |
| As at 31 December 2010 carrying amount | <u>36,551</u> | <u>514</u> |

- (i) On acquisition of Noble Gold Bibiani Limited (*formerly Central African Gold Ghana Limited*) a provisional fair value of \$35,812,000 was assigned to the rights over the mineral properties in the Bibiani Development Agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2010

8. MINERAL RIGHTS, EXPLORATION AND EVALUATION ASSETS (CONTINUED)

- (ii) On 30 November '10, the Company received regulatory approval from the Minerals Commission and Minister of Mines Ghana for the agreement entered into with Consolidated Minerals Limited (Ghana) ["ConsMin"] for the Company to earn a 100% interest in the Cape Three Points Concession. \$225,000 consideration has been paid to ConsMin under the terms of the agreement.

9. TRADE AND OTHER PAYABLES

| | Consolidated | |
|------------------------|---------------------|---------------------|
| | 31 Dec 2010 | 30 June 2010 |
| | US \$ (000) | US \$ (000) |
| Current | | |
| Overdraft | 377 | - |
| Trade payables | 12,642 | 548 |
| Taxes payable | 430 | - |
| Deferred consideration | (i) 2,014 | - |
| | 15,463 | 548 |

- (i) Pursuant to an agreement to acquire Noble Gold Bibiani Limited (*formerly Central African Gold Ghana Limited*), the Company agreed to pay Investec Bank Limited ("Investec") within 18 months from 20 November '09 in the amount of either (at the election of Investec):

- (a) A \$2,000,000 cash, or
(b) 6 million shares in the ordinary share capital of Noble Mineral Resources Limited.

Investec have the option of receiving either cash or shares, denominated in Australian dollars.

With Investec having the option to receive cash or shares denominated in Australian dollars, the option to receive shares has been accounted for as a financial derivative (note 11).

10. PROVISIONS

| | Consolidated | |
|------------------------------------|---------------------|---------------------|
| | 31 Dec 2010 | 30 June 2010 |
| | US \$ (000) | US \$ (000) |
| Current | | |
| Liability for employee benefits | 218 | 66 |
| Non-current | | |
| Rehabilitation and decommissioning | 7,134 | - |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2010**

11. DERIVATIVE FINANCIAL INSTRUMENTS

| | Consolidated | |
|----------------------------------|----------------------------|-----------------------------|
| | 31 Dec 2010 US \$ (000) | 30 June 2010 US \$ (000) |
| Option derivatives at fair value | (i) 2,651 | - |
| Conversion option at fair value | (ii) 1,443 | - |
| | 4,094 | - |

(i) 6,000,000 unlisted options expiring on 8 July '14 were issued on 8 July '10 to Investec Bank Limited as part of the acquisition of a 100% interest in Noble Gold Bibiani Ltd (*formerly Central African Gold Ghana Limited*). The options are exercisable at A \$0.20 each and entitle the holder one Ordinary Share in the Company once exercised.

(ii) Conversion option attached to deferred consideration (note 9).

12. LOANS AND BORROWINGS

| | Consolidated | |
|---|----------------------------|-----------------------------|
| | 31 Dec 2010 US \$ (000) | 30 June 2010 US \$ (000) |
| Secured loan – Investec Bank Limited | (i) 33,436 | - |
| Secured loan – Intercontinental Bank of Ghana | 726 | - |
| | 34,162 | - |

(i) The Secured loan is a term loan obtained from Investec Bank Limited for partial financing and capital development for the Bibiani Gold Mine in 2007. The first capital repayment of \$3,128,823 is due by 1 March '12. Subsequent payments of \$3,128,823 are due quarterly on 1 September, 1 December, 1 March and 1 June each year, until the date of the final capital repayment, which is due by 1 September 2014. The rate of interest of the loan is 3 month LIBOR plus a margin of 4%. The facility is secured by:

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

The following covenants are also applicable to the facility:

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

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2010

13. ISSUED CAPITAL

| | Consolidated | |
|--|----------------------------|-----------------------------|
| | 31 Dec 2010 US \$ (000) | 30 June 2010 US \$ (000) |
| 375,333,438 fully paid ordinary shares (2009: 159,102,307) | 69,842 | 41,954 |
| (a) | Ordinary shares | |
| | Number | US \$ (000) |
| As at 1 July 2010 | 293,731,484 | 41,954 |
| Shares issued for subsidiary | (i) 4,000,000 | 890 |
| Shares issued to creditors | (ii) 5,697,791 | 1,326 |
| Share placement | (iii) 71,870,000 | 27,623 |
| Exercise of options | (iv) 34,163 | 10 |
| Transaction costs | (v) - | (1,961) |
| As at 31 December 2010 | 375,333,438 | 69,842 |

- (i) 4,000,000 shares were issued to Investec Bank Limited as part of the acquisition of a 100% interest in Noble Gold Bibiani Limited (*formerly Central African Gold Ghana Limited*).
- (ii) 5,697,791 shares were issued to unsecured creditors of Noble Gold Bibiani Limited (*formerly Central African Gold Ghana Limited*), in consideration of certain outstanding debts owed to those creditors.
- (iii) 71,870,000 shares were issued at A \$0.39 each during November '10 and December '10.
- (iv) 21,663 options expiring 21 July '11 and 12,500 options expiring 21 July '13 were exercised during the period at A \$0.30 and A \$0.35 respectively.
- (v) The transaction costs represent the costs of issuing options and shares and the costs associated with the share placements and share purchase plan offer.

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2010

13. ISSUED CAPITAL (CONTINUED)

| (b) | Options |
|--|-----------------|
| (i) Listed share options expiring 21 July 2011 | |
| Exercise price – A \$0.30 | Number |
| As at 1 July 2010 | - |
| Option issue | (i) 74,433,069 |
| Exercise of options | (21,663) |
| | 74,411,406 |
| (ii) Listed share options expiring 21 July 2013 | |
| Exercise price – A \$0.35 | Number |
| As at 1 July 2010 | - |
| Option issue | (ii) 74,433,069 |
| Exercise of options | (12,500) |
| | 74,420,569 |
| (iii) Unlisted share options expiring 8 July 2014 | |
| Exercise price – A \$0.20 | Number |
| As at 1 July 2010 | - |
| Option issue | (iii) 6,000,000 |
| | 6,000,000 |
| (iv) Unlisted share options expiring 19 August 2014 | |
| Exercise price – A \$0.40 | Number |
| As at 1 July 2010 | - |
| Option issue | (iv) 6,250,000 |
| | 6,250,000 |

- (i) 74,433,069 bonus share options expiring on 21 July '11 were issued to eligible shareholders who were registered on 14 July '10, 5pm WST ("Record Date"). For every 4 ordinary shares held as at the Record Date, the Company issued 1 option for free. The options are exercisable at A \$0.30 each and entitle the holder one Ordinary Share in the Company once exercised.
- (ii) 74,433,069 bonus share options expiring on 21 July '13 were issued to eligible shareholders who were registered on 14 July '10, 5pm WST ("Record Date"). For every 4 ordinary shares held as at the Record Date, the Company issued 1 option for free. The options are exercisable at A \$0.35 each and entitle the holder one Ordinary Share in the Company once exercised.
- (iii) 6,000,000 unlisted options expiring on 8 July '14 were issued on 8 July '10 to Investec as part of the acquisition of a 100% interest in Noble Gold Bibiani Ltd (*formerly Central African Gold Ghana Limited*). The options are exercisable at A \$0.20 each and entitle the holder one Ordinary Share in the Company once exercised. These options have been accounted for as a derivative liability
- (iv) 6,250,000 unlisted options expiring on 19 August '14 were issued on 19 August '10 to consultants to the Company in recognition of the efforts with the Company's capital raising objectives. The options are exercisable at A \$0.40 each and entitle the holder one Ordinary Share in the Company once exercised.

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2010

14. RESERVES

| | Consolidated | | |
|------------------------|--|----------------------------------|----------------------|
| | Foreign Currency Translation Reserve US \$ (000) | Option Reserve US \$ (000) | Total US \$ (000) |
| As at 1 July 2010 | 310 | - | 310 |
| Unlisted option issue | - | 540 | 540 |
| As at 31 December 2010 | 310 | 540 | 850 |

15. LOSSES PER SHARE

(a) Losses used in calculating losses per share

| | Consolidated | |
|-------------------------|----------------------------|----------------------------|
| | 31 Dec 2010 US \$ (000) | 31 Dec 2009 US \$ (000) |
| Net loss for the period | (11,058) | (1,190) |

(b) Weighted average number of shares

| | 31 Dec 2010 Number | 31 Dec 2009 Number |
|--|-----------------------|-----------------------|
| Weighted average number of ordinary shares (excluding reserved shares) for basic earnings per share | 303,281,088 | 139,960,424 |
| Weighted average number of ordinary shares (excluding reserved shares) adjusted for the effect of dilution | 303,281,088 | 139,960,424 |

The total number of share options and conversion options outstanding at reporting date, but not considered to be dilutive is 167,081,975.

5,130,000 ordinary shares were issued on 20 January '10 to complete the Company's capital raising announced in November '10.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the half year ended 31 December 2010

16. BUSINESS COMBINATION

On 27 July '10, Noble Mineral Resources Limited, through its wholly owned subsidiary, Noble Mining Ghana Limited ("NMGL"), and pursuant to a share sale agreement dated 20 November '09 ("Agreement"), acquired 100% of the issued capital of Noble Gold Bibiani Limited ("NGBL") [*formerly Central African Gold Ghana Limited*], owner of the Bibiani Gold Mine ("Bibiani") and two contiguous exploration licences in the Sefwi Bibiani Gold Belt in Central Ghana. The vendor of NGBL was Investec Bank Limited ("Investec").

The acquisition was subject to a number of conditions, including relevant Ghanaian authority approval and suitable arrangements being concluded between NGBL and its unsecured trade creditors, all of which were fulfilled.

The consideration for the acquisition of NGBL comprised the following:

- A\$1 for all of the share capital of NGBL (90,000 shares); and
- A\$1 for all of the loan claims that Investec held against NGBL, except for the Project Loan Facility between Investec and NGBL of US\$33,465,457 ("Senior Debt"). At acquisition date, these loan claims amounted to US\$57.448 million.

In addition to the above, the Agreement contained the following consideration to be paid:

- (i) 4,000,000 fully paid ordinary shares in Noble,
- (ii) 6,000,000 options, exercisable at A \$0.20 each on or before 8 July '14, and
- (iii) a cash payment of A \$2,000,000 or the issue of 6,000,000 shares in Noble, at Investec's election, payable within 18 months of the date of signing the Agreement, being 20 November '09 (note 9).

The Group has yet to complete the final accounting for the business combination. In order to do so, it is required to recognise the fair values of all identifiable assets (property, plant and equipment, inventory, trade receivables, intangible assets) and liabilities (trade payables, provisions, borrowings) of CAGG, and valuations have yet to be finalised, particularly in relation to the property, plant and equipment acquired, capitalised development costs, mine closure and rehabilitation obligations.

The Company has provisionally recognised the fair values and identifiable assets and liabilities of Noble Gold Bibiani Limited based upon the best information available as of the reporting date. Provisional business combination accounting is as follows:

| | Provisional fair value at acquisition date US \$ (000) |
|---|---|
| Property, plant and equipment | 39,291 |
| Cash and cash equivalents | 3,122 |
| Trade and other receivables | 4,590 |
| Mineral rights and exploration properties | 35,812 |
| Deferred tax liability | (10,803) |
| | 72,012 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2010

16. BUSINESS COMBINATION (CONTINUED)

| | Provisional fair value at acquisition date US \$ (000) |
|---|---|
| Trade and other payables | 17,040 |
| Deferred tax liability | 17 |
| Provision for rehabilitation and decommissioning | 7,136 |
| Loans and borrowings | 43,933 |
| | 68,126 |
| | 68,126 |
| | |
| Provisional fair value of identifiable net assets | 3,886 |
| | |
| Acquisition-date fair-value of consideration transferred: | |
| Shares and options issued, at fair value | 1,838 |
| Deferred consideration liability | 2,048 |
| | 3,886 |
| Consideration transferred | 3,886 |
| | |
| The cash inflow on acquisition is as follows: | |
| Net cash acquired with the subsidiary | 3,122 |
| Cash paid | - |
| | 3,122 |
| Net consolidated cash inflow | 3,122 |

The consolidated statement of comprehensive income includes a net loss for the half-year ended 31 December '10 of \$8,031,000, as a result of the acquisition of Noble Gold Bibiani Limited ("NGBL") [*formerly Central African Gold Ghana Limited*]. Had the acquisition of NGBL occurred at the beginning of the reporting period, the consolidated statement of comprehensive income would have included a net loss of \$8,682,000.

Included in the business acquired were receivables with a gross contractual and fair value of \$4,590,000.

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the half year ended 31 December 2010

17. COMMITMENTS AND CONTINGENCIES

Exploration Commitments

The Company has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Company's exploration program and priorities. These obligations are also subject to variations by negotiation, joint venturing or relinquishing some of the relevant tenements. As at balance date, total exploration expenditure commitments of the Company which have not been provided for in the financial statements amount to US \$1,564,000.

Project Commitments

Bibiani

Significant progress has been made in the refurbishment of the Bibiani mill during the reporting period. As at 31 December '10, the Company had placed orders totalling US \$14,118,000 for goods and services required for the refurbishment of the Bibiani project, against which expenditure totalling US \$3,491,000 was incurred by period end. The remaining balance of these orders are due to be filled by the end of the financial year.

Cape Three Points

On 30 November '10, the Company received regulatory approval from the Minerals Commission and Minister of Mines Ghana for the agreement entered into with Consolidated Minerals Limited ("ConsMin") for the Company to earn a 100% interest in the Cape Three Points Concession. Under the terms of the agreement, the Company will:

- (i) pay US \$10,000 to ConsMin on every anniversary of the agreement for so long as the Company is in the process of exploration on the property, and
- (ii) pay US \$200,000 to ConsMin no later than 60 days after the first 3 months of any commercial production of gold obtained from the property by the Company, and
- (iii) pay one percent (1.0%) net refinery returns from the sale of all gold produced from the property by the Company.

The Company holds an exclusive option to buy out this net refinery returns at the rate of US \$3.00 per ounce of the proven mineable gold reserves, subject to the election or approval of ConsMin.

18. EVENTS AFTER THE REPORTING DATE

On 20 January '11, the Company received the final instalment of its capital raising announced in November '10, being A \$2,000,700 (US\$1,971,750), and subsequently issued 5,130,000 ordinary shares in the Company.

DIRECTORS' DECLARATION

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

In the opinion of the directors:

- a) The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of the financial position as at 31 December 2010 and the performance for the half-year ended on that date of the consolidated entity
 - ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*
- 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.

On behalf of the board



W. Norris
Managing Director
16 March 2011

To the members of Noble Mineral Resources Limited

Report on the Half Year Financial Report

We have reviewed the accompanying half-year financial report of Noble Mineral Resources Limited, which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Noble Mineral Resources Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

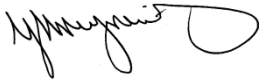
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Noble Mineral Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



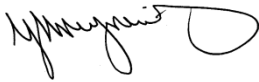
G H Meyerowitz
Partner
Perth
16 March 2011

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

In relation to our review of the half-year financial report of Noble Mineral Resources Limited for the half-year ended 31 December 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



G H Meyerowitz
Partner
Perth
16 March 2011

For personal use only