DACIAN GOLD LIMITED

ABN 61 154 262 978

Annual Financial Statements for the
Year Ended 30 June 2013

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Competent Person Statement

The information in this report that relates to Mineral Resources and exploration results is based on information compiled by Mr Paul Payne, a director and full time employee of Dacian Gold Limited and a Member of The Australasian Institute of Mining and Metallurgy.

Mr Payne has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Payne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

CORPORATE DIRECTORY

Directors

Rohan Williams	(Non-Executive Chairman)
Paul Payne	(Managing Director)
Barry Patterson	(Non-Executive Director)
Robert Reynolds	(Non-Executive Director)

Company Secretary

Kevin Hart

Registered Office and Principal Place of Business

Ground Floor, 26 Clive Street, West Perth WA 6005

Solicitor

Mills Oakley Lawyers
Level 12, 400 George Street, Sydney NSW 2000

Auditor

Grant Thornton Audit Pty Ltd
10 Kings Park Road, West Perth WA 6005

Share Registry

Computershare Investor Services Pty Ltd
Level 2, 45 St Georges Terrace, Perth WA 6000

Stock Exchange Listing

The Company's shares are quoted on the Australian Securities Exchange. The home exchange is Perth, Western Australia.

ASX Code
DCN – Ordinary shares

Company Information

The Company was incorporated and registered under the Corporations Act 2001 in Western Australia on 23 November 2011.

The Company is domiciled in Australia.

CORPORATE GOVERNANCE STATEMENT

The Board is responsible for the overall corporate governance of the Company, including the establishing and monitoring of key performance goals. It is committed to attaining standards of corporate governance that are commensurate with the Company's needs. In this regard, the Board has created a framework for managing the Company, including internal controls and a business risk management process. This framework is reflected, in part, in the policies and charters described below.

The Board endorses *The ASX Corporate Governance Council Principles and Recommendations (2nd Edition)* as amended from time to time (**ASX Recommendations**) and has adopted the ASX Recommendations that are considered appropriate for the Company given its size and the scope of its proposed activities. Details of the Company's compliance with the ASX Recommendations are set out below.

In light of the Company's current stage of development, the Board considers that its current composition is appropriate. As the Company's activities change in nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed and may change.

The Company's corporate governance policies and practices as at the date of this Report are outlined below and are available on the Company's website (www.daciangold.com.au):

Board Charter

The Board guides and monitors the business and management of the Company. Under its Charter, the Board is responsible for, amongst other things:

1. corporate governance and the strategic direction of the Company;
2. protecting and enhancing Shareholder value;
3. supervising the Company's framework of control and accountability systems;
4. reviewing performance and responsibilities within the Company to ensure division of functions are appropriate to the Company's needs and that the Company is properly managed;
5. monitoring and managing the financial performance of the Company;
6. approving the annual budget and statutory reports;
7. developing and implementing the Company's policies and procedures and assessing their adequacy;
8. monitoring and ensuring compliance with the Company's continuous disclosure obligations; (need to fix indent)
9. convening and attending general meetings of Shareholders; and
10. assessing and approving all transactions which would impact on Shareholder value and, where relevant, make recommendations to shareholders.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully informed basis.

For the purposes of corporate governance reporting the Company's Managing Director, Mr Paul Payne has been identified as the Chief Executive Officer.

Audit Committee Charter

The Board has adopted an Audit Committee Charter which outlines the composition of the committee, its purpose, its responsibilities and requirements of its meetings. In summary the audit committee is responsible for ensuring the integrity of the Company's financial statements, the effectiveness of financial reporting and liaison with the Company's auditor. Until the size and/or activities of the Company warrant the creation of a separate audit committee, the committee will be comprised of the full Board.

CORPORATE GOVERNANCE STATEMENT

Remuneration Committee Charter

The Board has adopted a Remuneration Committee Charter which outlines the composition of the committee, its role, its responsibilities, its authority, and requirements of its meetings. In summary the remuneration committee is responsible for preparing and reviewing the Company's strategy with regard to remunerating, recruiting, incentivising, retaining and (where appropriate) terminating the Company's executives, non-executive directors and employees. Until the size and / or activities of the Company warrant the creation of a separate remuneration committee, the committee will be comprised of the full Board.

Code of Conduct for Directors, Senior Executives and Employees

The Board has adopted a Code of Conduct for Directors, senior executives and employees to promote ethical and responsible decision making and execution of their roles and responsibilities. The code is based on a code of conduct prepared by the Australian Institute of Company Directors.

Continuous Disclosure Policy

The Company is, subject to the exceptions contained in the Listing Rules, required to disclose to ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material impact on the price or value of Shares.

The Company is committed to observing its disclosure obligations under the Corporations Act and the Listing Rules. The policy encourages a culture of openness which is conducive to fulfilment of the Company's disclosure obligations and creates clear lines of communication and authority with regard to the dissemination of information and continuous disclosure issues. In accordance with this policy, all information provided to ASX is made available on the Company's website (www.daciangold.com.au)

Share Trading Policy

The Company has adopted a Share Trading Policy to maintain investor confidence in the integrity of Company's internal controls and procedures, and to provide guidance on avoiding any breach of insider trading laws.

Under the policy, all employees and Directors are prohibited from trading in the Company's securities, except during a 10 day trading window that opens 24 hours after the Company makes a public announcement on ASX, including after a general meeting, and on disclosure of half year, full year and quarterly results.

An employee or Director who is in possession of price sensitive information which is not generally available to the market must not deal in the Company's securities at any time, or if the Chairman directs, even if a trading window is open.

In addition, a Director who wishes to trade in the Company's securities must first obtain the consent of the Chairman.

Directors' Disclosure Obligations

This policy provides that, in addition to Corporations Act disclosures, any change in a Director's direct or indirect interest in Company securities must be disclosed to the Company so that appropriate disclosure can be made by the Company to ASX in accordance with the Listing Rules.

Shareholder Communications Policy

This policy details how the Company is committed to keeping Shareholders appraised of the Company's activities, including by providing regular communications that are balanced and understandable, ensuring information is easily accessible, and facilitating Shareholder participation in the Company's general meetings.

CORPORATE GOVERNANCE STATEMENT

Risk Management Policy

The Chief Executive Officer is primarily responsible for administering this policy, which sets out the way in which various types of risk are to be managed, including by reviews of internal controls, financial reporting, operational activities, investment proposals, environmental and safety risks and continuous improvement.

Environment Policy

The Company recognises that it has a fundamental requirement to conduct its proposed activities in an environmentally responsible manner. Under this policy, the Company will develop an environmental management system to ensure legislative compliance, high levels of employee awareness, stakeholder participation when developing project systems, best practice performance by contractors and continual improvement in respect of environmental protection issues and hazard minimisation.

Diversity policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled Board and workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, and a work environment that values and utilises the contributions of all employees, irrespective of gender, culture, disability, age or religion.

The Company employs new employees and promotes current employees on the basis of performance, ability and attitude. The Board is continually reviewing its practices with a focus on ensuring that the selection process at all levels within the organisation is formal and transparent and that the workplace environment is open, fair and tolerant.

The Company, in keeping with the recommendations of the Corporate Governance Council provides the following information regarding the proportion of gender diversity in the organisation for the period to 30 June 2013:

	Proportion of female / total number of persons employed
Females employed in the Company as a whole	3/ 13
Females employed in the Company in senior positions	0 / 1
Females appointed as a Director of the Company	0 / 4

CORPORATE GOVERNANCE STATEMENT

The recommendations of the Corporate Governance Council relating to reporting require a Board to set measurable objectives for achieving diversity within the organisation, and to report against them on an annual basis. The Company has implemented measurable objectives as follows:

Measurable Objective	Objective Satisified	Comment
Adoption and promotion of a Formal Diversity Policy	Yes	The Company has adopted a formal diversity policy which has been made publicly available via the ASX and the Company's website.
To ensure Company policies are consistent with and aligned with the goals of the Diversity Policy	Yes	The Company's selection, remuneration and promotion practices are merit based and as such are consistent with the goals of the Company's Diversity Policy.
To provide flexible work and salary arrangements to accommodate family commitments, study and self-improvement goals, cultural traditions and other personal choices of current and potential employees.	Yes	The Company will, where considered reasonable, and without prejudice, accommodate requests for flexible working arrangements.
To implement clear and transparent policies governing reward and recognition practices.	Yes	The Company grants reward and promotion based on merit and responsibility as part of its annual and ongoing review processes.
To provide relevant and challenging professional development and training opportunities for all employees.	Yes	The Company seeks to continually encourage self-improvement in all employees, irrespective of seniority, ability or experience, through external and internal training courses, regular staff meetings and relevant on job mentoring.

The Company has not at this time implemented specific measurable objectives regarding the proportion of females to be employed within the organisation or implement requirements for a proportion of female candidates for employment and Board positions. The Board considers that the setting of quantitative gender based measurable targets is not necessarily consistent with the merit and ability based policies currently implemented by the Company.

The Board will consider the future implementation of gender based diversity measurable objectives when more appropriate to the size and nature of the Company's operations.

CORPORATE GOVERNANCE STATEMENT

Compliance with ASX Recommendations

The Company's compliance with, and departures from, the ASX Recommendations as at the date of the Report are set out below:

ASX RECOMMENDATION	COMPANY'S COMMENT
1. Lay solid foundations for management and oversight	
1.1. Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	The Board has adopted a Board Charter which defines the respective roles of the Board and senior management and decision making processes.
1.2. Companies should disclose the process for evaluating the performance of senior executives.	The Board does not have a formal policy for the evaluation of the performance of its senior executives. As the Company grows, the Board intends to establish formal, quantitative and qualitative performance evaluation procedures.
1.3. Companies should provide the information indicated in the *Guide to report on Principle I*.	The Company has provided the information indicated in the Guide and has published the relevant policies on its website.
2. Structure the board to add value	
2.1. A majority of the board should be independent directors.	As a majority of Board members are not considered to be independent, the Company does not comply with Recommendation 2.1.
2.2. The chair should be an independent director.	The Chairman, Mr Rohan Williams, is not considered as independent due to being a substantial shareholder, and as such the Company does not comply with Recommendation 2.2
2.3. The roles of chair and chief executive officer should not be exercised by the same individual.	The roles of Chairman and Chief Executive Officer are carried out by separate individuals, and as such the Company complies with Recommendation 2.3.
2.4. The board should establish a nomination committee.	The Company does not have a separate Nomination Committee and does not comply with Recommendation 2.4. The selection and nomination of Directors will be carried out by the full Board.
2.5. Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	The Company does not have a formal process for the evaluation of the performance of the Board and as such does not comply with Recommendation 2.5. Until such time as a formal process is developed, the Chairman will assess the performance of the Directors and the Board will assess the performance of management.
2.6. Companies should provide the information indicated in the *Guide to reporting on Principle 2*.	The Company has provided the information indicated in the Guide and has published the relevant policies on its website.

CORPORATE GOVERNANCE STATEMENT

ASX RECOMMENDATION	COMPANY'S COMMENT
3. Promote ethical and responsible decision making	
3.1. Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity; • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	The Board has adopted a Code of Conduct that applies to Directors, executives and employees of the Company and as such complies with Recommendation 3.1. A copy of the Code of Conduct is available on the Company's website.
3.2. Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	The Board has adopted a Diversity Policy that details the purpose of the policy and employee selection and appointment guidelines, and as such complies with Recommendation 3.2.
3.3. Companies should disclose in each annual report the measureable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress in achieving them.	The Company has disclosed in its annual report its measurable objectives for achieving gender diversity and its progress towards achieving them, and as such complies with Recommendation 3.3.
3.4. Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	The Company has published disclosure regarding the number of women employed in the organisation in its annual report.
3.5. Companies should provide the information indicated in the *Guide to reporting on Principle 3*.	The Company has provided the information indicated in the Guide and has published the relevant policies on its website.
4. Safeguard integrity in financial reporting	
4.1. The board should establish an audit committee.	The Company does not have a separate Audit Committee and as such does not comply with Recommendation 4.1. The full Board will carry out the function of an Audit Committee. The Board believes that the Company is not of sufficient size to warrant a separate Audit Committee and that the full Board is able to meet objectives of best practice and discharge its duties in this area.

CORPORATE GOVERNANCE STATEMENT

ASX RECOMMENDATION	COMPANY'S COMMENT
4.2. The audit committee should be structured so that it: • consists only of non-executive directors; • consists of a majority of independent directors; • is chaired by an independent chair, who is not chair of the board; and • has at least three members.	The Company does not have a separate Audit Committee and as such does not comply with the composition requirements of Recommendation 4.2.
4.3. The audit committee should have a formal charter.	The Company does not have a separate Audit Committee and as such does not comply with Recommendation 4.3. The Board has adopted a formal Audit Committee Charter.
4.4. Companies should provide the information indicated in the *Guide to reporting on Principle 4*.	The Company has provided the information indicated in the Guide and has published the relevant policies on its website.
5. Make timely and balanced disclosure	
5.1. Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those.	The Board has adopted a Continuous Disclosure Policy and practice note on Directors' Disclosure Obligations that are designed to ensure compliance with the ASX Listing Rules requirements, in accordance with Recommendation 5.1.
5.2. Companies should provide the information indicated in *Guide to reporting on Principle 5*.	The Company has provided the information indicated in the Guide and has published the relevant policies on its website.
6. Respect the rights of shareholders	
6.1. Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	The Board encourages security holder participation at general meetings and has adopted a Shareholder Communication Policy that is designed to ensure that communications with its security holders are effective and clear. A copy of the Shareholder Communication Policy has been made available on the Company's website. As such, the Company complies with Recommendation 6.1.
6.2. Companies should provide the information indicated in the *Guide to reporting on Principle 6*.	The Company has provided the information indicated in the Guide and has published the relevant policies on its website.

CORPORATE GOVERNANCE STATEMENT

ASX RECOMMENDATION	COMPANY'S COMMENT
7. Recognise and manage risk	
7.1. Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	The Board has adopted a Risk Management Policy which sets out a framework for a system of risk management and internal compliance and control, whereby the Board delegates day to day management of risk to the Chief Executive Officer. A copy of the Risk Management Policy has been made available on the Company's website. As such, the Company complies with Recommendation 7.1.
7.2. The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	The Board will require that management design, implement and report on risk management and internal control systems to manage the company's material business risks. The Board intends to report on the matters required by Recommendation 7.2.
7.3. The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	The Board has requested the Chief Executive Officer and Chief Financial Officer to provide the assurances required by section 295A of the Corporations Act.
7.4. Companies should provide the information indicated in *Guide to reporting on Principle 7*.	The Company has provided the information indicated in the Guide and has published the relevant policies on its website.
8. Remunerate fairly and responsibly	
8.1. The Board should establish a remuneration committee.	The Board does not have a separate Remuneration Committee and as such does not comply with Recommendation 8.1. Remuneration arrangements for Directors and senior executives are determined by the full Board. Given its size and the scope of its current operations, the Board considers that the Company is effectively served by the full Board acting as a whole in respect of remuneration matters. The Board has adopted a formal Remuneration Committee Charter.

CORPORATE GOVERNANCE STATEMENT

ASX RECOMMENDATION	COMPANY'S COMMENT
8.2. The remuneration committee should be structured so that it: • consists of a majority of independent directors; • is chaired by a an independent director; and • has at least three members.	The Board does not have a separate Remuneration Committee and as such does not comply with Recommendation 8.2. Whilst the Company does not have a separate remuneration committee, the Company ensures independence in this area by ensuring that no Director participates in any deliberations regarding his own remuneration or related issues.
8.3. Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	The Executive Director receives a salary package which may include performance based components, designed to reward and motivate, including the granting of share options, subject to shareholder approval and vesting conditions relating to continuity of engagement. Non-Executive Directors receive fees agreed on an annual basis by the Board, within total Non-Executive remuneration limits voted upon by shareholders at Annual General Meetings.
8.4. Companies should provide the information indicated in the *Guide to reporting on Principle 8*.	The Company has provided the information indicated in the Guide and has published the relevant policies on its website.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013

The Directors present the financial statements of Dacian Gold Limited, formerly Mount Morgans Gold Mining Pty Ltd for the year ended 30 June 2013. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The following persons were directors of Dacian Gold Limited during or since the end of the year and up to the date of this report, were in office for this entire period unless stated otherwise:

Rohan Williams BSc (Hons), MAusIMM

(Non-Executive Chairman)

Mr Williams was founding CEO and Managing Director of Avoca Resources Ltd, and led that company from its $7 million exploration IPO in 2002 until its merger with Anatolia Minerals in 2011 to form Alacer Gold Corp, which valued Avoca at $1 billion. At the time of the merger, Avoca Resources Ltd was the third largest ASX listed Australian gold producer.

Serving as the merged group's Chief Strategic Officer until the end of 2011, Mr Williams remains a Non-Executive Director of Alacer Gold Corp as at the date of this Report.

Prior to his time with Avoca Resources Ltd, Mr Williams worked with WMC Resources Limited where he held Chief Geologist positions at St Ives Gold Mines and the Norseman Gold Operation. He has 25 years of experience, including over 19 years in the world class Kalgoorlie-Norseman gold belt.

Mr Williams also serves on the Board of the Telethon Institute of Child Health Research.

Other than as stated above Mr Williams has not served as a director of any other listed companies, in the 3 years immediately before the end of 2013 financial year.

Paul Payne B App Sc, Grad Dip Min Ec, Grad Cert (Geostats), MAusIMM

(*Managing Director – Appointed 18 July 2012)*

Mr Payne is a geologist with 25 years industry experience encompassing exploration, mining geology, resource estimation and project development, including three years as Geology Superintendent at the Mount Morgans Gold Mine.

Having served in senior roles with various Australian companies including Plutonic Resources, Normandy NFM and Dominion Mining Ltd, Mr Payne has a wealth of experience in project evaluation.

Mr Payne has also had extensive involvement with international gold projects spanning exploration, feasibility studies, development work and mine establishment in various locations worldwide.

In 1998 Mr Payne founded the successful resource consulting business ResEval Pty Ltd which he managed until its sale to ASX listed Runge Limited in 2007.

Prior to joining Dacian Gold, Mr Payne served as Technical Director of Bright Star Resources Limited from February 2011 until the June 2012 merger with Rift Valley Resources Limited. He has post graduate qualifications in Mineral Economics and Geostatistics.

Other than as stated above Mr Payne has not served as a director of any other listed companies, in the 3 years immediately before the end of 2013 financial year.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013

Robert Reynolds CA, MAICD, MAusIMM

(Non-Executive Director – Appointed 26 September 2012)

Mr Reynolds was the Non-Executive Chairman of Avoca Resources Ltd from 2002 until it merged with Anatolia Minerals to form Alacer Gold Corp in 2011, and has extensive experience in mineral exploration, development and mining operations. Mr Reynolds was Non-Executive Chairman of Alacer Gold Corp until 23 August 2011.

A Chartered Accountant with over 35 years commercial experience in the mining sector, Mr Reynolds has worked on mining projects in a number of locations including Australia, Africa and across the Oceania region.

Mr Reynolds was a long term Director of Delta Gold Limited and was a Director of Extorre Gold Mines Limited when it was acquired by Yamana Gold for CAD$414 million on 22 August 2012. Mr Reynolds also currently holds Directorships with Canadian companies Rugby Mining Limited and Exeter Resource Corporation and ASX listed companies Convergent Minerals Limited and Global Geoscience Limited.

Other than as stated above Mr Reynolds has not served as a director of any other listed companies, in the 3 years immediately before the end of 2013 financial year.

Barry Patterson ASMM, MAusIMM, FAICD

(Non-Executive Director)

Mr Patterson is a mining engineer with over 50 years of experience in the mining industry and is a co-founder, and Non-Executive Director, of ASX listed GR Engineering Limited.

Mr Patterson was also a founding shareholder of leading engineering services provider JR Engineering, which became Roche Mining after being taken over by Downer EDI in 2002. He also co-founded contract mining companies Eltin, Australian Mine Management and National Mine Management.

Mr Patterson has served as a director of a number of public companies across a range of industries. He was formerly the non-executive chairman of Sonic Healthcare Limited for 11 years, during which time the company's market capitalisation increased from $20 million to $4 billion, and Silex Systems Limited.

Other than as stated above Mr Patterson has not served as a director of any other listed companies, in the 3 years immediately before the end of 2013 financial year.

Former Directors

Brian Rodan	(Non-Executive Director – Resigned 9 October 2012)
Frank Fiore	(Non-Executive Director – Resigned 9 October 2012)
Matthew Sikirich	(Non-Executive Director – Resigned 17 August 2012)

Company Secretary

Kevin Hart B.Comm, FCA (Appointed 27 September 2012)

Mr Hart is a Chartered Accountant and was appointed to the position of Company Secretary on 27 November 2012. He has over 20 years' experience in accounting and the management and administration of public listed entities in the mining and exploration industry.

He is currently a partner in an advisory firm, Endeavour Corporate, which specialises in the provision of company secretarial and accounting services to ASX listed entities.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013

Former Company Secretaries

Alan Atchison	(Resigned 27 September 2012)
Brian Rodan	(Resigned 27 September 2012)

Interests in the Shares and Options of the Company

The following relevant interests in shares and options of the Company were held by the directors as at the date of this report:

Director	Number of fully paid ordinary shares	Number of options over ordinary shares
Rohan Williams	5,200,000	3,000,000
Paul Payne	100,000	5,000,000
Robert Reynolds	2,100,000	300,000
Barry Patterson	4,100,000	300,000

The directors' interests in the options over ordinary shares in the above table include no options that are currently vested and exercisable. Further details of the vesting conditions applicable to these options are disclosed in the remuneration report section of this directors' report.

Securities

No ordinary shares were issued by the Company during or since the end of the financial year as a result of the exercise of options.

There are no unpaid amounts on the shares issued.

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

Number of Options	Exercise Price	Expiry Date
11,150,000	84 cents each	9 October 2017

Dividends

No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

Principal Activities

The principal activity of the Company during the financial year was mineral exploration at its wholly owned Mt Morgans Gold Project in Western Australia.

There have been no significant changes in the nature of these activities during the financial year.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of corporate governance. The Company's corporate governance statement is contained elsewhere in this report.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013

Significant Changes in the State of Affairs

- On 5 October 2012 the Company issued 1,100,000 ordinary fully paid shares to professional and sophisticated investors at $0.50 each, raising $550,000.
- On 11 October 2012 the Company converted to a public company and changed its name from Mount Morgans Gold Mining Pty Ltd to Dacian Gold Limited.
- On 9 November 2012 the Company was admitted to the official list of the Australian Securities Exchange following its Initial Public Offer of 40,000,000 ordinary fully paid shares at $0.50 each, raising $20,000,000 before costs of the offer.

Review of Operations

Operating results and financial position

The net loss after income tax for the financial year was $5,806,907 (30 June 2012: $481,217), included in this loss for the financial year is an amount of $4,122,645 (30 June 2012: Nil) in respect of exploration and evaluation costs not capitalised.

At the end of the financial year the Company had $15,068,282 (30 June 2012: $1,590,779) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure is $8,131,847 (30 June 2012: $8,131,847).

Summary of Activities

From July through to November 2012, the company was focussed on the preparation of the prospectus and a range of other regulatory processes that were required to allow the public listing of the company on the Australian Securities Exchange. This occurred on 14 November 2012 with the oversubscribed listing raising $20 million.

From the extensive data review and analysis conducted by management since acquisition of the Mt Morgans project, it became clear that there are two clear exploration opportunities for the discovery of further gold deposits at Mt Morgans. Firstly, there is the potential for defining extensions to the known deposits and high grade mineralisation previously identified at the project. Secondly, there is clear potential for the discovery of new deposits in the highly prospective but not well explored regional areas of the Dacian tenement package.

Immediately after listing on the ASX, Dacian commenced the systematic drill testing of the key extensional targets identified at the project. Early success was achieved with the discovery of a new high grade shoot at the Westralia deposit and the delineation of new Mineral Resources at the Ramornie and Morgans North deposits. Dacian completed 100 holes for 21,000m of drilling in the year ending 30 June 2013.

The Jupiter prospect has been identified as a high priority target for drilling and planning and permitting was carried out to allow the Jupiter prospect to be drilled early in the 2013/14 financial year.

Preliminary regional exploration was also undertaken with auger sampling programs being conducted in selected areas of the project. This program returned very high grade gold values at the Cooper Pools prospect as well as coherent anomalies at McKenzie West.

Compilation of the available data for the regional areas of the project was carried out, leading to the identification of a number of high priority targets for future drilling. These included elevated gold values not previously followed up such as at the Monte Video and Cooper Pools prospects; as well as prospective areas under cover where no previous exploration has been carried out.

Dacian has a clear focus on discovering commercial gold deposits at its 100% owned Mt Morgans project with the expectation that a stand-alone gold mine will be developed. Results from the initial work are very encouraging and the systematic testing of the priority targets will continue in the coming year.

The Company incurred exploration costs of $4,122,645 during the 12 months ended 30 June 2013 (30 June 2012: $232,196).

Further detail of the Company's activities is included in the Review of Operations in the Annual Report.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013

Events Subsequent to the Reporting Date

There has not arisen in the interval between the end of the reporting period 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 affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Likely Developments and Expected Results

Disclosure of any further information has not been included in this report because, in the reasonable opinion of the Directors to do so would be likely to prejudice the business activities of the Company and is dependent upon the results of the future exploration and evaluation.

Environmental Regulation and Performance

The Company holds various exploration licences to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities.

So far as the Directors are aware, all exploration activities have been undertaken in compliance with all relevant environmental regulations.

Officer's Indemnities and Insurance

During the year the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has not provided any insurance for an auditor of the Company.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013

Non-audit Services

During the year Grant Thornton the Company's auditor, has not performed any other services in addition to their statutory duties:

	2013 **$**	2012 $
Total remuneration paid to auditors during the financial year:		
Audit and review of the Company's financial statements	**11,180**	-
Other services	**7,700**	-
Total	**18,880**	-

The Board considers any non-audit services provided during the year by the auditor and satisfies itself that the provision of any non-audit services during the year by the auditor is compatible with, and does not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services are reviewed by the Board to ensure they do not impact the impartiality 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 do not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013

Remuneration Report (Audited)

Remuneration paid to Directors and Officers of the Company is set by reference to such payments made by other ASX listed companies of a similar size and operating in the mineral exploration industry. In addition reference is made to the specific skills and experience of the Directors and Officers.

Details of the nature and amount of remuneration of each Director, and other Key Management Personnel if applicable, are disclosed annually in the Company's Annual Report.

Remuneration Committee

The Board has adopted a formal Remuneration Committee Charter which provides a framework for the consideration of remuneration matters.

The Company does not have a separate remuneration committee and as such all remuneration matters are considered by the Board as a whole, with no Member deliberating or considering such matter in respect of their own remuneration.

In the absence of a separate Remuneration Committee, the Board is responsible for:

1. Setting remuneration packages for Executive Directors, Non-Executive Directors and other Key Management Personnel; and
2. Implementing employee incentive and equity based plans and making awards pursuant to those plans.

Non-Executive Remuneration

The Company's policy is to remunerate Non-Executive Directors, at rates comparable to other ASX listed companies in the same industry, for their time, commitment and responsibilities.

Non- Executive Remuneration is not linked to the performance of the Company, however to align Directors' interests with shareholders' interests, remuneration may be provided to Non-Executive Directors in the form of equity based long term incentives.

1. Fees payable to Non-Executive Directors are set within the aggregate amount approved by shareholders at the Company's Annual General Meeting;
2. Non-Executive Directors' fees are payable in the form of cash and superannuation benefits;
3. Non-Executive superannuation benefits are limited to statutory superannuation entitlements; and
4. Participation in equity based remuneration schemes by Non-Executive Directors is subject to consideration and approval by the Company's shareholders.

The maximum Non-Executive Directors fees, payable in aggregate are currently set at $500,000 per annum.

Executive Director and Other Key Management Personnel Remuneration

Executive remuneration consists of base salary, plus other performance incentives to ensure that:

1. Remuneration packages incorporate a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the Company's circumstances and objectives; and
2. A proportion of remuneration is structured in a manner to link reward to corporate and individual performances.

Executives are offered a competitive level of base salary at market rates (based on comparable ASX listed companies) and are reviewed regularly to ensure market competitiveness.

To date the Company has not engaged external remuneration consultants to advise the Board on remuneration matters.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013

Remuneration Report (Continued)

Incentive Plans

The Company provides long term incentives to Directors and Employees pursuant to the Dacian Gold Limited Employee Option Plan, which was last approved by shareholders on 9 October 2012.

The Board, acting in remuneration matters:

1. Ensures that incentive plans are designed around appropriate and realistic performance targets and provide rewards when those targets are achieved;
2. Reviews and improves existing incentive plans established for employees; and
3. Approves the administration of the incentive plans, including receiving recommendations for, and the consideration and approval of grants pursuant to such incentive plans.

Engagement of Non-Executive Directors

Non-Executive Directors conduct their duties under the following terms:

1. A Non-Executive Director may resign from his/her position and thus terminate their contract on written notice to the Company; and
2. A Non-Executive Director may, following resolution of the Board, be removed before the expiration of their period of office (if applicable). Payment is made in lieu of any notice period if termination is initiated by the Company, except where termination is initiated for serious misconduct.

In consideration of the services provided by Mr Robert Reynolds and Mr Barry Patterson as Non-Executive Directors, the Company will pay them $40,000 plus statutory superannuation per annum.

In consideration of the services provided by Mr Rohan Williams as Non-Executive Chairman the Company will pay him $60,000 plus statutory superannuation per annum.

Messrs Reynolds, Patterson and Williams are also entitled to fees for other amounts as the Board determines where they perform special duties or otherwise perform extra services or make special exertions on behalf of the Company.

During the financial year ended 30 June 2013, the Company incurred costs of $7,500 (2012: Nil) in respect of additional geological consulting services provided by Mr Rohan Williams. There were no other such fees paid during the financial year ended 30 June 2013 (2012: Nil).

Engagement of Executive Directors

The Company has entered into an executive service agreement with Mr Paul Payne on the following material terms and conditions:

Mr Payne's service agreement with the Company, in respect of his engagement as Managing Director and Chief Executive Officer commenced on 9 July 2012 and will continue until terminated. Mr Payne will receive a base salary of $305,200 per annum inclusive of statutory superannuation. Any increase in salary is subject to the discretion of the Board.

Mr Payne may also receive a short term performance based reward in the form of a cash bonus, the performance criteria, assessment and timing of which are determined at the discretion of the Board.

Mr Payne may, subject to shareholder approval, participate in the Dacian Gold Limited Employee Option Plan and other long term incentive plans adopted by the Board.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013

Remuneration Report (Continued)

Engagement of Executive Directors (Continued)

In accordance with the executive service agreement with Mr Payne, he was awarded the following options over unissued shares:

Number of Options	Exercise Price	Vesting Date	Expiry Date
2,500,000	84 cents each	24 months from the date the Company listed on ASX	5 years from the grant date
1,250,000	84 cents each	36 months from the grant date	5 years from the grant date
1,250,000	84 cents each	42 months from the grant date	5 years from the grant date

Short Term Incentive Payments

The Board may, at its sole discretion, set the Key Performance Indicators (KPIs) for the Managing Director or other Executive Officers. The KPIs are chosen to align the reward of the individual Executives to the strategy and performance of the Company.

Performance objectives, which may be financial or non-financial, or a combination of both, are determined by the Board.

No Short Term incentives are payable to Executives where it is considered that the actual performance has fallen below the minimum requirement.

No performance evaluation in respect of the year ended 30 June 2013 has taken place in accordance with this process, and accordingly no short term incentive payments have been paid or are payable to Executives in respect of the financial year ended 30 June 2013.

The Managing Director sets the KPIs for other members of staff, monitors actual performance and may recommend payment of short term bonuses to certain employees to the Board for approval.

Shareholding Qualifications

The Directors are not required to hold any shares in Dacian Gold under the terms of the Company's constitution.

Consequences of Company Performance on Shareholder Wealth

In considering the Company's performance and benefits for shareholder wealth, the Board provide the following indices in respect of the current financial year and previous financial years:

	2013	2012
Loss for the year attributable to shareholders	$5,806,907	$481,217
Closing share price at 30 June	$0.17	n/a

As an exploration company the Board does not consider the loss attributable to shareholders as one of the performance indicators when implementing Short Term Incentive Payments.

The Company was incorporated on 23 November 2011 and was admitted to the official list of the Australian Securities Exchange on 9 November 2012.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013

Remuneration Report (Continued)

Remuneration Disclosures

Current Directors and Key Management Personnel of the Company have been identified as:

Mr Rohan Williams	Non-Executive Chairman
Mr Paul Payne	Managing Director (appointed 9 July 2012)
Mr Barry Patterson	Non-Executive Director
Mr Robert Reynolds	Non-Executive Director (appointed 26 September 2012)

Former Directors and Key Management Personnel of the Company have been identified as:

Mr Brian Rodan	Non-Executive Director (resigned 9 October 2012)
Mr Frank Fiore	Non-Executive Director (resigned 9 October 2012)
Mr Matthew Sikirich	Non-Executive Director (resigned 17 August 2012)

The details of the remuneration of each Director and member of Key Management Personnel of the Company is as follows:

30 June 2013	Short Term		Post Employment	Other Long Term		
	Base Salary and consulting fees $	Short Term Incentive $	Superannuation Contributions $	Value of Options (i) $	Total $	Value of Options as Proportion of Remuneration %
Current Directors and Key Management Personnel:						
Rohan Williams	**47,500**	**-**	**3,600**	**117,332**	**168,432**	**69.7%**
Paul Payne	**274,893**	**-**	**24,526**	**212,198**	**511,617**	**41.5%**
Barry Patterson	**26,667**	**-**	**-**	**15,728**	**42,395**	**37.1%**
Robert Reynolds	**26,667**	**-**	**2,700**	**15,728**	**45,095**	**34.9%**
Former Directors and Key Management Personnel:						
Brian Rodan	**-**	**-**	**-**	**15,728**	**15,728**	**100%**
Frank Fiore	**-**	**-**	**-**	**15,728**	**15,728**	**100%**
Matthew Sikirich	**-**	**-**	**-**	**15,728**	**15,728**	**100%**
Total	**375,727**	**-**	**30,826**	**408,170**	**814,723**	

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013

Remuneration Report (Continued)

Remuneration Disclosures (Continued)

30 June 2012	Short Term		Post Employment	Other Long Term		
	Base Salary $	Short Term Incentive $	Superannuation Contributions $	Value of Options (i) $	Total $	Value of Options as Proportion of Remuneration %
Current Directors and Key Management Personnel:						
Rohan Williams	-	-	-	-	-	-
Barry Patterson	-	-	-	-	-	-
Former Directors and Key Management Personnel:						
Brian Rodan	-	-	-	-	-	-
Frank Fiore	-	-	-	-	-	-
Matthew Sikirich	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

(i) The fair value of options is calculated at the date of grant using the Black Scholes option pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed in the above tables is the portion of the fair value of the options recognised in the reporting period.

Details of Performance Related Remuneration

There have been no Short Term Incentive payments made to Directors or Key Management Personnel of the Company during the financial year ended 30 June 2013.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013

<u>Remuneration Report (Continued)</u>

<u>Options Granted as Remuneration</u>

During the financial year ended 30 June 2013 the following options over unissued shares were issued to Directors or Key Management Personnel of the Company:

Grant Date	Exercise price per Option	Exercise Date	Director / Key Management Personnel	Number of Options Granted	Vesting Date	Total Value of Options Granted
9 October 2012	84 cents each	9 October 2017	Rohan Williams	1,000,000	14 November 2014	$419,400
				1,000,000	9 October 2015	
				1,000,000	9 April 2016	
			Paul Payne	2,500,000	14 November 2014	$699,000
				1,250,000	9 October 2015	
				1,250,000	9 April 2016	
			Barry Patterson	300,000	14 November 2014	$41,940
			Robert Reynolds	300,000		$41,940
			Brian Rodan	300,000		$41,940
			Frank Fiore	300,000		$41,940
			Matthew Sikirich	300,000		$41,940

There were no options over unissued shares issued Directors or Key Management Personnel of the Company during the financial year ended 30 June 2012.

<u>Exercise of Options Granted as Remuneration</u>

There were no ordinary shares issued on the exercise of options previously granted as remuneration to Directors or Key Management Personnel of the Company during either the financial years ended 30 June 2013 or 30 June 2012.

<u>End of Remuneration Report</u>

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on the following page.

This report is made in accordance with a resolution of the Directors.

DATED at Perth this 24th day of September 2013.

Paul Payne
Managing Director

Grant Thornton

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Auditor's Independence Declaration
To the Directors of Dacian Gold Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Dacian Gold Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of 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.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Partner - Audit & Assurance

Perth, 24 September 2013

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Note	30 June 2013 $	Period ended 30 June 2012 $
Revenue		**538,123**	49,788
Total Revenue		**538,123**	49,788
Employee expenses	**3**	**(596,583)**	-
Share based employee expense	**17**	**(408,710)**	-
Depreciation and amortisation expenses	**10**	**(211,126)**	-
Corporate expenses		**(103,141)**	-
Occupancy expenses		**(69,378)**	-
Marketing expenses		**(43,478)**	-
Financing expenses		**(32,390)**	(12,751)
Exploration costs expensed and written off	**11**	**(4,122,645)**	-
Care and maintenance expenses		**(339,835)**	(301,668)
Administration and other expenses		**(417,744)**	(216,586)
Loss before income tax		**(5,806,907)**	(481,217)
Income tax benefit/expense	**4**	**-**	-
Net loss for the period attributable to the members of the parent entity		**(5,806,907)**	(481,217)
Other comprehensive Income		**-**	-
Total comprehensive result for the period attributable to the members of the parent entity	**17**	**(5,806,907)**	(481,217)
Loss per share			
Basic and diluted loss per share (cents)	**5**	**(7.1)**	n/a

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	30 June 2013 $	30 June 2012 $
Current assets			
Cash and cash equivalents	7	15,068,282	1,590,779
Trade and other receivables	8	151,126	24,633
Total current assets		15,219,408	1,615,412
Non-current assets			
Other financial assets	9	1,244,035	1,207,700
Property, plant and equipment	10	568,502	492,605
Exploration and evaluation assets	11	8,131,847	8,131,847
Total non-current assets		9,944,384	9,832,152
Total assets		25,163,792	11,447,564
Current liabilities			
Borrowings	12	31,310	-
Trade and other payables	13	527,017	720,991
Total current liabilities		558,327	720,991
Non-current liabilities			
Borrowings	12	49,574	-
Provisions	14	1,207,700	1,207,700
Total non-current liabilities		1,257,274	1,207,700
Total liabilities		1,815,601	1,928,691
Net assets		23,348,191	9,518,873
Equity			
Issued capital	15	29,227,606	10,000,090
Share based payments reserve	17	408,710	-
Accumulated losses	17	(6,288,125)	(481,217)
Total equity		23,348,191	9,518,873

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Issued capital $	Accumulated losses $	Share based payments reserve $	Total $
At 23 November 2011	-	-	-	-
Total comprehensive result for the period:				
Loss for the period	-	(481,217)	-	(481,217)
Transactions with owners in their capacity as owners:				
Shares and Options issued	10,000,090	-	-	10,000,090
Costs of securities issued	-	-	-	-
At 30 June 2012	10,000,090	(481,217)	-	9,518,873
At 1 July 2012	**10,000,090**	**(481,217)**	**-**	**9,518,873**
Total comprehensive result for the period:				
Loss for the period	**-**	**(5,806,908)**	**-**	**(5,806,908)**
Movement in share based payments reserve in respect of options vesting	**-**	**-**	**408,710**	**408,710**
Transactions with owners in their capacity as owners:				
Shares and Options issued	**20,550,000**	**-**	**-**	**20,550,000**
Costs of securities issued	**(1,322,484)**	**-**	**-**	**(1,322,484)**
At 30 June 2013	**29,227,606**	**(6,288,125)**	**408,710**	**23,348,191**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	30 June 2013 $	Period ended 30 June 2012 $
Cash flows from operating activities			
Interest received		**456,486**	49,788
Other income		**2,980**	-
Interest paid		**(32,390)**	(12,751)
Payments to suppliers and employees		**(1,586,976)**	(336,903)
Net cash used in operating activities		**(1,159,900)**	(299,866)
Cash flows from investing activities			
Payments for bonds		**(36,335)**	(1,207,700)
Payments for acquisition of exploration assets		**(615,007)**	(6,176,943)
Payments for exploration and evaluation		**(3,721,447)**	(232,197)
Proceeds on sale of plant and equipment		**10,000**	-
Payments for plant and equipment		**(214,277)**	(492,605)
Net cash used in investing activities		**(4,577,066)**	(8,109,445)
Cash flows from financing activities			
Repayment of borrowings		**(13,046)**	-
Proceeds from issue of securities		**20,550,000**	10,000,090
Payments for transaction costs relating to share issues		**(1,322,485)**	-
Net cash from financing activities		**19,214,469**	10,000,090
Net increase in cash held		**13,477,503**	1,590,779
Cash at the beginning of the period	**7**	**1,590,779**	-
Cash at the end of the period	**7**	**15,068,282**	1,590,779

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1 Summary of Significant Accounting Policies

(a) Basis of preparation of financial report

These financial statements are general purpose financial statements, which have been prepared in accordance with requirements of the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law.

The accounting policies below have been consistently applied to all of the years presented unless otherwise stated.

The financial statements have been prepared on a historical cost basis, except for available for sale investments and derivative financial instruments which have been measured at fair value. Cost is based on the fair values of consideration given in exchange for assets.

The financial statements are presented in Australian dollars.

These financial statements have been prepared on the going concern basis.

The financial report of the Company was authorised for issue in accordance with a resolution of Directors on 24th September 2013.

Statement of Compliance
The financial report of Dacian Gold Limited complies with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards (AIFRS), in their entirety. Compliance with AIFRS ensures that the financial report also complies with International Financial Reporting Standards (IFRS) in their entirety. Dacian Gold Limited is a for profit entity for the purpose of preparing the financial statements

Material accounting policies adopted in the presentation of these financial statements are presented below:

(b) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, allowances and amounts collectable on behalf of third parties.

Interest income

Interest income is recognised on a time proportion basis and is recognised as it accrues.

(c) Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(d) Financing Costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest method.

Borrowing costs are expensed as incurred and included in net financing costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1 Summary of Significant Accounting Policies (continued)

(e) Cash and Cash Equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(f) Trade and Other Receivables

Trade receivables, which generally have 30–90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

(g) Property, plant and Equipment

Property, plant and equipment is stated at cost, less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the asset as a replacement only if it is eligible for capitalisation. The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Depreciation is calculated on a straight-line basis or written down value over the estimated useful life of the assets as follows:

Office equipment	25% straight line
Fixtures and fittings	33% written down value
Plant and equipment	33% written down value
Motor Vehicles	33% written down value

(i) Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of property, plant and equipment is the higher of fair value less costs to sell and value in use. 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. For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value. An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. For assets measured at cost, impairment losses are recognised in the income statement. However, for assets measured at re-valued amounts, impairment losses on land and buildings are treated as a re-valuation decrement.

(ii) De-recognition and Disposal

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1 Summary of Significant Accounting Policies (continued)

(h) Exploration and Evaluation Expenditure

Exploration and evaluation costs are written off in the year they are incurred, apart from acquisition costs and those costs that are incurred on an area of interest that contains a JORC reserve.

Capitalised exploration and evaluation expenditures in relation to specific areas of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

(b) exploration and evaluation 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.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(i) Impairment of Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1 Summary of Significant Accounting Policies (continued)

Impairment of Assets (continued)

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. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at re-valued amount (in which case the impairment loss is treated as a re-valuation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at re-valued amount, in which case the reversal is treated as a re-valuation increase.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(i) Trade and Other Payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

(j) Interest Bearing Liabilities

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

(k) Share Based Payments

Equity Settled Transactions:

The Company provides benefits to employees (including senior executives) of the Company in the form of Options, whereby employees render services in exchange for Options (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of the Options is determined by using an appropriate valuation model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the underlying Shares to which the Option relates (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the Option (the vesting period).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1 Summary of Significant Accounting Policies (continued)

Share Based Payments (continued)

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

(i) the extent to which the vesting period has expired; and
(ii) the Company's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for Options that do not ultimately vest, except for Options where vesting is only conditional upon a market condition.

If the terms of an Option are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the Option, or is otherwise beneficial to the employee, as measured at the date of modification.

If an Option is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled Option and designated as a replacement award on the date that it is granted, the cancelled Option and new awards are treated as if they were a modification of the Option, as described in the previous paragraph.

(l) Share Capital

Shares are classified as equity. Incremental costs directly attributable to the issue of Shares pursuant to the Offer or Options are shown in equity as a deduction, net of tax, from the proceeds of issue.

(m) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Accounting for capitalised mineral exploration and evaluation expenditure

The Company's accounting policy is stated at 1(h). A regular review is undertaken of each area of interest to determine the reasonableness of the continuing carrying forward of costs in relation to that area of interest.

Mine restoration provisions estimates

The calculation of rehabilitation and closure provisions (and corresponding capitalised closure cost assets where necessary) rely on estimates of costs required to rehabilitate and restore disturbed land to its original condition. These estimates are regularly reviewed and adjusted in order to ensure that the most up to date data is used to calculate these balances.

Significant judgements is required in determining the provision for mine rehabilitation as there are many transactions and other factors that will affect the ultimate costs required to rehabilitate the mine site. Factors that will affect this liability include future development, changes in technology, price increases, changes in interest rates and changes in legislation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1 Summary of Significant Accounting Policies (continued)

Critical accounting estimates and judgements (continued)

Measurement of share based payments

The Company records charges for share based payments. For option based share based payments, management estimate certain factors used in the option pricing model. These factors include volatility and exercise date of options. If these estimates vary the share based payment expense would have been different.

(n) Adoption of new and revised accounting standards

In the financial year ended 30 June 2013, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2012. It has been determined by the Company that, there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to Company accounting policies.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the financial year ended 30 June 20`3. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies.

No retrospective change in accounting policy or material reclassification has occurred requiring the inclusion of a third Statement of Financial Position as at the beginning of the comparative financial period, as required under AASB 101.

Note 2 Segment Information

The Company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources.

Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The Company's sole activity is mineral exploration wholly within Australia, therefore it has aggregated all operating segments into the one reportable segment being mineral exploration.

The reportable segment is represented by the primary statements forming these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	Year ended 30 June 2013 $	Period ended 30 June 2012 $
Note 3 Revenue and Expenses		
Loss for the year includes the following specific income and expenses:		
Interest income	**535,143**	49,788
Legal expenses	**(117,842)**	(19,593)
Expensed project acquisition costs	**-**	(100,000)
Insurance	**(89,895)**	(13,020)
Office rent	**(54,861)**	-
Employee expenses:		
Salaries and wages	**772,335**	-
Director fees and consulting expenses	**100,833**	-
Superannuation	**75,319**	-
Consultant expenses	**210,524**	-
Placement fee	**105,780**	-
Other employment expenses	**30,421**	-
Less: allocated to exploration project costs	**(698,629)**	-
	596,583	-

Note 4 Income Tax

a) Income tax expense		
Current income tax:		
Current income tax charge (benefit)	**(1,702,944)**	(106,227)
Current income tax not recognised	**1,702,944**	106,227
Deferred income tax:		
Relating to origination and reversal of timing differences	**1,826,230**	223,378
Deferred income tax benefit not recognised	**(1,826,230)**	(223,378)
Income tax expense/(benefit) reported in the income statement	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	Year ended 30 June 2013 $	Period ended 30 June 2012 $
Note 4 Income Tax (continued)		
b) Reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	**(5,806,907)**	(481,217)
Tax at the Australian rate of 30% (2012 – 30%)	**(1,742,072)**	(144,365)
Tax effect of permanent differences:		
Non-deductible share based payment	**122,613**	-
Exploration costs written off	**1,236,794**	-
Capital raising costs claimed	**(79,349)**	(4,561)
Net deferred tax asset benefit not brought to account	**462,014**	148,926
Tax (benefit)/expense	**-**	-
c) Deferred tax – Balance Sheet		
Liabilities		
Prepaid expenses	**-**	(3,138)
Accrued income	**(23,597)**	-
Capitalised exploration expenditure	**(431,996)**	(431,996)
	(455,593)	(435,134)
Assets		
Revenue losses available to offset against future taxable income	**1,809,171**	106,227
Rehabilitation provision	**362,310**	362,310
Employee leave provisions	**6,984**	-
Accrued expenses	**9,340**	184,502
Deductible equity raising costs	**317,396**	5,473
	2,505,200	658,512
Net deferred tax asset/(liability)	**2,049,607**	223,378

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	Year ended 30 June 2013 $	Period ended 30 June 2012 $
Note 4 Income Tax (continued)		
d) Deferred tax – Income Statement		
Liabilities		
(Increase)/decrease in prepaid expenses	**3,138**	(3,138)
(Increase)/decrease in accrued income	**(23,597)**	-
(Increase)/decrease in capitalised exploration expenditure	**-**	(431,996)
Assets		
Increase/(decrease) in revenue losses available to offset against future taxable income	**1,702,944**	106,227
Increase/(decrease) in rehabilitation provision	**-**	362,310
Increase/(decrease) in employee leave provisions	**6,984**	-
Increase/(decrease) in accruals	**(175,162)**	184,502
Increase/(decrease) in deductible equity raising costs	**311,923**	5,473
Deferred tax benefit/(expense) not recognised	**1,826,230**	223,378

The deferred tax benefit of tax losses not brought to account will only be obtained if:

(i) The Company derives future assessable income of a nature and an amount sufficient to enable the benefit from the tax losses to be realised;

(ii) The Company continues to comply with the conditions for deductibility imposed by tax legislation; and

(iii) No changes in tax legislation adversely affect the Company realising the benefit from the deduction of the losses.

All unused tax losses of $6,030,569 (2012: $354,089) were incurred by Australian entities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	Year ended 30 June 2013	Period ended 30 June 2012
Note 5 Earnings per Share		
	Cents	Cents
a) Basic earnings per share		
Loss attributable to ordinary equity holders of the Company	**(7.1)**	n/a
b) Diluted earnings per share		
Loss attributable to ordinary equity holders of the Company	**(7.1)**	n/a
c) Loss used in calculation of basic and diluted loss per share	**$**	$
Loss after tax from continuing operations	**(5,806,907)**	n/a
d) Weighted average number of shares used as the denominator	**No.**	No.
Weighted average number of shares used as the denominator in calculating basic and dilutive loss per share	**81,454,521**	n/a

At 30 June 2013 the Company has on issue 11,150,000 (2012: nil) unlisted options over ordinary shares that are not considered to be dilutive.

Note 6 Dividends

No dividends were paid or proposed during the financial year ended 30 June 2013 or 30 June 2012.

The Company has no franking credits available as at 30 June 2013 or 30 June 2012.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	30 June 2013 $	30 June 2012 $
Note 7 Cash and Cash Equivalents		
Cash at bank[1]	**538,282**	1,590,779
Deposits at call[2]	**14,530,000**	-
	15,068,282	1,590,779

[1] Cash at bank earns interest at floating rates based on daily deposit rates.

[2] Short term deposits depending upon the immediate cash requirements of the Company, and earn interest at the respective short term interest rates.

At 30 June 2013 the Company had no undrawn committed borrowing facilities.

Reconciliation to the Statement of Cash Flows:

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of any outstanding bank overdrafts.

Cash and cash equivalents as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash and cash equivalents	**15,068,282**	1,590,779

Non-cash financing and investing activities:

There have been no non-cash financing and investing activities for the year ended 30 June 2013 (30 June 2012: Nil).

Cash balances not available for use:

Included in cash and cash equivalents as at 30 June 2013 is an amount of $30,000 on deposit in respect of the Company's corporate credit card facility (30 June 2012: Nil).

Other than the above, there are no amounts included in cash and cash equivalents not available for use as at 30 June 2013 or 30 June 2012.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	30 June 2013 $	30 June 2012 $

Note 7 Cash and Cash Equivalents (continued)

Reconciliation of loss after tax to net cash outflow from operating activities:

Loss from ordinary activities after income tax	**(5,806,907)**	(481,217)
Depreciation	**211,126**	-
Loss on disposal of plant and equipment	**14,364**	-
Share based payments expense	**408,710**	-
Exploration costs expensed in statement of comprehensive income	**4,122,645**	-
Movement in assets and liabilities:		
(Increase)/decrease in prepaid expenses	**10,460**	(10,460)
(Increase)/decrease in accrued income	**(78,657)**	-
(Increase)/decrease in other receivables	**(17,489)**	(14,173)
Increase/(decrease) in employee leave provisions	**11,640**	-
Increase/(decrease) in trade and other payables	**(35,792)**	205,984
Net cash flow from operating activities	**(1,159,900)**	(299,866)

Note 8 Trade and Other Receivables

Current assets

Accrued income	**78,657**	-
Other receivables	**72,469**	24,633
	151,126	24,633

Accrued income of $78,657 (2012: Nil) relates to interest earned but unpaid on un-matured short term cash deposits held as at the end of the reporting period.

The Company has no trading activity and as such has no trading receivables. The Company does not consider any of its current receivables to be subject to impairment.

Note 9 Other Financial Assets

Non-current assets

Security Bonds and Deposits:

Balance at the start of the financial year	**1,207,700**	-
Bonds paid during the financial year	**36,335**	1,207,700
	1,244,035	1,207,700

Other financial assets relate to environmental bonds lodged in respect of the Company's Mt Morgans Gold Project. Interest is earned on the deposits at floating rates based on short term deposit rates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	30 June 2013 $	30 June 2012 $
Note 10 Property, Plant and Equipment		
Carrying values		
Office and computer equipment:		
Cost	**93,527**	16,599
Depreciation	**(17,540)**	-
	75,987	16,599
Plant and equipment:		
Cost	**482,791**	420,313
Depreciation	**(148,778)**	-
	334,013	420,313
Fixtures and fittings:		
Cost	**29,557**	19,329
Depreciation	**(7,811)**	-
	21,746	19,329
Motor vehicles:		
Cost[1]	**161,753**	36,364
Depreciation	**(24,997)**	-
	136,756	36,364
	568,502	492,605
Reconciliation of movements		
Office and computer equipment:		
Opening net book value	**16,599**	-
Additions	**76,928**	16,599
Depreciation	**(17,540)**	-
	75,987	16,599
Plant and equipment:		
Opening net book value	**420,313**	-
Additions	**62,478**	420,313
Depreciation	**(148,778)**	-
	334,013	420,313
Fixtures and Fitting:		
Opening net book value	**19,329**	-
Additions	**10,228**	19,329
Depreciation	**(7,811)**	-
	21,746	19,329
Motor Vehicles:		
Opening net book value	**36,364**	-
Additions[1]	**161,753**	36,364
Disposals – net book value written off	**(24,364)**	-
Depreciation	**(36,997)**	-
	136,756	36,364
	568,502	492,605

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 10 Property, Plant and Equipment (continued)

[1] Included in the net book value of motor vehicles as at 30 June 2013 of $136,756 (2012: $36,364) are assets secured under finance leases amounting to $109,374 (2012: Nil).

Details of finance lease liabilities are included at note 12 and note 19.

	30 June 2013 $	30 June 2012 $
Note 11 Deferred Exploration and Evaluation Expenditure		
Deferred exploration costs at the start of the financial year	**8,131,847**	-
Acquisition costs incurred	**-**	7,899,651
Exploration and evaluation costs incurred	**4,122,645**	232,196
Exploration and evaluation costs expensed and written off	**(4,122,645)**	-
	8,131,847	8,131,847

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent upon the successful development or commercial exploitation of the respective areas.

Note 12 Borrowings

Current liabilities		
Finance lease due within 12 months	**31,310**	-
Non-current liabilities		
Finance leases due after 12 months	**49,574**	-

Included in borrowings are amounts owing in respect of finance lease liabilities in respect of the acquisition of motor vehicles included as assets of the Company as at 30 June 2013 (30 June 2012: Nil).

See note 19 for financial instrument disclosures relating to borrowings.

Borrowings are secured over assets of the Company with a net book value of $109,374 (30 June 2012: Nil). See note 10 for details.

There are no other financing facilities available to the Company as at 30 June 2013 (30 June 2012: Nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	30 June 2013 $	30 June 2012 $
Note 13 Trade and other payables		
Current liabilities		
Trade and other payables	**472,606**	105,984
Accrued expenses	**31,132**	615,007
Employee leave liabilities	**23,279**	-
	527,017	720,991

Included in accrued expenses as at 30 June 2012 was $615,007 in respect of project acquisition related costs.

Trade payables are non-interest bearing and normally settled on 30 day terms. See note 19 for financial instrument disclosures relating to trade and other payables.

Note 14 Provisions

Non-current liabilities		
Rehabilitation provision	**1,207,700**	1,207,700

The rehabilitation provision relates to the estimated obligations in relation to the environmental rectification works at the Mt Morgans Gold Project.

Note 15 Issued Capital

a) Ordinary shares

The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia. The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value. There is no limit to the authorised share capital of the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 15 Issued Capital (continued)

		2013 No.	2012 No.	**2013 $**	2012 $
b) Share capital					
Issued share capital		**96,100,000**	55,000,000	**29,227,606**	10,000,090
c) Share movements during the year					
Balance at the start of the financial year		**55,000,000**	-	**10,000,090**	-
Shares issued on incorporation	$1.00	**-**	100	**-**	100
Shares issued on project introduction and facilitation of project acquisition	Nil	**-**	9,000,000	**-**	-
Share placement	$0.10	**-**	10,000,000	**-**	1,000,000
Share placement	$0.25	**-**	35,999,900	**-**	8,999,990
Share placement	$0.50	**1,100,000**	-	**550,000**	-
Initial public offer	$0.50	**40,000,000**	-	**20,000,000**	-
Less share issue costs		**-**	-	**(1,322,484)**	-
Balance at the end of the financial year		**96,100,000**	55,000,000	**29,227,606**	10,000,090

d) Option plan
Information relating to the Dacian Gold Limited Limited Employee Option Plan is set out in note 18.

	30 June 2013 No	30 June 2012 No
Note 16 Options		
Options on issue at the start of the financial year	**-**	-
Options issued	**12,150,000**	-
Options cancelled	**(1,000,000)**	-
	11,150,000	-

a) Options issued during the year
During the financial year the Company issued 12,150,000 options over unissued shares (2012: Nil), as follows:

Options issued to:	Number of options	Exercise price	Expiry date
Directors and former directors	9,500,000	84 cents	9 October 2017
Shareholders	1,650,000	84 cents	9 October 2017
Employees pursuant to the Dacian Gold Limited Employee Option Plan	1,000,000*	84 cents	15 February 2018

* options issued during the year were subsequently cancelled prior to 30 June 2013, refer Note 18.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 16 Options (continued)

b) Options exercised during the year
During the financial year the Company issued no shares on the exercise of options (2012: Nil).

c) Options cancelled during the year
During the year 1,000,000 options (2012: Nil) were cancelled upon termination of employment.

d) Options on issue at the balance date
The number of options outstanding over unissued ordinary shares at 30 June 2012 is 11,150,000 (2012: Nil).

The terms of these options are as follows:

Number of options outstanding	*Exercise price*	*Expiry date*
11,150,000	84 cents	9 October 2017

e) Subsequent to the balance date
No options have been granted subsequent to the balance date and to the date of signing this report.

No options have been exercised subsequent to the balance date to the date of signing this report.

Reconciliation of movement of options over unissued shares during the period including weighted average exercise price (WAEP)

	2013		2012	
	No.	**WAEP (cents)**	No.	WAEP (cents)
Options outstanding at the start of the year	**-**	**-**	-	-
Options granted during the year	**12,150,000**	**84.0**	-	-
Options exercised during the year	**-**	**-**	-	-
Options expiring unexercised during the year	**(1,000,000)**	**84.0**	-	-
Options outstanding at the end of the year	**11,150,000**	**84.0**	-	-

Weighted average contractual life
The weighted average contractual life for un-exercised options is 51 months (2012: Nil).

Note 17 Accumulated Losses and Reserves

	2013		2012	
	Accumulated losses	**Share based payments reserve (i)**	Accumulated losses	Share based payments reserve (i)
	$	**$**	$	$
Balance at the beginning of the year	**(481,217)**	**-**	-	-
Loss for the period	**(5,806,907)**	**-**	(481,217)	-
Movements in share based payments reserve for the period	**-**	**408,710**	-	-
Balance at the end of the year	**(6,288,125)**	**408,710**	(481,217)	-

(i) The share based payments reserve is used to recognise the fair value of options issued but not exercised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 18 Share Based Payments

During the financial year 9,500,000 options over unissued shares were issued to directors and former directors of the Company in lieu of remuneration for services provided. These options have been valued and included in the financial statements over the periods that they vest.

Basis and assumptions used in the valuation of options.
The options issued during the year were valued using the Black-Scholes option valuation methodology.

Date granted	Number of options granted	Exercise price (cents)	Expiry date	Risk free interest rate used	Volatility applied	Value per Option
9 October 2012	9,500,000	$0.84	9 October 2017	2.56%	60%	13.98 cents

Historical volatility has been used as the basis for determining expected share price volatility, as it is assumed that this is an indicator of future tender, which may not eventuate. A discount of 30% in respect of a lack of marketability has been applied to the Black-Scholes option valuation to reflect the non-negotiability and non-transferability of the unlisted options granted.

Dacian Gold Limited Employee Option Plan

The establishment of the Dacian Gold Limited Employee Option Plan (‘the Plan”) was last approved by a resolution of the shareholders of the Company on 9 October 2012. All eligible Directors, executive officers and employees of Dacian Gold Limited who have been continuously employed by the Company are eligible to participate in the Plan.

The Plan allows the Company to issue free options to eligible persons. The options can be granted free of charge and are exercisable at a fixed price in accordance with the Plan. Options issued under the Plan have vesting periods prior to exercise, except under certain circumstances whereby options may be capable of exercise prior to the expiry of the vesting period.

During the financial year ended 30 June 2013, 1,000,000 options over unissued shares were issued to an employee, pursuant to the terms of the Dacian Gold Limited Employee Share Option Plan. These options were subsequently cancelled on cessation of employment during the financial year. No expense has been recognised in the financial statements in respect of these cancelled options.

Note 19 Financial Instruments

The Company has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Company’s exposure to the specific risks, and the policies and processes for measuring and managing those risks. The Board of Directors has the overall responsibility for the risk management framework and has adopted a Risk Management Policy.

(a) Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers and investments.

Trade and other receivables
The nature of the business activity of the Company does not result in trading receivables. The receivables that the Company does experience through it’s normal course of business are short term and the most significant recurring by quantity is receivable from the Australian Taxation Office, the risk of non-recovery of receivables from this source is considered to be negligible.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 19 Financial Instruments (continued)

Credit risk (continued)

Cash deposits
The Directors believe any risk associated with the use of predominantly only one bank is addressed through the use of at least an A-rated bank as a primary banker and by the holding of a portion of funds on deposit with alternative A-rated institutions. Except for this matter the Company currently has no significant concentrations of credit risk.

The Directors do not consider that the Company's financial assets are subject to anything more than a negligible level of credit risk, and as such no disclosures are made.

(b) Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company'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 Company's reputation.

The Company manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Company's current and future operations, and consideration is given to the liquid assets available to the Company before commitment is made to future expenditure or investment.

Liquidity risk
The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount $	Contractual cash flows $	6 months or less $	6-12 months $	1-2 years $	2-5 years $	More than 5 years $
2013							
Trade and other payables	**468,924**	**468,924**	**468,924**	**-**	**-**	**-**	**-**
Finance lease liabilities	**80,884**	**85,228**	**17,046**	**17,046**	**34,092**	**17,044**	**-**
	549,808	**554,152**	**485,970**	**17,046**	**34,092**	**17,044**	**-**
2012							
Trade and other payables	105,984	105,984	105,984	-	-	-	-
	105,984	105,984	105,984	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 19 Financial Instruments (continued)

(c) 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 Company'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 any return.

Interest rate risk

The Company has significant cash assets which may be susceptible to fluctuations in changes in interest rates. Whilst the Company requires the cash assets to be sufficiently liquid to cover any planned or unforeseen future expenditure, which prevents the cash assets being committed to long term fixed interest arrangements; the Company does mitigate potential interest rate risk by entering into short to medium term fixed interest investments.

The Company does not have any direct contact with foreign exchange or equity risks other than their effect on the general economy.

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

	Carrying amount ($)	
	30 June 2013	30 June 2012
Fixed rate instruments		
Financial assets	**-**	-
Variable rate instruments		
Financial assets	**15,068,282**	1,590,779

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	
	1% increase	**1% decrease**	**1% increase**	**1% decrease**
2013				
Variable rate instruments	**150,683**	**(150,683)**	**150,683**	**(150,683)**
2012				
Variable rate instruments	15,908	(15,908)	15,908	(15,908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 19 Financial Instruments (continued)

d) 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:

	2013		2012	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	$	**$**	$	$
Cash and cash equivalents	**15,068,228**	**15,068,228**	1,590,779	1,590,779
Trade and other receivables	**151,126**	**151,126**	24,633	24,633
Borrowings	**(80,884)**	**(80,884)**	-	-
Trade and other payables	**(468,924)**	**(468,924)**	(105,984)	(105,984)
Net financial assets	**14,669,546**	**14,669,546**	1,509,428	1,509,428

e) Impairment losses

The Directors do not consider that any of the Company's financial assets are subject to impairment at the reporting date.

No impairment expense or reversal of impairment charge has occurred during the reporting period, other than the write off of deferred exploration assets at note 11.

	30 June 2013	30 June 2012
	$	$
Note 20 Commitments		
a) Operating lease commitments:		
Due within 1 year	**52,387**	-
Due after 1 year but not more than 5 years	**48,021**	-
Due after more than 5 years	**-**	-
	100,408	-

The operating lease commitment relates to the lease of the Company's Perth office for a 24 month term from 1 June 2013. The lease includes a break clause whereby the Company may give 3 months notice to terminate the lease with no penalty.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 20 Commitments (continued)

	30 June 2013 $	30 June 2012 $

b) *Finance lease commitments*:

The Company has entered into finance lease arrangements in respect of the purchase of 2 vehicles. Amounts contracted for under the finance lease agreements have been included as liabilities of the Company as at 30 June 2013, see note 12.

Details of the cash obligations in relation to the finance leases are included at note 19b.

	30 June 2013 $	30 June 2012 $
Due within 1 year	**31,310**	-
Due after 1 year but not more than 5 years	**49,575**	-
Due after more than 5 years	**-**	-
	80,885	-

Finance lease liabilities are secured over the underlying assets, see note 10.

c) Capital commitments:

The Company has no capital commitments contracted for at 30 June 2013 (30 June 2012: Nil).

Note 21 Contingencies

a) Contingent liabilities

Other than the below there are no material contingent liabilities at the reporting date.

Pursuant to the Smelter Return Deed, signed between the Company and Macquarie Bank Limited on 31 January 2012, the Company must pay to Macquarie Bank Limited a royalty equal to the sum of:

- $20 per troy ounce of gold produced from the Tenements, and sold by the Company to offtakers, up to a total of 150,000 troy ounces of gold; and
- a cash payment of $500,000 that is due and payable at the time of the pour of the 50,000th troy ounce of gold produced from the Tenements.

If the royalty noted above, which amounts to $3,500,000, is not paid on or by 31 January 2015, the Company must instead pay Macquarie Bank a royalty of 1% of gross revenue earned on 491,617 troy ounces of gold produced on the Tenements and sold to an offtaker.

b) Contingent assets

There are no material contingent assets at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 22 Related Party Disclosures

During the year ended 30 June 2013 the Company incurred expenses of $339,220 (30 June 2012: $293,884) with Australian Contract Mining Pty Ltd, an entity associated with Mr Brian Rodan, a Director of the Company until 9 October 2012, in respect of the provision of care and maintenance services at the Mt Morgans Gold Project.

Other than the above, and the key management personnel related party disclosure in Note 23(e), there are no related party transactions to report.

Note 23 Key Management Personnel Disclosures

(a) Directors and key management personnel

The following persons were directors of Dacian Gold Limited during the financial year:

Rohan Williams	Non-Executive Chairman	
Paul Payne	Managing Director	(Appointed 18 July 2012)
Robert Reynolds	Non-Executive Director	(Appointed 26 September 2012)
Barry Patterson	Non-Executive Director	
Brian Rodan	Non-Executive Director	(Resigned 9 October 2012)
Frank Fiore	Non-Executive Director	(Resigned 9 October 2012)
Matthew Sikirich	Non-Executive Director	(Resigned 17 August 2012)

There were no other persons employed by or contracted to the Company during the financial year, having responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly.

(b) Key management personnel compensation

Details of key management personnel remuneration are contained in the Audited Remuneration Report in the Directors' Report. A summary of total compensation paid to key management personnel during the year is as follows:

	2013 $	2012 $
Total short-term employment benefits	**375,727**	-
Total share based payments	**408,170**	-
Total post-employment benefits	**30,826**	-
	814,723	-

(c) Equity instrument disclosures relating to key management personnel

Unlisted Options provided as remuneration and shares issued on exercise of such options

The fair value of options issued as remuneration is allocated to the relevant vesting period of the options.

Options are provided at no cost to the recipients. No options were exercised by Key Management Personnel during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 23 Key Management Personnel Disclosures (continued)

(c) Equity instrument disclosures relating to key management personnel (continued)

The following options over unissued shares have been issued to key management personnel of the Company during the current financial year:

<table>
<tr><th>Grant Date</th><th>Exercise price per Option</th><th>Exercise Date</th><th>Director / Key Management Personnel</th><th>Number of Options Granted</th><th>Vesting Date</th><th>Total Value of Options Granted</th></tr>
<tr><td rowspan="11">9 October 2012</td><td rowspan="11">84 cents each</td><td rowspan="11">9 October 2017</td><td rowspan="3">Rohan Williams</td><td>1,000,000</td><td>14 November 2014</td><td rowspan="3">$419,400</td></tr>
<tr><td>1,000,000</td><td>9 October 2015</td></tr>
<tr><td>1,000,000</td><td>9 April 2016</td></tr>
<tr><td rowspan="3">Paul Payne</td><td>2,500,000</td><td>14 November 2014</td><td rowspan="3">$699,000</td></tr>
<tr><td>1,250,000</td><td>9 October 2015</td></tr>
<tr><td>1,250,000</td><td>9 April 2016</td></tr>
<tr><td>Barry Patterson</td><td>300,000</td><td rowspan="5">14 November 2014</td><td>$41,940</td></tr>
<tr><td>Robert Reynolds</td><td>300,000</td><td>$41,940</td></tr>
<tr><td>Brian Rodan</td><td>300,000</td><td>$41,940</td></tr>
<tr><td>Frank Fiore</td><td>300,000</td><td>$41,940</td></tr>
<tr><td>Matthew Sikirich</td><td>300,000</td><td>$41,940</td></tr>
</table>

There were no options over unissued shares issued to Key Management Personnel of the Company during the financial year ended 30 June 2012.

Option holdings

Key Management Personnel have the following interests in unlisted options over unissued shares of the Company.

2013 Name	Balance at start of the year	Received during the year as remuneration	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
R Williams	**-**	**3,000,000**	**-**	**3,000,000**	**-**
P Payne	**-**	**5,000,000**	**-**	**5,000,000**	**-**
R Reynolds	**-**	**300,000**	**-**	**300,000**	**-**
B Patterson	**-**	**300,000**	**-**	**300,000**	**-**
B Rodan[1]	**-**	**300,000**	**-**	**300,000**	**-**
F Fiore[1]	**-**	**300,000**	**-**	**300,000**	**-**
M Sikirich[2]	**-**	**300,000**	**-**	**300,000**	**-**

[1] Resigned 9 October 2012
[2] Resigned 17 August 2012

There were no options over unissued shares held by Key Management Personnel of the Company during the financial year ended 30 June 2012.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 23 Key Management Personnel Disclosures (continued)

(c) Equity instrument disclosures relating to key management personnel (continued)

Share holdings

The number of shares in the Company held during the financial year by key management personnel of the Company, including their related parties are set out below. There were no shares granted during the reporting period as compensation.

2013 Name	Balance at start of the year	Acquisitions pursuant to share placements	Other changes during the year	Balance at the end of the year
R Williams	**5,000,000**	**200,000**	**-**	**5,200,000**
P Payne	**-**	**100,000**	**-**	**100,000**
R Reynolds	**2,000,000[2]**	**100,000**	**-**	**2,100,000**
B Patterson	**4,000,000**	**100,000**	**-**	**4,100,000**
B Rodan	**14,000,000**	**100,000**	**-**	**14,100,000[1]**
F Fiore	**4,000,000**	**100,000**	**-**	**4,100,000[1]**
M Sikirich	**4,000,000**	**100,000**	**-**	**4,100,000[1]**

[1] Number of shares held on date ceasing to hold office as director of the Company.
[2] Number of shares at the date of appointment as director of the Company.

2012 Name	Balance at start of the year	Acquisitions pursuant to share placements	Other changes during the year	Balance at the end of the year
R Williams	-	5,000,000	-	5,000,000
B Patterson	-	4,000,000	-	4,000,000
B Rodan	-	5,000,000	9,000,000[3]	14,000,000
F Fiore	-	4,000,000	-	4,000,000
M Sikirich	-	4,000,000	-	4,000,000

[3] Shares received on vending of interest in projects into the Company.

(d) Loans made to key management personnel

No loans were made to key personnel, including personally related entities during the reporting period.

(e) Other transactions with key management personnel

During the financial year ended 30 June 2013 the Company incurred consultancy costs in respect of geological consulting services provided by Mr Rohan Williams of $7,500. The amount of $7,500 has been included as a liability as at 30 June 2013.

There were no other transactions with key management personnel.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 24 Events Subsequent to the Reporting Date

There has not arisen in the interval between the end of the reporting period 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 affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

	30 June 2013 $	30 June 2012 $
Note 25 Auditors Remuneration		
Total remuneration paid to auditors during the financial year:		
Audit and review of the Company's financial statements	**11,180**	-
Other services	**7,700**	-
Total	**18,880**	-

DIRECTORS' DECLARATON
FOR THE YEAR ENDED 30 JUNE 2013

In the opinion of the directors of Dacian Gold Limited (the 'Company'):

a. The accompanying financial statements and notes are in accordance with the Corporations Act 2001, including:
   i. giving a true and fair view of the Company's financial position as at 30 June 2013 and of its performance for the year then ended; and
   ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

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.

c. The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2013.

This declaration is signed in accordance with a resolution of the Board of Directors.

DATED at Perth this 24th day of September 2013.

Paul Payne
Managing Director

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Independent Auditor's Report
To the Members of Dacian Gold Limited

Report on the financial report

We have audited the accompanying financial report of Dacian Gold Limited (the 'Company'), which comprises of the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' declaration of the Company for the year ended 30 June 2013.

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. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to 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 Company'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 Company'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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Electronic presentation of audited financial report

This auditor's report relates to the financial report of Dacian Gold Limited for the year ended 30 June 2013 included on the Company's web site. The Company's Directors are responsible for the integrity of its web site. We have not been engaged to report on the integrity of the Company's web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

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 Dacian Gold Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the Company's financial position as at 30 June 2013 and of its performance for the year ended on that date;

  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 the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in pages 17 to 22 of the Directors' Report for the year ended 30 June 2013. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Dacian Gold Limited for the year ended 30 June 2013, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Partner - Audit & Assurance

Perth, 24 September 2013