DACIAN GOLD | LIMITED

ANNUAL REPORT

2022

CORPORATE DIRECTORY

Directors

Craig McGown	Independent Non-Executive Chair
Morgan Ball	Non-Executive Director
Sue-Ann Higgins	Independent Non-Executive Director
Anthony Kiernan AM	Non-Executive Director
Lee Stephens	Non-Executive Director

Company Secretary

Derek Humphry

Registered Office and Principal Place of Business

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Level 19
58 Mounts Bay Road
Perth WA 6000 Australia

Telephone:	08 6323 9000
Facsimile:	08 6323 9099
Website:	www.daciangold.com.au
Email:	info@daciangold.com.au

Auditor

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

Share Registry

Computershare Investor Services Pty Ltd
Level 11
172 St Georges Terrace
Perth WA 6000
Australia

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

Domicile and Country of Incorporation

Australia

ACN

154 262 978

Contents

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholders

As the very recently elected Chair on behalf of your Board of Directors I present to you Dacian Gold Limited's (Company) 2022 Annual Report.

The 2022 financial year has been extremely challenging. As with all industry participants your Company has faced cost inflation, increasing labour challenges with both Covid-19 and a tight labour market, including ongoing supply chain disruptions. These challenges resulted in significantly lower production in the restarted underground operations and higher costs in the open pit mining operations leading to the Board decision taken in June 2022 to close the Mt Morgans open pit mining operations and wind down underground mining.

This decision was not taken lightly with a broad range of redundancies of long term committed employees and termination of contracting relationships, as the Company shifted to processing low grade stockpiles and pivots its focus to resetting its Resource base, in particular expansion of the Jupiter Resource beneath the existing open pits.

As reflected by the financial report Dacian produced 90,809 ounces of gold in 2022 at an all-in-sustaining-cost (AISC) of $1,955/oz generating $31.8 million in operating cash flow, down from $55.5 million in 2021. This result reflects a significant increase in AISC of 26% albeit the average gold sale price received increased by 10%.

The EBITDA for the year was $30.3 million. However, as a result of the termination of mining activities and the corresponding write down of the carrying value of assets and tax benefits, the loss for the year was $198.4 million and resulted in a reduction in the net assets to $110 million as at 30 June 2022.

Since the year end remaining underground stopes have been harvested and run of mine stockpiles along with low-grade stockpiles have been treated with a very credible result that 21,525 ounces of gold were produced in the September 2022 quarter. The Company successfully transitioned to low-grade stockpile processing in October 2022.

The drilling program continues to expand the Jupiter Resource with many holes drilled intersecting wide zones of gold mineralisation. While early deep drilling tested the syenite pipes for the pathways of mineralising fluid and potential deep-seated, high-grade zones, the increasing results of lower grade wide mineralisation inside the Syenite and within structures of the basalt between the syenite pipes, has refocussed the program on the opportunity of a larger Jupiter economic gold deposit. The Company is currently pursuing the Jupiter resource extension drilling program to establish an updated Mineral Resource estimate in early calendar 2023.

It is very pleasing to be able to advise that the safety performance continued to improve with the Total Recordable Injury Frequency rate falling from 17.0 to 5.4 which, given the substantial change in activities, was an outstanding result.

As part of the change in strategic direction, the General Manager for Geology and Exploration, Dale Richards, was appointed CEO in June 2022 when Leigh Junk, Managing Director resigned. Leigh's contribution and efforts since early 2020 to reinvigorate Dacian were significant as he undertook the substantial challenge of rebuilding the Dacian management team, including the appointment of Dale to lead exploration, the reduction in bank debt and other obligations to enable the Company to aggressively pursue regional consolidation, and organic based exploration growth.

I would also like to thank Mick Wilkes and Eduard Eshuys for their contribution while on the Dacian Board and welcome new Board members Tony Kiernan, Morgan Ball and Lee Stephen all of whom are nominees of Genesis Minerals Limited (Genesis) and who join Independent Non-Executive Directors Sue-Ann Higgins and me.

As you are aware Genesis launched a takeover offer (Offer) for your Company on 5 July 2022 which was unanimously recommended by the then Board in the absence of a superior proposal.

The Genesis strategy is also based on the belief that consolidation of the Leonora-Laverton region is logical and provides an opportunity to combine two highly complementary businesses to create a company with significant Mineral Resources, established infrastructure and exploration upside in the Leonora-Laverton region. At the time of this report Genesis had received acceptances representing 75% of the Company's fully paid ordinary shares with the Offer scheduled to close 24 October 2022 unless extended. On 12 July 2022, the Company completed a $12.6 million placement to Genesis to meet its expected cash needs during the Offer period.

On behalf of the Board, I would also like to thank our executive management team and all our employees and contractors for their tremendous effort during a very difficult 2022. I would also like to thank all our stakeholders, and in particular our shareholders and our traditional owners, for their support throughout the year.

Thank you for your ongoing support.

Craig McGown
Non-Executive Chair

Photograph courtesy of Anna Probst

COMPANY HIGHLIGHTS FY2022

Photograph courtesy of Christine Derbyshire

Operational

Gold production
90,809 ounces

AISC
$1,995 per ounce

Ore Reserves and Mineral Resources
At 30 June 2022: Ore Reserves of 101,000 oz included in Mineral Resources of 2.2Moz

Financial

Repaid debt during the year
$12.75M

Cash and gold on hand
$21.6M

Remaining debt
$2.0M

Forward Hedge Position
10,500 oz at an average gold price of $2,667/oz

COMPANY VALUES

OUR SUSTAINABILITY FOOTPRINT

Economic Benefit to Community

State Government Royalties
$5.6M (2021: $6.6M)

Payroll tax
$1.2M (2021: $1.1M)

Mining tenement rents and taxes
$1.7M (2021: $1.2M)

Mine Safety levy
$0.2M (2021: $0.2M)

Impact on Environment

Water used
3.13GL (2021: 2.66GL)

Rehabilitation completed
380Ha (2021: 380Ha)

Energy Used

Gas
876kGj (2021: 847Gj)

Diesel
18ML (2021: 20ML)

Safety

Emergency Response Training Exercises
45 (2021: 46)

Safety Performance - Lost time frequency rate
0.0 (2021: 4.0)

Total Recordable Injury Frequency Rate (TRIFR)
5.4 (2021: 17.0)

Health and Safety

Safety at Dacian's working locations is of the utmost importance. Prevention of injuries through improvements in workplace culture, training and supervision together with learning from incidents to prevent reoccurrence is a key consideration for the Company.

The Company's rolling Total Recordable Injury Frequency Rate (TRIFR) calculated as 12 month rolling average at 30 June 2022 was 5.4 (2021: 17.0). Recordable injuries include those that result in any days lost from work or where an employee or contractor can only perform part of their normal work, as well as any injury that requires medical treatment.

The Company continues to be proactive in its response to COVID-19 by implementing a range of protective and preventative measures in accordance with its COVID-19 management plan.

People

At 30 June 2022, the Company had 136 employees across corporate, mining operations, exploration, project development and support services. In addition, the Company engages contractors to perform specialist services, mining operations and drilling. Our values of Communication, Ownership and Trust, enables us to perform every job safely, working collaboratively as part of a team that is inclusive and diverse.

Our recruitment strategy is based on identifying, selecting and retaining the best people who are aligned with our strategies and values. The strong employment growth and skills shortage in the Western Australian resources sector has put pressure on employment conditions, and the number and quality of applicants who are seeking employment in the gold sector. The Company has taken a proactive approach by continuing to provide opportunities for current employees to develop skills which will advance their career, through the provision of financial and non-financial initiatives.

We have a commitment to develop future leaders through our leadership and supervisory development programs and future planning through the employment of graduates, internships (for university and other training institution students) and apprentices. Employment opportunities continue to be offered to people in local and regional communities, including our participation in the 1000 Jobs package.

The Company is a "relevant employer" for the purposes of the Workplace Gender Equality Act. Our recent Workplace Gender Equality Agency Report for 2022 which includes the "Gender Equality Indicators" is available on the Company's website at www.daciangold.com.au/site/sustainability/governance.

Community Engagement

Dacian Gold is committed to building and maintaining mutually beneficial relationships with community and government, and we believe that these relationships are key to successfully operating the Mt Morgans Gold Operation.

We have assisted charity groups, where possible, with travel between Perth and Laverton and supported a charity group which delivered books and materials to the Laverton School and Mt Margaret Remote Community School promoting art and literacy.

We embrace our social responsibility obligations and aspire to be a valued and supportive member of the communities in which we operate.

Corporate Governance

The Board has adopted and endorses The ASX Corporate Governance Council Principles and Recommendations (4th 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 activities. The 2022 Corporate Governance Statement, which provides detailed information about the Company's governance, was adopted by the Board on 21 September 2022. A copy of the 2022 Corporate Governance Statement including the Appendix 4G which sets out the Company's compliance with the recommendations in the fourth edition of the ASX Corporate Governance Councils Principles and Recommendations is available with complete details of the Dacian Corporate Governance Plan and policies on the Company's website at www.daciangold.com.au/site/sustainability/governance.

REVIEW OF OPERATIONS

Mt Morgans Gold Operation - Overview

Dacian Gold Limited's (Dacian) Mt Morgans Gold Operation (MMGO) is located 25km west of Laverton and approximately 750km north-east of Perth in Western Australia (see Figure 1).

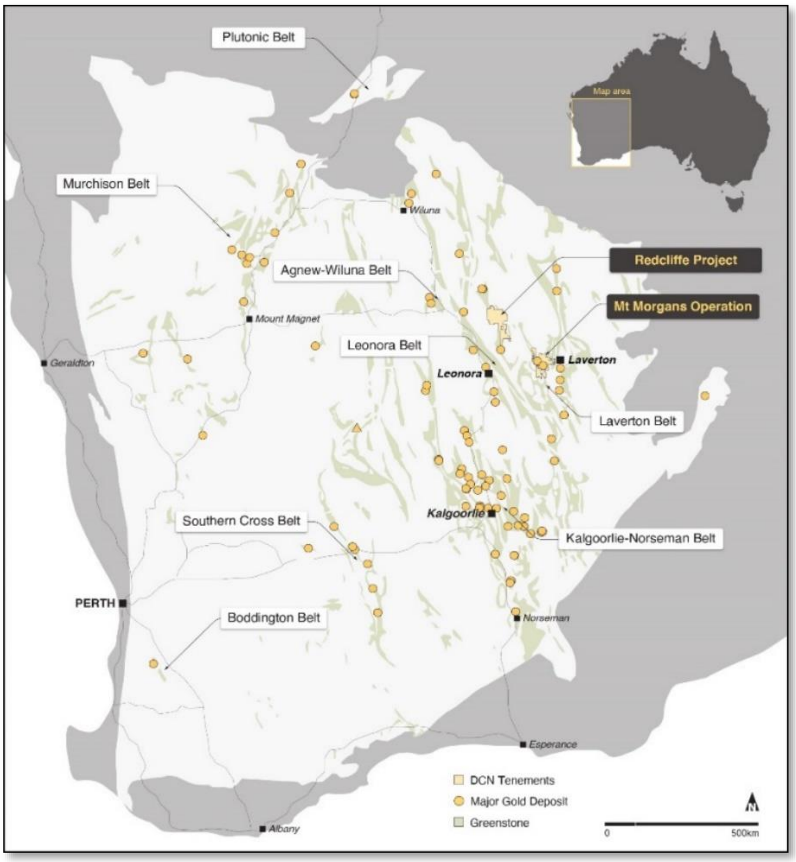


***Figure 1**: Location of Dacian Gold's Operations in Western Australia*

On 17 June 2022 the Company announced that the rapid change of the operating environment over the previous 6 months had seen significant inflationary cost pressures, which resulted in an increase in cost base, prompting a review of the operating strategy as follows:

- Open pit mining operations at Jupiter were suspended at the end of June 22;
- Underground operations to continue until the previously developed stopes have been mined in Q1, FY23;
- Hub (Redcliffe) project suspended pending regulatory approvals;
- Processing of existing stockpiles to commence in Q1, FY23;
- Drill testing at Jupiter to continue following encouraging results.

Financial Year 2022 Overview

***Table 1**: Gold Recovery and Sales*

	Unit	SQ	DQ	MQ	JQ	FY2022
Gold Recovered	*oz*	15,819	17,200	23,608	34,182	90,809
Gold Sales	*oz*	18,310	15,807	22,410	34,968	91,495
Realised Average Price	*A$/oz*	2,277	2,276	2,505	2,555	2,439
Gold Revenue	*A$M*	41.7	36.0	56.1	89.3	223.1
Gold on Hand	*oz*	996	1,324	1,839	1,577	1,577

Full year production for the 2022 financial year totalled 90,809 ounces (2021: 106,919 ounces) at an AISC of $1,955/oz (2021: $1,556/oz), being below the bottom end of production guidance of 93,000 to 97,000 ounces and marginally above the top end of the AISC guidance of $1,850 - $1,950/oz.

The hedge position at 30 June 2022 stands at 10,500 ounces (2021: 27,324 ounces) at an average price of $2,667/oz (2021: $2,238/oz).

Table 2: Summary of total hedge contracts at 30 June 2022

Period (CY 2022)	Sept Q	Dec Q	TOTAL
Forward Sales (oz)	7,500	3,000	**10,500**
Hedged Price (A$/oz)	$2,610	$2,809	**$2,667**

Mining

Open Pit

A total of 2,674kt at 1.0g/t Au containing 86,537 ounces was mined from the open pits at Mt Morgans during FY22.

A total of 6,539k bcm of material was mined from open pits during the FY22.

Underground

The Westralia and Craic underground mines produced 101kt at 3.4g/t Au containing 10,887 ounces.

Ore was produced from development and stoping activities at Craic, Beresford and Allanson mine area with stoping contributing approximately 36% of the underground mined ore tonnes in the FY22.

Table 3: Summary of mining movement

	Unit	Sept Qtr	Dec Qtr	Mar Qtr	Jun Qtr	FY2022
Open Pit Mining						
Ore Mined to ROM	*t*	340,757	401,226	653,541	726,259	2,121,783
Mined Ore Grade	*g/t*	0.9	0.9	1.1	1.3	1.1
Contained Gold Mined	*oz*	10,030	11,903	23,677	31,331	76,941
Ore Mined to Low Grade Stockpile	*t*	192,830	170,917	91,199	96,336	552,282
Mined Ore Grade	*g/t*	0.5	0.5	0.6	0.6	0.5
Contained Gold Mined	*oz*	3,156	2,908	1,701	1,831	9,596
Total Ore Mined	*t*	533,587	572,143	745,740	822,595	2,674,065
Mined Ore Grade	*g/t*	0.8	0.8	1.1	1.2	1.0
Contained Gold Mined	*oz*	13,186	14,811	25,378	33,162	86,537
Waste Mined	*t*	5,985,006	4,296,438	2,920,024	1,723,401	14,924,869
Total Material Mined	*bcm*	2,358,670	1,890,275	1,343,551	946,504	6,539,000
Underground Mining						
Ore Mined to ROM	*t*	-	22,004	30,092	48,595	100,881
Mined Ore Grade	*g/t*	-	4.2	3.5	2.9	3.4
Contained Gold Mined	*oz*	-	2,962	3,346	4,575	10,887

Processing

The processing plant continued to perform consistently above nameplate capacity of 2.5mtpa, milling a total throughput of 2.91 million tonnes of ore for FY2022 (2021: 2.95 Mt), producing 90,809 ounces (2021: 106,919 ounces) at a recovery of 91.7% (2021: 91.5%). Gold sales totalling 91,495 ounces (2021: 108,270 ounces) realised gold revenue of $223 million for the year (2021: $241 million).

Table 4: Processing

	Unit	SQ	DQ	MQ	JQ	FY2022
Ore Milled	*t*	686,671	705,089	741,991	776,720	2,910,471
Processed Grade	*g/t*	0.8	0.8	1.1	1.5	1.1
Contained Gold	*oz*	17,343	18,830	25,645	37,220	99,038
Gold Recovery	*%*	91.2%	91.3%	92.1%	91.8%	91.7%
Gold Recovered	*oz*	15,819	17,200	23,608	34,182	90,809

Given the pivot in production to processing low grade stockpiles, a grade control and metallurgical testwork program has been initiated over the historic heap leach stockpile, representing approximately 3.6 Mt of low grade Mineral Resources, to identify any opportunities for preferential treatment. A total of 5,600m of grade control drilling was completed in June, with the program continuing in July. This new operating strategy replaces the previously adopted Five Year Mine Plan (refer to Dacian 2021 Annual Report released to ASX on 22 October 2021) as the Company moves forward focussed on exploration, increasing Resources and developing a leaner operating model.

EXPLORATION AND GROWTH

During the year, the Group's growth and exploration program was focussed on defining future base load exploration targets using a mineral systems approach and testing the scale of the Jupiter syenite mineralisation. This has included the application of geophysical surveys, geochemical soil sampling, structural studies, selected geochronological analysis, petrography and exploration and resource definition drilling across Dacian's various deposits and tenements.

Jupiter Extension Project

Encouraging results from the initial Jupiter extension drilling program led to the development of a Phase 2 of this exploration initiative, which became the primary strategic growth and exploration focus during FY22 and into FY23. The target complex consists of an extensive syenite system, intruded into a well-defined structural setting, within basaltic country rock. The Jupiter complex spans approximately 2km with variable widths ranging between 50m and 300m, with several identified syenite pipes and linking dykes within the extensive structural zone between the Heffernans, Doublejay and Ganymede syenite stocks and open pits. The Jupiter syenite intrusive system is interpreted to be associated with the main Kurnalpi gold mineralisation event in published literature.

Through its target generation and development work, Dacian has demonstrated its syenite systems are suitable hosts for deposits of significant scale. At the outset of FY22, Dacian commenced a three-phase program targeting its known syenite pipes below the Jupiter mining complex:

- Phase 1: Proof of concept for the potential of Jupiter to host mineralisation of significant scale, which has been completed.
- Phase 2: Drilling program to target potential bulk extractable mineralisation to approximately 400m from surface across the entire length of the Jupiter complex, which is ongoing.
- Phase 3: Mineral Resource estimation and conceptual mining studies for potential expansion of large-scale mining operations.

Phase 1 results produced multiple wide intersections in bulk stockwork mineralisation at the syenite basalt contact and within the syenite pipes, below the Jupiter open pits at Ganymede, Heffernans and Doublejay, confirming mineralisation of significant width and scale associated with the syenite intrusive system, over a strike extent of approximately 2km.

Phase 2 of the exploration program, which is ongoing through H1FY23, targets potential bulk extractable mineralisation to approximately 400m from surface across the entire length of the Jupiter complex. Initial Phase 2 drilling results have confirmed the mineralisation of significant width and scale associated with the syenite intrusive system over the strike extent of approximately 2km and to a depth of approximately 400m below surface, continuing to 650m below surface and remaining open at depth.

Phase 3, comprising mineral resource estimation and order of magnitude studies for potential expansion of large-scale mining operations, has commenced with updated geological interpretation and modelling of the system underway, to be followed by mining studies. Additional drilling programs will be identified during this phase of study for further refinement and optimisation.

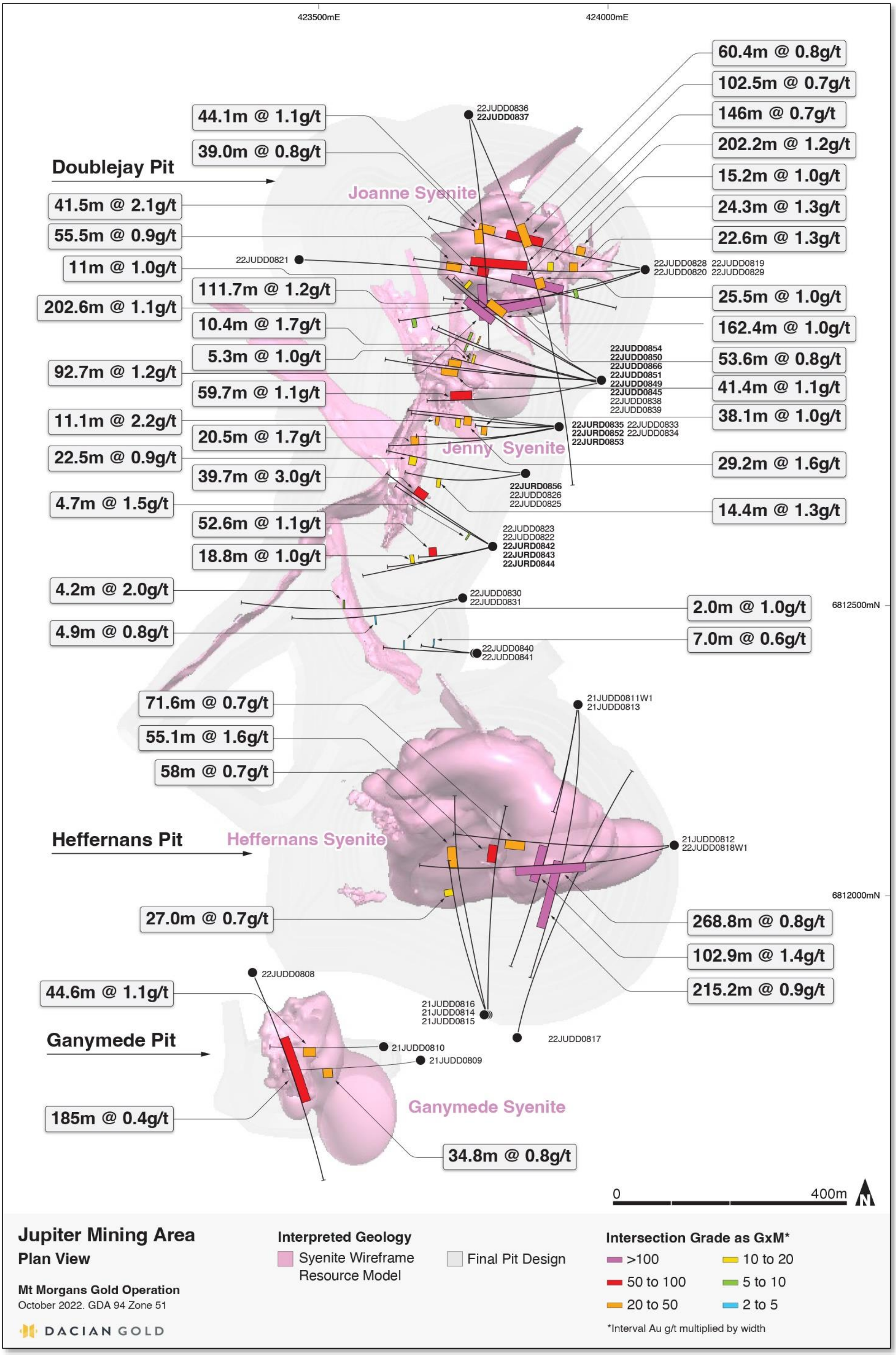


Figure 2: *Plan view of the Jupiter syenite complex with the new hole collars and final pit design outline*

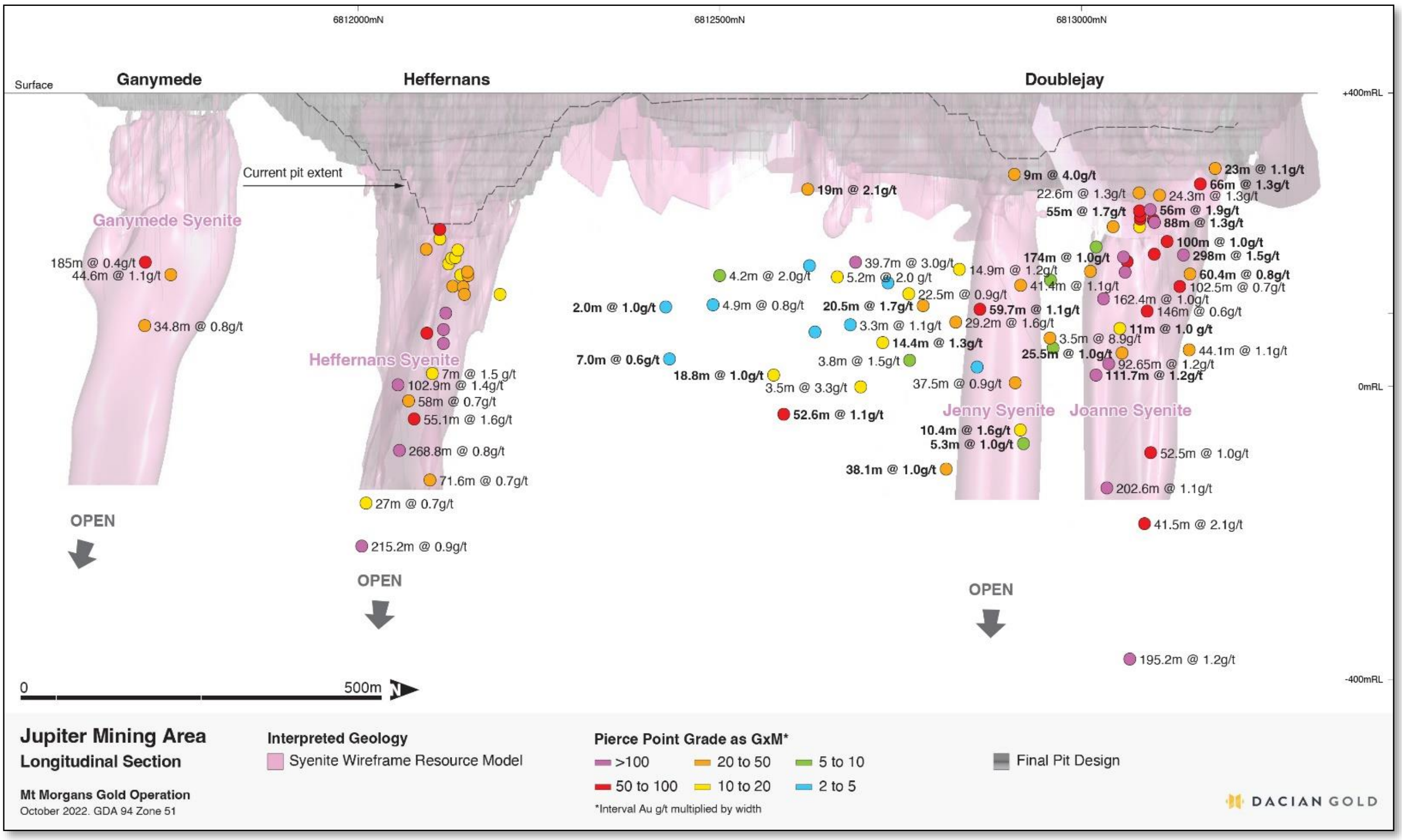
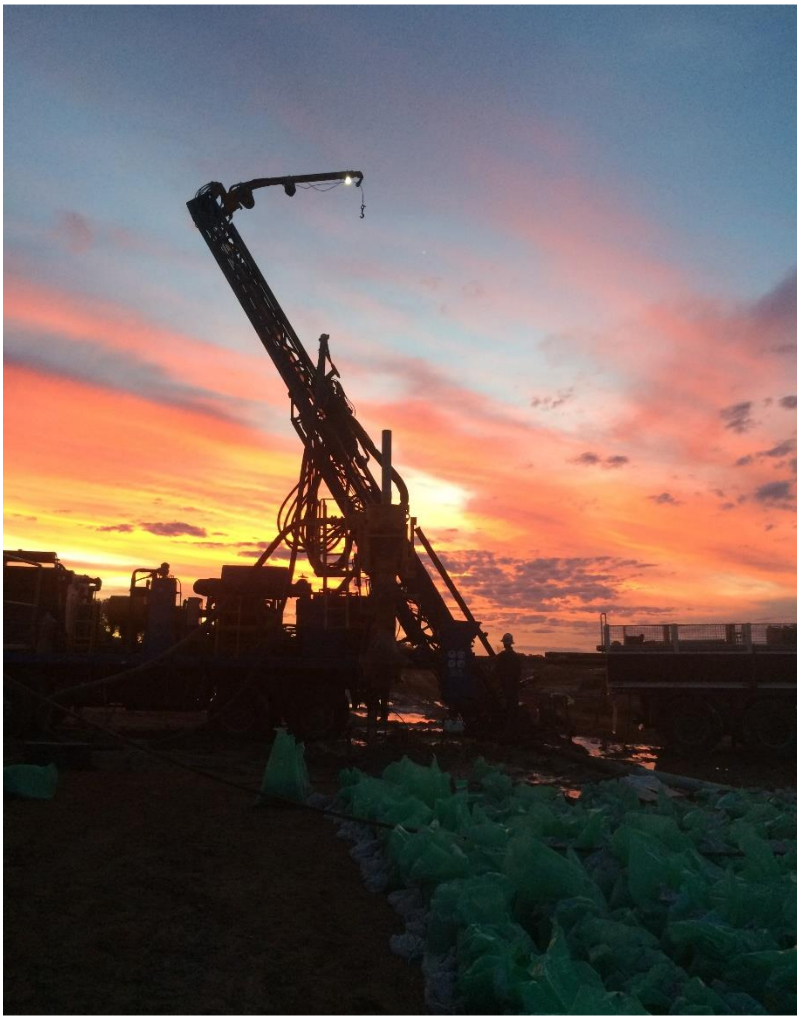


Figure 3: *Long section view facing west of the Jupiter syenite complex with the current final pit design*



Cameron Well

A revised targeting and generative study over the Cameron Well Area was completed in FY21 - FY22 which resulted in a renewed structural framework and suite of exploration targets at Cameron Well. During FY22, exploration drilled targets at the Piccolo Star, Trumpeter, Abraxan, Caesar and Mt Marven Shear Zone (MMSZ) prospects. With the identification of the Piccolo Star structural trend, mineralisation initially identified in FY21 further defined and delineated.

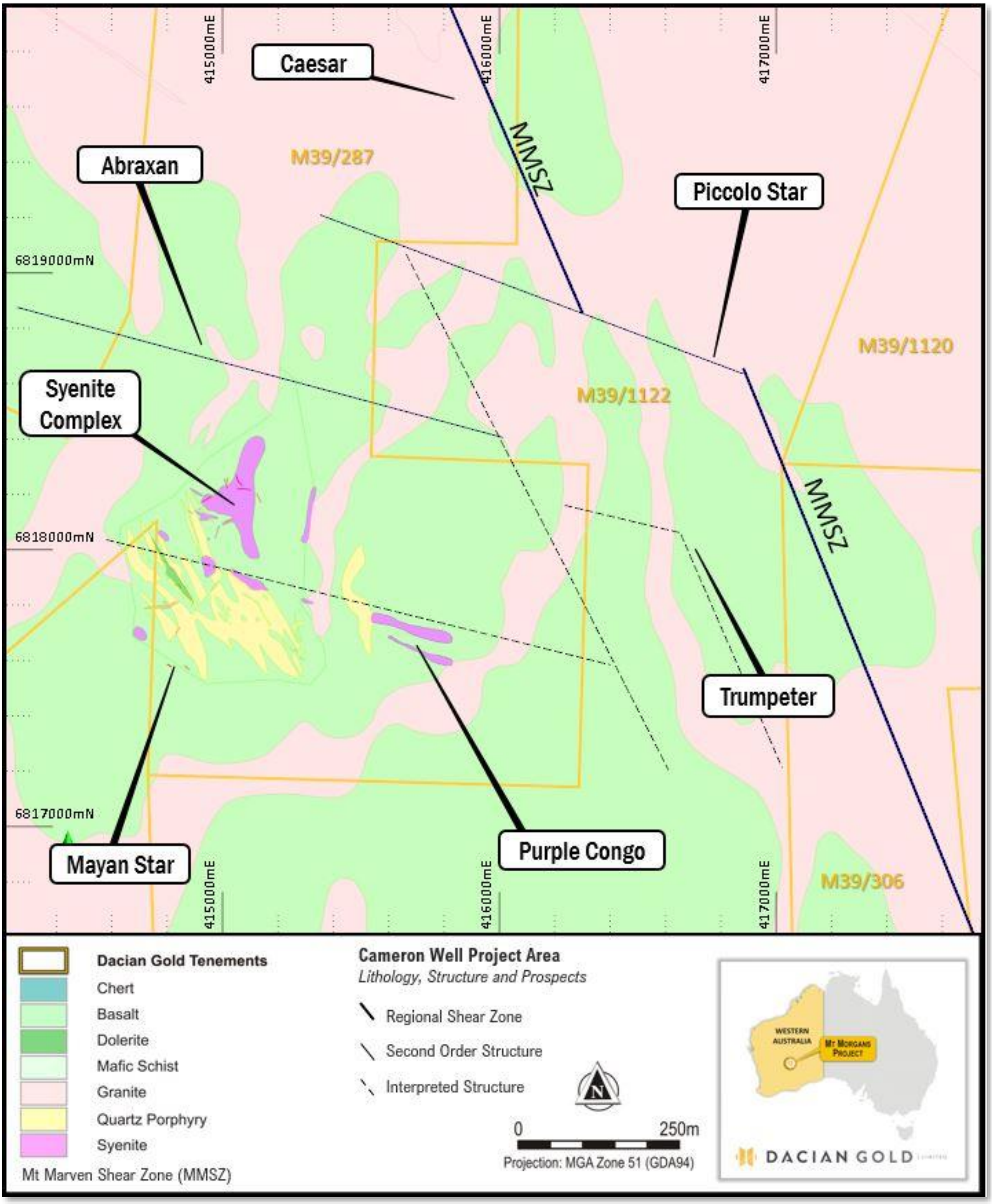


Figure 4: *Cameron Well Project Area*

Southern Tenements

Following the Airborne magnetics flown during Q4FY21, data processing and interpretation along the 12.5km prospective granite-greenstone contact was completed during FY22. This exploration at Dacian's Southern Tenement generated targets for potential base load mineralisation to complement the existing advanced development projects. Three priority greenfield targets were identified along the 12.5km strike length of highly prospective granite-greenstone contact. These targets at Robinta, Habibi and Liberte/Ambassador, initially identified through geophysical data, were followed up with a wide spaced soil geochemical sampling program. Subsequently, the coincident geophysical and geochemical anomalism over all three targets was determined through results of ultra-fine soil sampling, over coincident geophysical target definition. Infill soil sampling has been conducted, in addition to a stratigraphic drilling program. Additional drilling programs are planned for FY23.

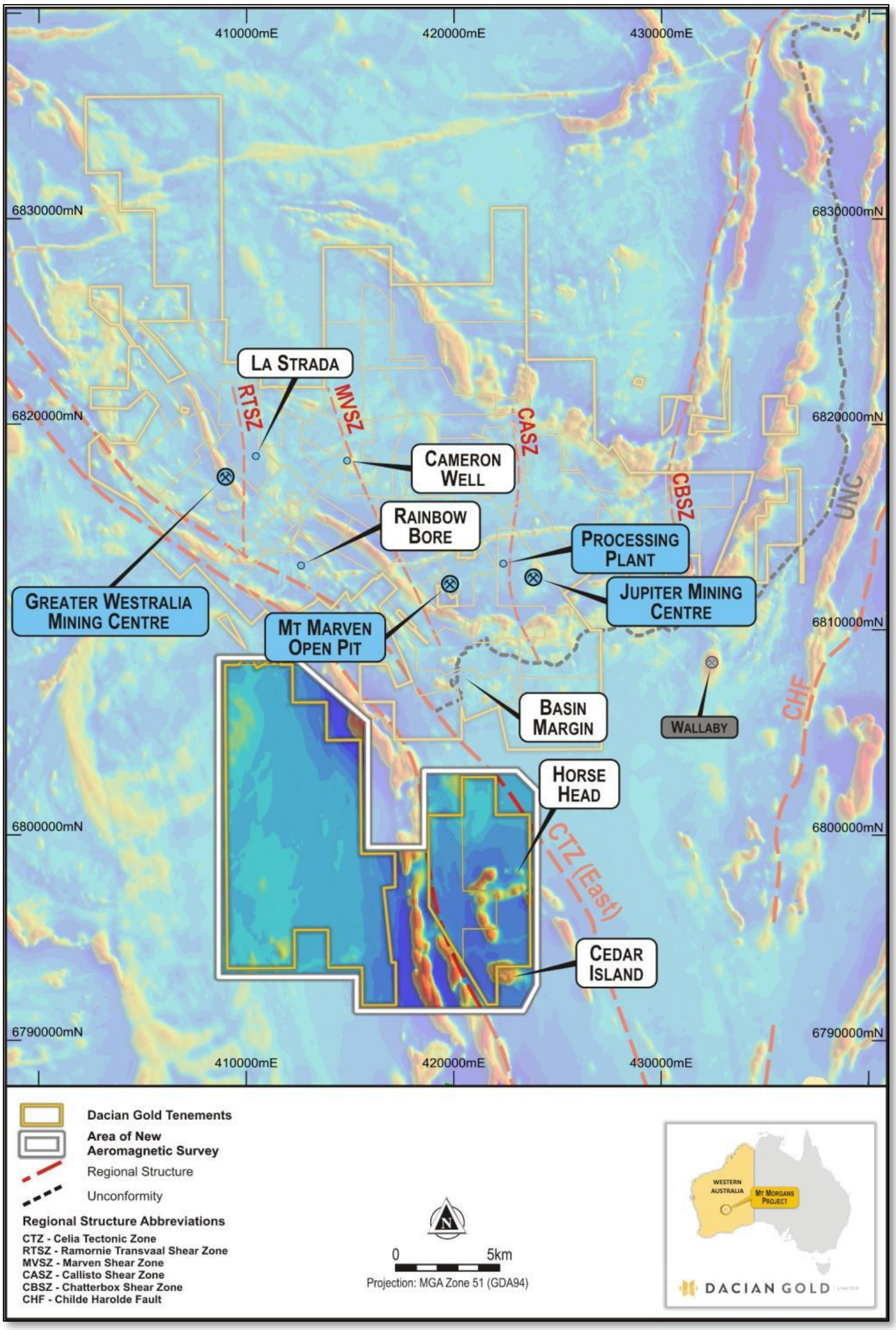


Figure 5: *Airborne Magnetics – South Tenements*

Greater Westralia Mining Area

During Q1FY22, the extensional and resource definition drilling program initiated in the previous financial year was completed at the Craic deposit. Resource definition drilling was initiated at the Ramornie complex, in Q4FY22 with the aim of improving geological confidence in the historic drilling to advance the deposit through to a mining study.

Mt Marven

At the Mt Marven prospect, resource development drilling was undertaken to support the extensional and resource definition drilling programs completed in FY21, that resulted in a Mineral Resource upgrade to 1.86Mt at 1.26g/t for 75,600oz after depletion (see ASX announcement dated 31 August 2021). A small Geotechnical diamond drilling program was completed in early 2022 to support the proposed mine design.

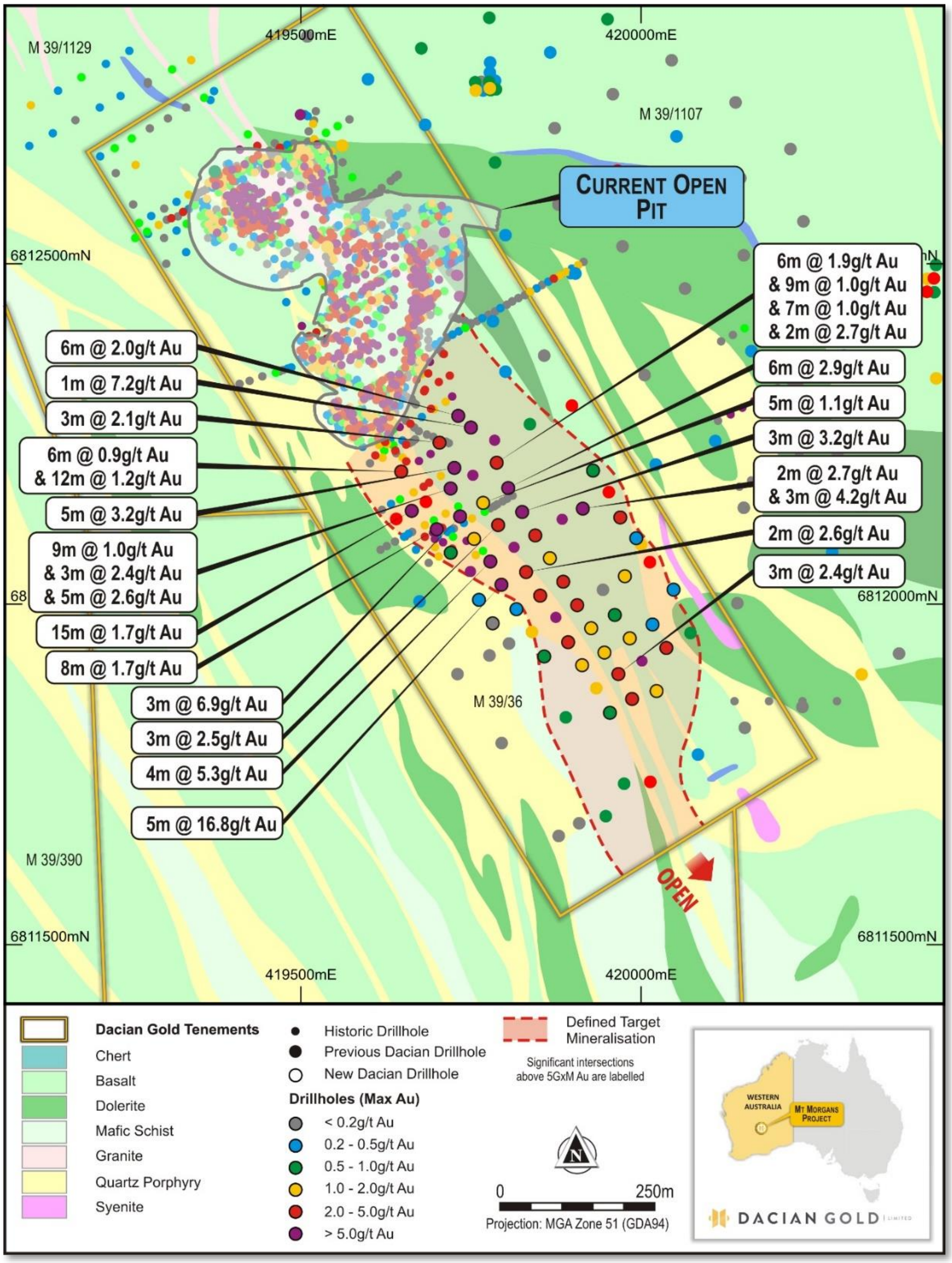


Figure 6: *Mt Marven prospect resource development drilling*

Redcliffe Project

At the Redcliffe Project, FY22 drilling activities included resource definition, geotechnical, hydrological and sterilisation drilling in advance of the proposed Open pit development at Hub and GTS deposits. At the Nambi deposit, a first phase of resource definition and extension drilling was completed. Grade control drilling in advance of extraction was completed at the Hub and GTS deposits before suspension of operations.

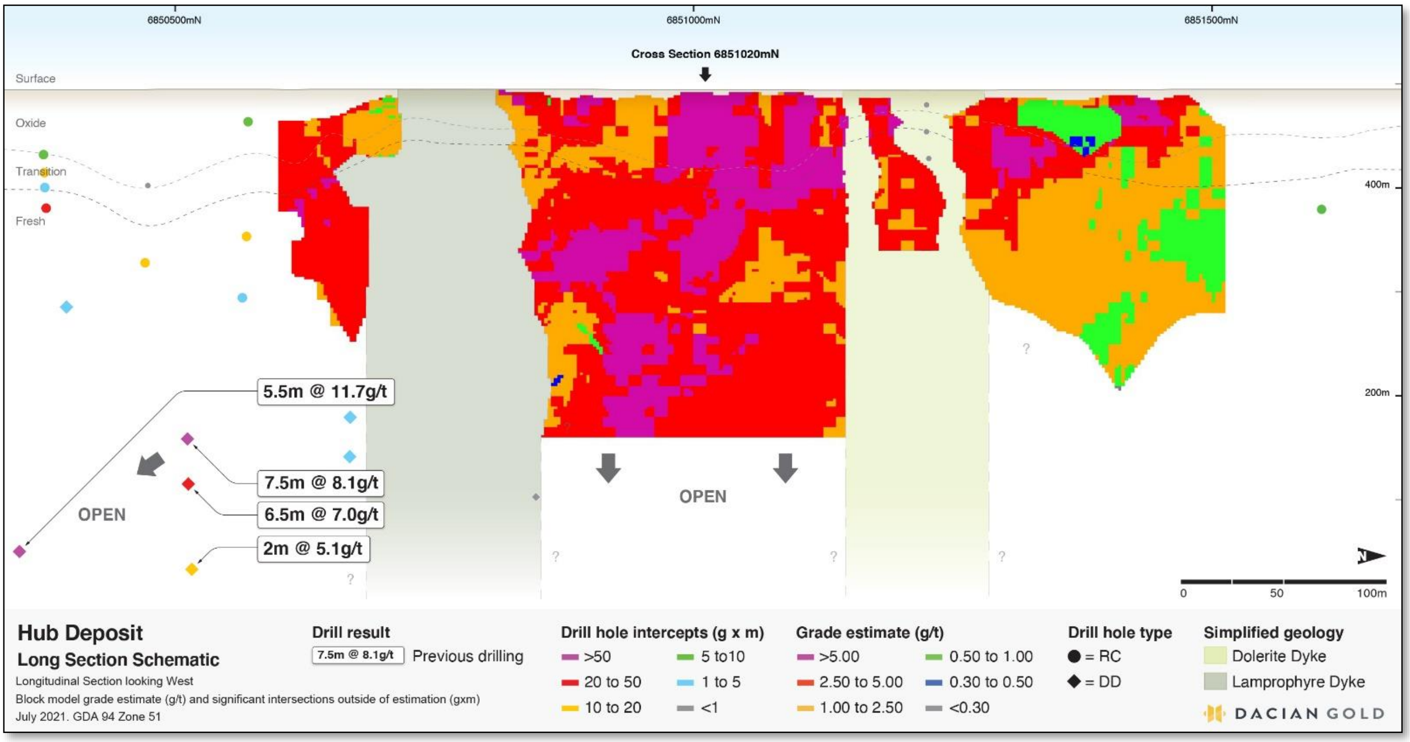


Figure 7: *Redcliffe Project - Hub Deposit Long Section Schematic*

Mineral Resources and Ore Reserves Statement

Dacian Gold released its annual update of Mineral Resource and Ore Reserve estimates on the ASX on 27 July 2022. Shareholders should refer to that announcement for full details including JORC 2012 appendices.

MINERAL RESOURCES

The total Mineral Resource estimate for the Mt Morgans Gold Operations (Mt Morgans) and Redcliffe Project (Redcliffe) as at 30 June 2022 is shown below.

***Table 5:** Mineral Resources estimate as at 30 June 2022*

MINING CENTRE	Deposit/Area	Deposit/Prospect	Cut-off grade (Au g/t) and constraints	Measured			Indicated			Inferred			Total Mineral Resource		
				Tonnes (kt)	Au g/t	Au Oz	Tonnes (kt)	Au g/t	Au Oz	Tonnes (kt)	Au g/t	Au Oz	Tonnes (kt)	Au g/t	Au Oz
MT MORGANS	Westralia Mine Corridor	Beresford	2.0	130	4.3	18,000	1,920	4.0	247,000	1,490	3.0	144,000	3,540	3.6	410,000
		Allanson	2.0	70	4.2	9,000	550	4.5	79,000	890	3.9	113,000	1,510	4.1	201,000
		Morgans North - Phoenix Ridge	2.0							330	6.7	72,000	330	6.7	72,000
		SUBTOTAL		220	3.8	27,000	2,470	4.1	326,000	2,720	3.8	329,000	5,390	3.9	682,000
	Westralia Satellite Deposits	Transvaal	2.0				650	3.8	79,000	1,110	3.5	126,000	1,760	3.6	205,000
		Ramornie OP	0.5							570	2.5	46,000	570	2.5	46,000
		Ramornie UG	0.5 & >290RL OR 2.0 & <290RL							160	2.7	13,000	160	2.7	13,000
		Craic	2.0				30	7.9	8,000	70	5.9	13,000	100	6.5	21,000
		McKenzie Well	0.5							950	1.1	34,000	950	1.1	34,000
		SUBTOTAL					680	3.9	86,000	2,850	2.5	232,000	3,530	2.8	318,000
	GREATER WESTRALIA MINING AREA	SUBTOTAL		200	4.2	27,000	3,150	4.1	412,000	5,570	3.1	561,000	8,920	3.5	1,001,000
	Jupiter OP*	Heffernans*	0.5				1,610	1.2	60,000				1,610	1.2	60,000
		Doublejay*	0.5	1,960	1.6	100,000	3,140	1.1	106,000	220	0.9	7,000	5,310	1.2	212,000
		Ganymede*	0.5				2,450	1.0	75,000	250	1.0	8,000	2,700	1.0	83,000
		Mt Marven*	0.5				1,220	1.2	48,000	500	1.4	23,000	1,720	1.3	71,000
	JUPITER MINING AREA	SUBTOTAL	0.5	1,960	1.6	100,000	8,420	1.1	289,000	970	1.2	37,000	11,340	1.2	426,000
	Cameron Well Project Area	Cameron Well											0	-	-
		Maxwells	0.5				170	0.9	5,000	500	0.8	12,000	660	0.8	17,000
	CAMERON WELL PROJECT AREA	SUBTOTAL					170	0.9	5,000	500	0.8	12,000	660	0.8	17,000
	Stockpiles	Mine Stockpiles	0	370	0.7	9,000							370	0.7	9,000
		LG Stockpiles	0	1,250	0.6	23,000							1,250	0.6	23,000
		Jupiter Heapleach	0							3,630	0.4	48,000	3,630	0.4	48,000
		Total - Stockpiles		1,620	0.6	32,000				3,630	0.4	48,000	5,250	0.5	79,000
	TOTAL MMGO	SUBTOTAL		3,780	1.3	159,000	11,730	1.9	706,000	10,670	1.9	658,000	26,180	1.8	1,523,000
REDCLIFFE PROJECT	Southern Zone	GTS	0.5 & >300RL OR 2.0 & <300RL				930	1.9	56,000	1,360	1.2	51,000	2,290	1.4	107,000
		Hub	0.5 & >300RL OR 2.0 & <300RL				710	4.4	100,000	710	2.4	55,000	1,420	3.4	155,000
		Bindy	0.5 & >300RL OR 2.0 & <300RL							3,080	1.3	129,000	3,080	1.3	129,000
		Kelly	0.5 & >300RL OR 2.0 & <300RL							2,350	0.9	67,000	2,350	0.9	67,000
		SUBTOTAL					1,640	2.9	155,000	7,500	1.3	302,000	9,130	1.6	458,000
	Central Zone	Nambi	0.5 & >300RL OR 2.0 & <300RL				880	2.9	82,000	870	2.8	78,000	1,750	2.9	160,000
		Redcliffe	0.5 & >300RL OR 2.0 & <300RL							930	1.2	35,000	930	1.2	35,000
		Mesa - Westlode	0.5 & >300RL OR 2.0 & <300RL							850	1.0	28,000	850	1.0	28,000
		SUBTOTAL					880	2.9	82,000	2,650	1.7	142,000	3,530	2.0	224,000
	TOTAL	SUBTOTAL					2,520	2.9	237,000	10,150	1.4	444,000	12,660	1.7	681,000
TOTAL				3,780	1.3	159,000	14,250	2.1	943,000	20,820	1.6	1,102,000	38,840	1.8	2,204,000

Note: rounding may have caused imbalanced totals. * Reported above A$2,400 pit optimisation shell.

Key Changes for Mineral Resources

Key changes for the Mineral Resource estimate 30 June 2022 compared with the EOFY2021 Mineral Resource estimate are:

- Depletion of Jupiter and Greater Westralia Mineral Resources.
- Updated geological interpretations, estimation parameters, and classifications, have been applied to Marven South, Hub, GTS, Nambi and Jupiter Dump Leach.
- Reclassification of Cameron Well and Jupiter Underground– estimates removed from the Mineral Resources.
- Total Mineral Resources decreased from 2.5 Moz to 2.2 Moz.
- Total Measured and Indicated (M&I) Mineral Resources reduced from 1.3 Moz to 1.1 Moz.
- Total Inferred Mineral Resources reduced from 1.2 Moz to 1.1 Moz.

The significant changes in the Mineral Resource estimate compared with the Company's EOFY2021 Mineral Resource estimate are illustrated by Figure 8 below.

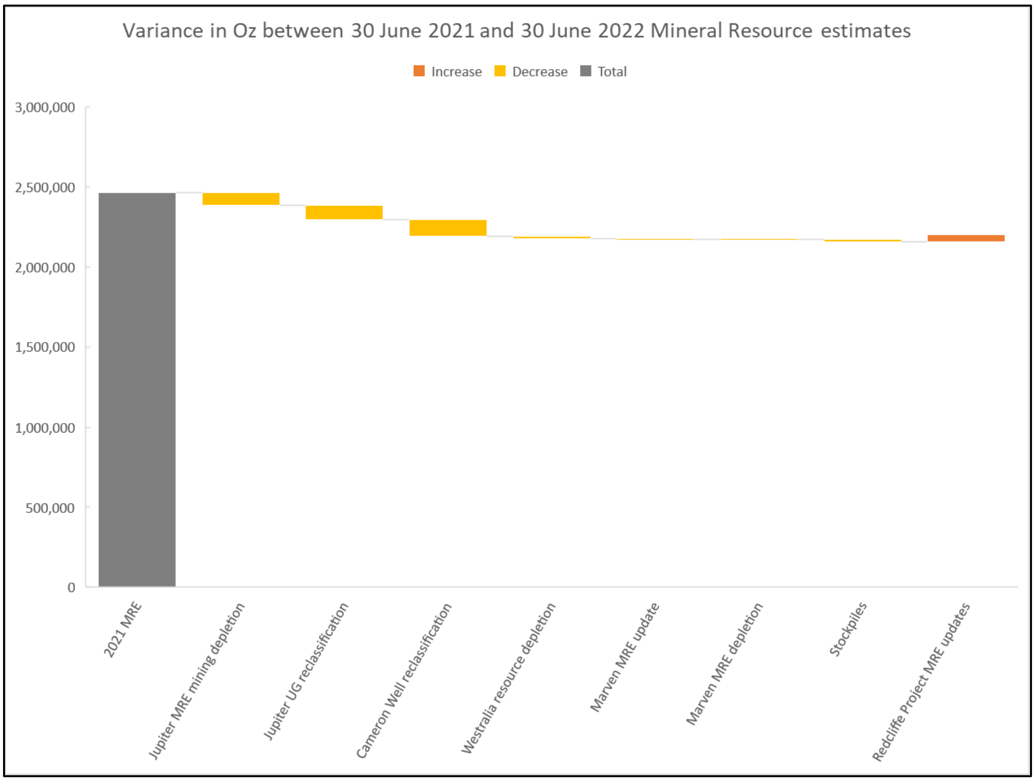


Figure 8: *Waterfall chart of ounce variance between 30 June 2021 and 30 June 2022 Mineral Resource estimates*

Jupiter Underground Resource Reclassification

As announced by the Company to ASX on 22 July 2022, the Jupiter underground MRE reported by Dacian on 31 August 2021[1] has been reclassified and is now part of a broader Exploration Target based on drilling data up to 9 June 2022.

The potential quantity and grade of the Exploration Target is conceptual in nature and therefore is an approximation. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The reclassified underground volume is now part of a broader Exploration Target[2], which has been prepared and reported in accordance with the 2012 edition of the JORC Code (see ASX announcement dated 22 July 2022).

The Exploration Target is estimated to contain between 31.8 Mt and 39.7 Mt at a grade ranging between 0.8 g/t Au and 1.6 g/t Au across the Jupiter Syenite hosted mineralisation.

Table 6*: Jupiter Deposit – Exploration Target Total*

Tonnage range (Mt)		Grade range (g/t Au)		Ounces range (oz Au)	
31.8	39.7	0.8	1.6	810,000	1,960,000

[1] Dacian Gold, 2021. "2021 Mineral Resources and Ore Reserves update." Announcement to the ASX, 31/08/2021. Cited 12/07/2022. 205p. Available: https://www.daciangold.com.au/site/PDF/d9b0ab1a-e277-42e5-8899-9f86064ede7e/2021MineralResourcesandOreReservesUpdate

ORE RESERVES

The total Ore Reserve estimate (ORE) for Mt Morgans and Redcliffe as at 30 June 2022 is shown in Table 7 below.

Table 7: *Total Ore Reserve estimate as at 30 June 2022*

Area	Deposit	Cut-off Grade	Proved			Probable			Total		
		Au g/t	Tonnes t	Au g/t	Au oz	Tonnes t	Au g/t	Au oz	Tonnes t	Au g/t	Au oz
Redcliffe	**Hub OP**	0.7				256,000	4.1	34,000	256,000	4.1	34,000
	GTS OP	*0.8/0.9/1.0				499,000	2.2	35,000	499,000	2.2	35,000
	Sub-total					**755,000**	**2.8**	**69,000**	**755,000**	**2.8**	**69,000**
Mt Morgans	**Mine Stockpiles**	0.5				371,000	0.7	9,000	371,000	0.8	9,000
	LG Stockpiles	0.5				1,249,000	0.6	23,000	1,249,000	0.6	23,000
	Sub-total					**1,620,000**	**0.6**	**32,000**	**1,620,000**	**0.6**	**32,000**
	TOTAL ORE RESERVE		**0**	**0.0**	**0**	**2,375,000**	**1.3**	**101,000**	**2,375,000**	**1.3**	**101,000**

*Oxide, transitional and fresh ore respectively.

Key Changes for Ore Reserves

The change in the updated Ore Reserve estimate compared to the June 2021 Ore Reserve is illustrated by Figure 9 and detailed below:

- Addition of Redcliffe Ore Reserve estimate totalling 51,000oz (ASX 17 February 2022)
- 30 June 2022 increase in the Hub Ore Reserve estimate of an additional 14,000oz for a total Ore Reserve estimate for Hub of 34,000oz
- 30 June 2022 increase in the GTS Ore Reserve estimate of an additional 3,000oz for a total Ore Reserve estimate of 35,000oz
- Mining depletion from 1st July 2021 to 30th June 2022 totals 90,800oz
- Withdrawal of MMGO Ore Reserve estimate of 261,000oz including Jupiter Open Pit, Westralia Underground and Dump Leach Stockpile
- Total 30 June 2022 Ore Reserve estimate of 101,200oz including ROM, LG Stockpile and Redcliffe

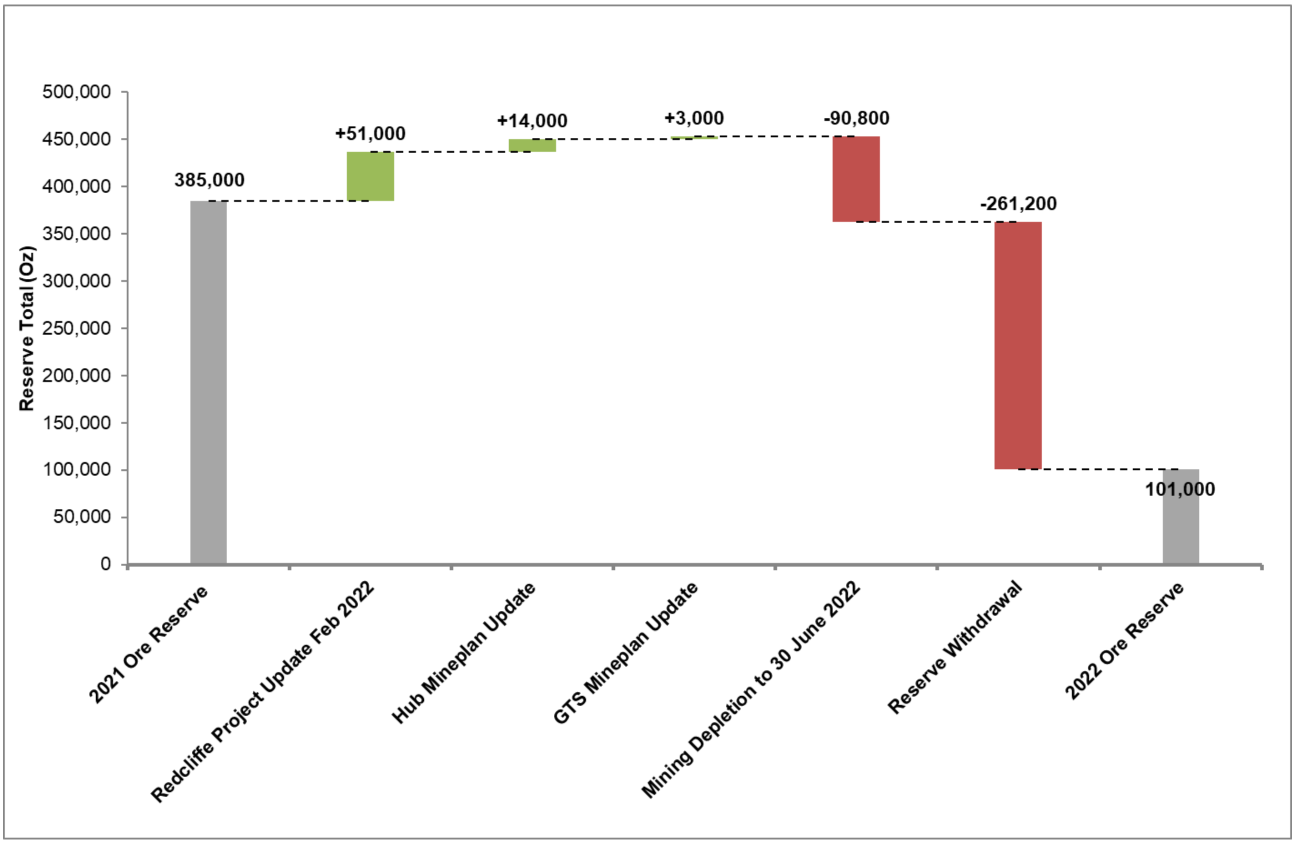


Figure 9: *Key variances between 30 June 2021 and 30 June 2022 Ore Reserve estimate*

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Mr. Dale Richards, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Richards is a full-time employee of Dacian Gold Limited. Mr Richards has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Richards. consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

EXPLORATION RESULTS

The information in this report that relates to Exploration Results is based on information compiled by Mr. Andrew de Joux, a Competent Person who is a member of The Australian Institute of Geoscientists. Mr de Joux is a full-time employee of Dacian Gold Limited. Mr de Joux has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr de Joux consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Where the Company refers to the Exploration Target for Jupiter in this report (referencing previous releases made to the ASX, it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the Exploration Target with that announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not materially changed from the original announcement.

MINERAL RESOURCES

The information in this report that relates to Mineral Resources is based on information compiled by Mr Alex Whishaw, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy. Mr Whishaw is a full-time employee of Dacian Gold Ltd. Mr Whishaw has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012). Mr Whishaw consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Where the Company refers to the Mineral Resources in this report (referencing previous releases made to the ASX including Beresford, Allanson, Mt Morgans – Phoenix Ridge, Transvaal, Ramornie, Craic, McKenzie Well, Heffernans, Doublejay, Ganymede, Maxwells, Bindy, Kelly, Redcliffe Deposit and Mesa – Westlode), other than mining depletion, it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the Mineral Resource estimate with that announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not materially changed from the original announcement.

ORE RESERVES

The information in this report that relates to Ore Reserves is based on information compiled by Mr Atish Kumar, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy. Mr Kumar was a full-time employee of Dacian Gold and currently is a full-time employee of Perth Mining Consultants Pty Ltd. Mr Kumar has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012). Mr Kumar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

DACIAN GOLD | LIMITED

DACIAN GOLD LIMITED

ABN 61 154 262 978

Annual Financial Statements
for the
Year Ended 30 June 2022

DACIAN GOLD LIMITED

DACIAN GOLD LIMITED
ABN 61 154 262 978

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

CONTENTS

DACIAN GOLD LIMITED

CORPORATE DIRECTORY

Directors

Michael Wilkes (Non-Executive Chair)
Eduard Eshuys (Non-Executive Director)
Sue-Ann Higgins (Non-Executive Director)

Company Secretary

Derek Humphry

Registered Office and Principal Place of Business

Level 19, 58 Mounts Bay Road
Perth WA 6000
Telephone: 08 6323 9000
Web site: www.daciangold.com.au
Email: info@daciangold.com.au

Auditor

BDO Audit (WA) Pty Ltd
Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

Share Registry

Computershare Investor Services Pty Ltd
Level 11, 172 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

The Company's corporate governance statement may be accessed on the Company's website at www.daciangold.com.au

DIRECTORS' REPORT

The Directors present the financial statements of Dacian Gold Limited ("the Company") and its controlled subsidiaries ("the Group") for the year ended 30 June 2022. In order to comply with the provisions of the Corporations Act 2001, the Directors' Report is as follows:

Directors

The Directors of the Company in office since 1 July 2021 and up to the date of this report are:

Michael Wilkes BE Mining, MBA

(Non-Executive Chair – a Non-Executive Director appointed on 10 September 2021 until his appointment as Non-Executive Chair on 23 March 2022)

Mr Wilkes is a seasoned mining professional with over 35 years of experience in the industry, principally in gold and base metals. He has specialised in project development, construction and operations throughout his career.

In the past 20 years he has been responsible as both a senior site manager and executive for the successful greenfield development of four major gold and copper mines, each creating substantial value for shareholders, local communities and Governments with aggregate annual production of over 600koz of gold and 200kt of copper. These developments included the Sepon Gold/Copper Mine in Laos, the Prominent Hill Copper/Gold Mine in South Australia, the Didipio Gold/Copper Mine in the Philippines, and the Haile Gold Mine in South Carolina, USA.

Most recently Mr Wilkes was the President and CEO of Canadian and Australian listed OceanaGold Corporation, building the Company from a junior producer in New Zealand to a multinational mid-tier producer with four operations across three countries and a strong growth pipeline.

Mr Wilkes was recently a member of the Board Administration Committee for the World Gold Council and is currently a member of the Advisory Board for the Sustainable Minerals Institute at the University of Queensland. He is also the Non-Executive Chairman of Kingston Resources Limited, and a Non-Executive Chair of Andromeda Metals Limited.

In the past 3 years, Mr Wilkes was Non-Executive Director of Matador Mining Limited from July 2020 to April 2022.

Eduard Eshuys

(Non-Executive Director)

Mr Eshuys is a geologist with several decades of exploration experience in Western Australia. His successes as Director of Resources for the Great Central Mines Group are well known. In the late 1980s and 1990s he led the teams that discovered the Plutonic, Bronzewing and Jundee gold deposits, and the Cawse Laterite Nickel Deposit. He led the subsequent development and gold production at Bronzewing and Jundee and nickel at Cawse. He has also led the discovery of nickel sulphides at Maggie Hays south of Southern Cross and Mariners nickel at Widgiemooltha WA in the 1970's. As the Managing Director and CEO from July 2004 to March 2009 developed St Barbara Limited into a substantial gold producer with the redevelopment of the Sons of Gwalia underground mine which subsequently produced in excess of 2 million ounces.

Mr Eshuys joined DGO Gold Limited on 15 July 2010 as Executive Chairman and had responsibility for corporate governance, discovery and investments focused on gold and copper, administration, board conduct and leadership. As Chairman, he ensured that the Company maintained a well-balanced, suitably qualified, focused and motivated management team working for the benefit of all shareholders. Mr Eshuys was a member of the Remuneration and Nomination Committee.

Mr Eshuys was Non-Executive Director of NTM Gold Limited which merged with the Company on 15 March 2021, at which time Mr Eshuys joined the Dacian Board.

During the past three years, Mr Eshuys has served as a Director of the following listed companies:

- DGO Gold Limited from 15 July 2010 to 24 June 2022;
- De Grey Mining Limited from 23 July 2019 to current date; and
- NTM Gold Limited from 26 March 2019 to 31 March 2021 when NTM Gold Limited merged with the Company.

Other than as stated above, Mr Eshuys has not served as a Director of any other listed companies in the three years immediately before the end of the 2022 financial year.

DIRECTORS' REPORT

Sue-Ann Higgins BA LLB (Hons), ACIS, GAICD

(Non-Executive Director – appointed 17 May 2022)

Ms Higgins is an experienced legal practitioner, company secretary and director with diversified skills and over 25 years of experience in senior legal, commercial and executive roles in the resources sector, including with ARCO Coal Australia Inc, WMC Resources Ltd, Oxiana Limited and Citadel Resource Group Limited.

With a focus on providing legal and commercial consulting services to mineral resources companies, Ms Higgins has extensive experience in governance and compliance, mergers and acquisitions, joint ventures, equity capital markets and mineral exploration, development and operations.

Ms Higgins holds Bachelor of Laws (Hons) and Bachelor of Arts degrees from the University of Queensland and Graduate Diplomas in Applied Finance and Investment and Company Secretarial Practice. She is a member of the Australian Institute of Company Directors, the Governance Institute of Australia and the Energy and Resources Law Association.

Ms Higgins is also an executive director and company secretary of Metal Bank Limited.

Other than as stated above, Ms Higgins has not served as a Director of any other listed companies in the three years immediately before the end of the 2022 financial year.

Robert Reynolds MAusIMM

(Non-Executive Chairman – resigned 23 March 2022)

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. Mr Reynolds was Non-Executive Chairman of Alacer Gold Corp until 23 August 2011.

With over 40 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 and has extensive experience in mineral exploration, development and mining operations.

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 was also previously a Director of Canadian company Exeter Resource Corporation when it was acquired by Goldcorp Inc. on 2 August 2017 for CAD$184 million. Mr Reynolds currently holds a Directorship with Canadian company Rugby Mining Limited.

Other than as stated above, Mr Reynolds has not served as a Director of any other listed companies in the three years immediately before his retirement from the Board.

Leigh Junk Dip Surv, GDip MinEng, Msc MinEcon, GAICD

(Managing Director & CEO – resigned 16 June 2022)

Mr Junk is a Mining Engineer with over 25 years of operational and executive management experience in numerous Australian mining companies across multiple commodities including gold, nickel and manganese.

Mr Junk has been a Director of several public companies in the mining and financial sectors in Australia and Canada, and most recently was the CEO and Managing Director of Doray Minerals Ltd until its merger with Silver Lake Resources in 2019.

Mr Junk was a co-founder of Donegal Resources Pty Ltd which was successful in purchasing and recommissioning several Nickel operations around Kambalda WA until it was sold to Canadian miner Brilliant Mining Corp.

In 2003, Mr Junk was the recipient of the Ernst & Young WA "Young Entrepreneur of the Year Award" and in 2007 was a winner in the WA Business News "40 Under 40 Award".

Other than as stated above, Mr Junk has not served as a Director of any other listed companies in the three years immediately before his retirement from the Board.

DIRECTORS' REPORT

Derek Humphry CA BCom/BEcon

(Company Secretary – appointed 8 December 2021)

Mr Humphry is a Chartered Accountant with over 20 years of experience in the resources industry. He has a strong background in the financial management of resource companies from feasibility, through to financing, development and operation.

Prior to joining Dacian Gold, Mr Humphry was Chief Financial Officer and Company Secretary of Nusantara Resources Limited which was pursuing the development of its 2.0M ounce gold project.

Mr Humphry's career has included senior management roles at dual ASX and HKex listed iron ore development company, Brockman Mining Limited, dual ASX and TSX listed gold mining company, Intrepid Mines Limited and gold and nickel miner, LionOre Mining Limited.

Kevin Hart B.Comm, FCA

(Company Secretary – resigned 8 December 2021)

Mr Hart is a Chartered Accountant and was appointed to the position of Company Secretary on 27 November 2012. He has over 35 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.

Meetings of Directors

The number of meetings of the Company's Board of Directors and each Board Committee held during the year ended 30 June 2022, and the number of meetings attended by each Director were:

Director	Board Meetings		Remuneration & Nomination Committee		Audit Committee	
	A	B	A	B	A	B
Michael Wilkes	17	17	1	1	1	1
Eduard Eshuys	19	19	2	2	2	2
Sue-Ann Higgins	7	7	-	-	-	-
Robert Reynolds	10	10	1	1	2	1
Leigh Junk	16	16	-	-	-	-

A = the number of meetings the Director was entitled to attend
B = the number of meetings the Director attended

Directors' interests

The following relevant interests in shares, options and performance rights 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 vested and exercisable	Number of rights over ordinary shares
Mick Wilkes	-	300,000	-
Eduard Eshuys	-	-	-
Sue-Ann Higgins	-	-	-

DIRECTORS' REPORT

Securities

Options

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

Number of options	Exercise price	Expiry date
300,000	$0.28	10 September 2026

During or since the end of the financial year, the Company has not issued any ordinary shares as a result of the exercise of options.

During the year 22,222,222 options expired.

Performance Rights

On 4 November 2021 the Company issued 10,617,758 performance rights to two groups of employees. These performance rights are subject to performance conditions. One group of employees received a total of 4,297,402 performance rights with a performance date of 30 June 2023 and the second group of employees received 6,320,356 performance rights with a performance date of 30 June 2024.

There were nil shares issued on exercise of performance rights during the year.

A reconciliation of performance rights outstanding at the date of this report appears below.

	Number of Rights
Rights outstanding at 30 June 2021	12,582,585
Rights issued during the year	10,617,758
Rights vested during the year	-
Rights forfeited during the year	(13,010,773)
Rights outstanding at 30 June 2022 and at the date of this report	10,189,570

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.

Nature of Operations and Principal Activities

Dacian is an Australian ASX-listed gold exploration and production company which owns the Mt Morgans Gold Operation including a 2.5Mtpa CIL treatment plant, and the Redcliffe Gold Project, with ~1,500km² tenement package comprising predominantly granted mining leases, within the Leonora-Laverton gold district of Western Australia.

The principal activities of the Group during the period were gold mining, processing and exploration at its tenement package. In June 2022, due to escalating costs, Dacian suspended its open pit and underground mining activities to refocus on exploration, with a particular focus on the Jupiter extension drilling program at Mt Morgans.

Operating and Financial Review

Consolidated net loss after tax for the year was $198.4 million (30 June 2021: Net loss $7.5 million).

Following the June 2022 closure of open pit mining and planned closure of underground mining at Mt Morgans and the pivot towards exploration, the Company reviewed its carrying value of assets and recognised an impairment as follows:

- $76.3M impairment to mine properties;
- $49.1M impairment to exploration and evaluation assets; and
- $13.1M derecognition of deferred tax assets for previously recognised carry forward tax losses.

DIRECTORS' REPORT

Operating and Financial Review (continued)

A summary of the operating result for the Group is set out below:

Key Financial Data	2022 $'000	2021 $'000	Change $'000	Change %
Financial Performance				
Sales revenue	223,665	241,623	(17,958)	(7)
Costs of sales (excluding D&A)[i]	(162,819)	(153,006)	(9,813)	6
Exploration	(24,157)	(20,318)	(3,839)	19
Corporate, admin and other costs	(6,373)	(9,448)	3,075	33
Adjusted EBITDA[i]	30,316	58,851	(28,535)	(48)
Losses on derivative instruments	-	(45)	45	100
Impairment losses on assets	(125,395)	-	(125,395)	(100)
Depreciation & amortisation (D&A)	(91,080)	(64,373)	(26,707)	(41)
Net interest expense	(1,234)	(1,934)	700	(33)
Loss before tax	(187,393)	(7,501)	(179,892)	(2,399)
Income tax (expense)	(11,040)	-	(11,040)	(100)
Reported (loss) after tax	(198,433)	(7,501)	(190,932)	(2,546)
Financial Position				
Cash flow from operating activities	31,819	55,479	(23,660)	(43)
Cash flow from investing activities	(67,358)	(46,669)	(20,689)	(44)
Cash and cash equivalents	17,464	35,942	(18,478)	(51)
Net assets	110,000	277,037	(167,037)	(60)
Basic earnings per share (cents per share)	(19.3)	(1.2)	(18.1)	(1,508)
Diluted earnings per share (cents per share)	(19.1)	(1.2)	(17.9)	(1,492)

[i] Adjusted EBITDA is a measure of earnings before interest, losses on derivative financial instruments, taxes, depreciation and amortisation. Cost of sales (excluding D&A) and EBITDA are non-IFRS financial information and are not subject to audit. These measures are included to assist investors to better understand the performance of the business

Mt Morgans Gold Operation

Full year production was 90,809 ounces of gold at an All-In Sustaining Cost ("AISC") of $1,955 per ounce (30 June 2021: 106,919 ounces of gold produced at an AISC of $1,556 per ounce). The processing plant milled 2.91 million tonnes for the year at a head grade of 1.1 g/t Au and recovery of 91.7% (30 June 2021: 2.95 million tonnes for the year at a head grade of 1.2 g/t Au and recovery of 91.5%).

Gold sales revenue of $223.1 million (30 June 2021: $241.1 million) was generated from the sale of 91,495 ounces of gold at an average price of $2,439 per ounce (30 June 2021: 108,270 ounces at an average price of $2,226 per ounce). Total cost of goods sold inclusive of amortisation and depreciation was $253.4 million (30 June 2021: $216.9 million).

The dominant source of ore feed to the processing plant during the year was from Doublejay and Heffernans pits at Jupiter with additional feed being sourced from Westralia underground mines. The Doublejay 07 open pit was completed successfully in June 2022.

DIRECTORS' REPORT

Operating and Financial Review (continued)

The following table summarises the production results for the year ended 30 June 2022.

	UOM	2022	2021	Change	Change %
Open Pit Operations					
Ore Mined	Kt	2,674	3,855	(1,181)	(31)
Mined Ore Grade	g/t	1.0	1.0	-	-
Contained Gold	oz	86,537	125,159	(38,622)	(31)
Waste Mined	Kbcm	5,553	8,757	(3,204)	(37)
Underground Operations					
Stope Ore Mined	Kt	36	63	(27)	(43)
Development Ore Mined	Kt	65	-	65	100
Mined Ore Grade	g/t	3.4	4.6	(1.2)	(26)
Contained Gold	oz	10,887	9,182	1,705	19
Processing					
Ore Milled	Kt	2,910	2,947	(37)	(1)
Head Grade	g/t	1.1	1.2	(0.1)	(8)
Recovery	%	91.7%	91.5%	0.2	0.2
Gold recovered	oz	90,809	106,919	(16,110)	(15)
Gold Sold	oz	91,495	108,270	(16,775)	(15)
Realised average gold price	A$/oz	2,439	2,226	213	10
Gold on Hand	oz	1,577	2,507	(930)	(37)
AISC	A$/oz	1,955	1,556	399	26

COVID-19 Response

The COVID-19 pandemic has presented several challenges to the industry and the Company has been proactive in its response by implementing a range of protective and preventative measures. Mt Morgans Gold Operation, through its COVID-19 management plan, is continuing to operate with changes made such that persons at site have reduced exposure to potential sources of COVID-19 and are able to abide by social distancing requirements and hygiene standards. During lockdowns, site personnel have been required to extend rosters to remain at site until flights re-commenced to facilitate normal workforce roster rotation.

Redcliffe Project

In March 2021, Dacian acquired the Redcliffe Gold Project via a merger with NTM Gold Limited. The Redcliffe Gold Project is located 45-60km northeast of Leonora in the Eastern Goldfields Region of Western Australia. The Redcliffe Gold Project area comprises over ~890km^2 and overlies Archean-aged greenstones. The primary focus of exploration within the tenements is the Mertondale Shear Zone (MSZ), a regional structure with demonstrated gold mineralisation.

The Redcliffe Project includes the Redcliffe, Hub, GTS, Nambi, Kelly, Bindy and Mesa Westlode deposits.

Since acquisition of the Redcliffe Project, Dacian has conducted drilling programs designed to improve geological confidence and advance the Hub, GTS and Nambi deposits through to mining studies. During FY2022, Dacian conducted further Mineral Resource definition drilling, grade control drilling, mining studies, geotechnical, hydrological and sterilisation drilling programs to advance open pit development of the Hub and GTS deposits, and Mineral Resource definition drilling at the Nambi deposit. The potential for underground extraction at Hub, GTS and Nambi was also considered in the above resource development programs.

Development works for commencement of mining at the Hub and GTS open pits continued during FY2022, pending government approval of the mining proposal. Given delays in Government approvals and access arrangements, coupled with continuing escalating costs, Dacian is re-assessing future production options at Hub and GTS which align with the new strategy for the Mt Morgans operations.

DIRECTORS' REPORT

Operating and Financial Review (continued)

Exploration

During the year, the Group's exploration program was focussed on defining base load exploration targets using a mineral systems approach. This included geophysical data reprocessing and interpretation, geochemical soil sampling, structural and geomechanical investigation, selected geochronological analysis, petrography and exploration and resource definition drilling across Dacian's various deposits and tenements.

The Jupiter extension program became the primary exploration focus during FY22 and into FY23 following broad mineralised intercepts below the current Jupiter final pit design. These exploration results supported a revised approach to the Jupiter strategy, with subsequent exploration designed to delineate bulk mineralisation below the Cornwall Shear Zone. The Jupiter complex spans approximately 2km with variable widths ranging between 50m to 300m. The complex consists of an extensive syenite intrusive system, associated mafics, and structures, with several identified pipes and linking dykes beneath and between the Heffernans, Doublejay and Ganymede open pits. The Jupiter syenite intrusive system is interpreted to be associated with the main Kurnalpi gold mineralisation event.

Through its target generation and development work, Dacian has demonstrated its syenite systems are suitable hosts for deposits of significant scale. Dacian commenced a three-phase program targeting its known syenite pipes below the Jupiter mining complex.

Phase 1 results produced multiple wide intersections in bulk stockwork mineralisation at the syenite basalt contact, and within the syenite pipes, below the Jupiter open pits at Ganymede, Heffernans and Doublejay, confirming mineralisation of significant width and scale associated with the syenite intrusive system, over a strike extent of ~2km.

Phase 2 of the program, which is ongoing, includes drilling targeting potential bulk extractable mineralisation to ~400m from surface across the entire length of the Jupiter complex.

Following completion of Phase 2, Dacian will commence Phase 3, comprising mineral resource estimation and order of magnitude studies for potential expansion of large-scale mining operations. Additional drilling programs will be identified during this phase of study which will be required to improve the geological confidence in the interpretation and support further mining studies.

Exploration activities at the southern tenement area, identified three priority targets along the granite-greenstone contact at Robinta, Habibi, and Liberte/Ambassador. Anomalism over all three targets has been determined through results of ultra-fine soil sampling, over coincident geophysical target definition. Infill soil sampling has been conducted, in addition to a stratigraphic drilling program with results pending for these exploration programs.

Financial Position

The Group held cash on hand as at 30 June 2022 of $17.5 million (30 June 2021: $35.9 million). As at 30 June 2022, the Group has a working capital surplus of $7.7 million (30 June 2021: $13.0 million surplus).

At 30 June 2022, the Group's net asset position, following impairment, decreased to $110.0 million (30 June 2021: $277.0 million).

During the year the operation delivered 51,974 ounces of gold production into project finance related hedging, realising a hedge decrement of $10.6 million. This significantly reduced the out of the money hedge position from $2.7 million at 30 June 2021 down to $0.3 million at 30 June 2022. At 30 June 2022, committed remaining hedging totalled 10,500 ounces at a weighted average delivery price of A$2,667 per ounce on hedge contracts for delivery over the period to 31 December 2022 (30 June 2021: 27,324 ounces at a weighted average delivery price of A$2,238 per ounce).

In addition, the Group made $14.2 million in debt facility repayments during the year reducing these borrowings at 30 June 2022 to $2.0 million (30 June 2021: $16.2 million).

DIRECTORS' REPORT

Significant Changes in the State of Affairs

In June 2022 the Company provided an operating update where it advised that the rapid change of the operating environment over the prior 6 months, had seen significant inflationary cost pressures which resulted in an increase in cost base, prompting a review of the operating strategy as follows:

- Open pit mining operations at Jupiter suspended by the end of June 22;
- Underground mining to continue until the previously developed stopes have been mined in Q1, FY23;
- Open pit mining at Hub at Redcliffe deferred;
- Processing of existing low grade stockpiles to commence in Q1, FY23;
- Development of a new operating regime for any future return to production, which reduces costs and maximises future cash flows; and
- Exploration focussing on increasing resources from the significant potential beneath and alongside the Jupiter open pits.

There were no other significant changes in the state of affairs of the Group during the financial year, not otherwise disclosed in this report.

Events Subsequent to the Reporting Date

Shortly after year end on 5 July 2022, Genesis Minerals Limited (GMD) announced an off-market takeover offer (Offer) for the Company. Subject to satisfaction or waiver of the conditions set out in the Bidder's Statement lodged with ASX on 29 July 2022, Dacian Shareholders will be entitled to receive 0.0843 fully paid ordinary shares in GMD for every Dacian share held. Dacian lodged its Target's Statement with the ASX on 29 July 2022.

On 12 July 2022, the Company completed a placement of shares to GMD to raise $12.6M to fund the pivot to exploration during the takeover Offer period.

Other than the items noted above, 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 Group, the results of those operations or the state of affairs of the Group, in subsequent financial years.

Likely Developments and Expected Results

There are no other likely developments of which the Directors are aware which could be expected to significantly affect the results of the Group's operations in subsequent financial years not otherwise disclosed in the Nature of Operations and Principal Activities and Operating and Financial Review or the Events Subsequent to the Reporting Date sections of the Directors' Report.

Environmental Regulation and Performance

The Group's mining and exploration activities are subject to significant conditions and environmental regulations under the Commonwealth and Western Australia State Governments.

So far as the Directors are aware, all 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.

DIRECTORS' REPORT

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 Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

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

Non-audit services

During the year BDO (WA) Pty Ltd, the Group auditor, provided no non-audit services. Where non-audit services are sought from the Group auditor the directors seek assurance that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act is attached to the Directors' Report.

Rounding off

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars ($'000) unless otherwise stated.

DIRECTORS' REPORT

Remuneration Report (Audited)

Remuneration paid to Directors and Officers of the Group is set by reference to such payments made by other ASX listed companies of a similar size and operating in the mining and 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 this Remuneration Report.

Key Management Personnel

Details of the Key Management Personnel ("KMP") of the Company and their movements during the year ended 30 June 2022 are set out below:

Mr Michael Wilkes	Non-Executive Director – appointed a Non-Executive Director on 10 September 2021 until his appointment as Non-Executive Chair on 23 March 2022
Mr Eduard Eshuys	Non-Executive Director
Ms Sue-Ann Higgins	Non-Executive Director – appointed 17 May 2022
Mr Robert Reynolds	Non-Executive Chairman – resigned 23 March 2022
Mr Leigh Junk	Managing Director & CEO – resigned 16 June 2022
Mr Dale Richards[i]	Chief Executive Officer – appointed 16 June 2022
Mr Derek Humphry	Chief Financial Officer - appointed Company Secretary 8 December 2021
Mr James Howard	Chief Operating Officer – resigned 21 January 2022

(i) Dale Richards was appointed Chief Executive Officer on 16 June 2022 coinciding with his appointment as KMP. Mr Richards previously held the role of General Manager, Geology and Exploration

Remuneration and Nomination Committee

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

The Remuneration and Nomination Committee is responsible for reviewing and making recommendations to the Board which has ultimate responsibility for the following remuneration matters:

1. Setting remuneration packages for Executive Directors, Non-Executive Directors and other KMP; 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.

Fees payable to Non-Executive Directors are set within the aggregate amount approved by shareholders at the Company's Annual General Meeting.

Non-Executive Directors' fees are payable in the form of cash and superannuation.

Non-Executive superannuation contributions are limited to statutory superannuation entitlements.

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.

DIRECTORS' REPORT

Remuneration Report Audited (Continued)

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 terminate their contract on written notice to the Company; and
2. A Non-Executive Director may, following resolution of the Company's shareholders, 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 as Non-Executive Directors, the Company will pay the Director $85,000 plus statutory superannuation per annum.

In consideration of the services provided by the Non-Executive Chair, the Company will pay $150,000 plus statutory superannuation per annum.

Additional fees may be paid to Non-Executive Board members who are appointed to the Chair role of a Board subcommittee, although this practice was suspended at year end following the suspension of open pit mining activities and the pivot to exploration.

Non-Executive Directors 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 2022, the Company incurred no additional fees in respect of additional services provided by Non-Executive Directors.

Shareholding Qualifications

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

Executive Director and Other Key Management Personnel Remuneration

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

1. The Company can attract and retain Directors and Executives;
2. Remuneration aligns the Executive team to pursue long term growth and success of the Company;
3. Remuneration packages incorporate a balance between fixed and variable remuneration, reflecting short and long-term performance objectives appropriate to the Company's circumstances and objectives; and
4. 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.

Use of Remuneration Consultants

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

Incentive Plans

The Board, acting in remuneration matters:

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

DIRECTORS' REPORT

Remuneration Report Audited (continued)

The Company provides long-term incentives to Directors and Employees which are pursuant to the Employee Securities Incentive Plan which was approved by shareholders on 30 November 2020 (AGM). Short term incentives are also awarded to Employees to align remuneration with the strategy and performance of the Company.

Engagement of Executives

Mr Dale Richards – Chief Executive Officer

In respect of his engagement as Chief Executive Officer, Mr Richards will receive a salary of $462,545 per annum plus 10.5% superannuation (Total Fixed Remuneration). His executive service agreement includes a minimum term of thirteen months, following which his engagement may be terminated by either party giving six months' notice, or by Mr Richard's giving one month's notice in the event of a fundamental change to his role, responsibilities or remuneration. Termination benefits of 6 month's base salary apply for termination for fundamental change. The CEO's engagement may also be terminated at any time, with no notice, for cause, bankruptcy or incapacity. The Company may elect to make payment in lieu of any required notice.

Mr Richards may be invited to participate in short-term and long-term incentive schemes. The performance criteria, percentage of base salary, assessment and timing of which are determined at the discretion of the Board.

Mr Derek Humphry – Chief Financial Officer and Company Secretary

The terms of Mr Humphry's employment contract governing his role as Chief Financial Officer, are summarised below.

In respect of his engagement as Chief Financial Officer, Mr Humphry will receive a salary of $400,200 per annum plus 10.5% superannuation (Total Fixed Remuneration).

The Company or Mr Humphry may terminate the contract at any time by the giving of three months' notice. In addition, there are certain specific termination notice periods applicable to Company change of control events or ill health. The Company may elect to pay Mr Humphry in lieu of part or all of the notice period specified in the contract.

Mr Humphry may be invited to participate in short-term and long-term incentive schemes. The performance criteria, percentage of base salary, assessment and timing of which are determined at the discretion of the Board.

Voting and comments made at the Company's 2021 Annual General Meeting ("AGM")

At the last Annual General Meeting 98.7% of the shareholders voted to adopt the remuneration report for the year ended 30 June 2021. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Consequences of Company Performance on Shareholder Wealth

The Company aims to align executive remuneration to strategic and business objectives and the creation of shareholder wealth. The table below outlines indicators of Company performance over the last five years as required by the Corporations Act 2001.

	2022 $'000	2021 $'000	2020 $'000	2019 $'000	2018 $'000
Revenue	223,665	241,623	270,047	132,821	-
Net profit/(loss) after tax	(198,433)	(7,501)	(116,464)	3,018	(5,402)
Net assets	110,000	277,037	162,642	184,875	132,866
Market Capitalisation	88,976	236,763	244,756	119,628	586,658
	2022 $/share	2021 $/share	2020 $/share	2019 $/share	2018 $/share
Share Price	0.08	0.26	0.44	0.53	2.85

These indicators are not always consistent with those used to determine variable amounts of remuneration awarded to KMP, as discussed below. As a result, there may not always be a correlation between these statutory performance indicators and the quantum of variable remuneration awarded to KMP.

DIRECTORS' REPORT

Remuneration Report Audited (continued)

Short-Term Incentives

The Remuneration and Nomination Committee may, at its sole discretion, set the Key Performance Indicators ("KPIs") for the Executive Directors or other Executive Officers. The KPIs are chosen to align the reward of the individual Executives to the strategy and performance of the Company. The KPIs, 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 by the Board that the individual performance standard has fallen below the minimum requirement.

The Short-Term Incentive ("STI") scheme provides eligible employees with the opportunity to earn a cash bonus if certain financial hurdles and other KPIs are achieved. The Board has determined that the Company will not pay an STI if there is a fatality within the business.

All Executive KMP are eligible to participate in the STI plan. Awards are capped at 100% of the target opportunity. The target opportunity for the Chief Executive Officer is 40% of base salary and 30% of base salary for other Executive KMP. A summary of the KPI targets which are assessed on an annual basis for FY22 and their respective weightings is as follows:

STI FY2022

KPI	Weighting	Measure
1. Safety & Environment	10%	Safety indicators targets are to reduce Total Recordable Injury Rate (TRIFR) below FY21 levels and no Environment regulatory non-compliance
2. Production	30%	Gold Production for the Performance Period is within (or exceeds) the Gold Production Target Range established in market guidance
3. Costs	30%	AISC for the Performance Period is within (or is less than) the AISC Target Range established in market guidance
4. Growth and Discovery	20%	Test base load targets
5. Redcliffe Project	10%	Commence mining by 30 June 2022

Based on an assessment, STI payments for financial year 2022 to Executives were as follows:

Name	Position	Maximum STI opportunity	% of STI Achieved	Awarded STI
Dale Richards[i]	General Manager Geology and Exploration	30% of Base Salary	9% of Base Salary	$35,524
Derek Humphry	Chief Financial Officer	30% of Base Salary	9% of Base Salary	$36,797

(i) Mr Richards was appointed Chief Executive Officer on 16 June 2022

DIRECTORS' REPORT

Remuneration Report Audited (continued)

Options over Unissued Shares

300,000 options were granted during the 2022 financial year (2021: Nil). 22,222,222 options lapsed during the 2022 financial year. The table below outlines movements in options during 2022 and the balance held by each KMP at 30 June 2022.

The options were 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.

Name	Grant date	Number of options held at 1 July 2021	Fair value of options	Exercise price	Vesting date	Expiry date	Number vested & Exercisable	Number expired unexercised during the year	Balance at the end of the year
Michael Wilkes	13/09/2021	-	$23,280	$0.28	13/09/2021	10/09/2026	300,000	-	300,000
Total		-					300,000	-	300,000

All options were granted for nil consideration. Options lapse if the KMP ceases employment with the Company. The fair value of options was calculated at the date of grant using the Black Scholes option pricing model which determined the fair value per option to be $0.0776. The value was expensed immediately.

Exercise of Options Granted as Compensation

During the year, no shares were issued on cashless exercise of options previously granted as compensation.

Long-Term Incentives

Under the Dacian Gold Limited Employee Securities Incentive Plan, performance rights are offered to executives to align remuneration with the creation of shareholder wealth.

Performance Rights Granted under the Long-Term Incentive Scheme

Performance rights were issued to KMP during the 2022 financial years pursuant to the Dacian Gold Limited Employee Securities Incentive Plan.

The performance rights are granted for nil consideration and vest subject to certain operational and market performance conditions being met. The fair value of the performance rights granted were determined using Monte Carlo simulation, a review of historical share price volatility and correlation of the share price of the Company to its peer group. The fair value is allocated to each reporting period evenly over the period from grant date to vesting date.

During the financial year the Company issued 10,617,758 Performance Rights (2021: 5,325,482) to employees in respect of the LTI component of their FY22 remuneration. This included 2,025,043 Performance Rights (2021: 977,273) issued to KMP in respect of the LTI component of their financial year 2022 remuneration.

Name	Maximum LTI Opportunity	Number of Performance Rights granted during FY22	Fair Value of Performance Rights
Dale Richards	50% of Base Salary	650,243	$0.15
Derek Humphry	50% of Base Salary	687,400	$0.15
James Howard[i]	50% of Base Salary	687,400	$0.15

(i) Mr Howard resigned effective 21 January 2022 following which the above Performance Rights lapsed

The table below outlines the movements in performance rights during the 2022 financial year and the balance held by each KMP at 30 June 2022.

DIRECTORS' REPORT

Remuneration Report Audited (continued)

Name	Balance at 1 July 2021	Granted in FY22	Vested	Lapsed	Balance at 30 June 2022	Maximum value to expense
Dale Richards	367,183	650,243	-	-	1,017,426	112,531
Derek Humphry	423,673	687,400	-	-	1,111,073	122,425
Leigh Junk[i]	8,333,334	-	-	(8,333,334)	-	-
James Howard[ii]	553,600	687,400	-	(1,241,000)	-	-
Total	9,677,790	2,025,043	-	(9,574,334)	2,128,499	234,956

(i) Mr Junk resigned effective 16 June 2022 following which the above Performance Rights lapsed

(ii) Mr Howard resigned effective 21 January 2022 following which the above Performance Rights lapsed

(iii) The balance of Performance Rights at 30 June 2022 have not yet vested. The accounting expense is spread over life of the right. The maximum remaining value of the unvested deferred shares has been determined as the amount of the grant date fair value of the rights that is yet to be expensed. The minimum value of deferred shares yet to vest is nil, as the shares will be forfeited if the vesting conditions are not met

On vesting, each right automatically converts to one ordinary share. If the employee ceases employment before the rights vest, the rights will be forfeited and lapse, except in limited circumstances that are approved by the Board.

The tables below detail the terms and conditions of the grant and the assumptions used in estimating fair value for performance rights issued to KMP during the 2022 financial year.

Item			
Grant date	4 November 2021	4 November 2021	4 November 2021
KMP	D Richards	D Humphry	J Howard
Number of rights	650,243	687,400	687,400
Value of underlying security at grant date[i]	\$0.215	\$0.215	\$0.215
Fair value (RTSR Rights)	\$0.16	\$0.16	\$0.16
Fair value (ATSR Rights)	\$0.10	\$0.10	\$0.10
Dividend yield	0%	0%	0%
Risk free rate	1.37%	1.37%	1.37%
Volatility	60%	60%	60%
Performance period (years)	3	3	3
Assessment date	30 June 2024	30 June 2024	30 June 2024
Remaining performance period (years)	2	2	2

(i) Fair value (Reserve Growth) equal to value of underlying security at grant date

The performance rights granted to KMP are subject to certain operational and market performance conditions being met and vest on the measurement date. The number of performance rights that vest will be subject to the Company's performance against total shareholder return and Company performance vesting conditions.

KMP	Tranche Amount	Weighting	Performance Conditions
Dale Richards	216,748	33% of the Performance Rights	RTSR performance to peers[i] above 50th percentile (measured over a 3 year period 1 July 21 to 30 June 24)
	216,748	33% of the Performance Rights	ATSR performance on share price (measured over a 3 year period 1 July 21 to 30 June 24
	216,748	33% of the Performance Rights	Reserve Growth[ii] (measured over a 3 year period 1 July 21 to 30 June 24)
Derek Humphry	229,133	33% of the Performance Rights	RTSR performance to peers[i] above 50th percentile (measured over a 3 year period 1 July 21 to 30 June 24)
	229,133	33% of the Performance Rights	ATSR performance on share price (measured over a 3 year period 1 July 21 to 30 June 24
	229,133	33% of the Performance Rights	Reserve Growth[ii] (measured over a 3 year period 1 July 21 to 30 June 24)
James Howard	229,133	33% of the Performance Rights	RTSR performance to peers[i] above 75th percentile (measured over a 3 year period 1 July 21 to 30 June 24)
	229,133	33% of the Performance Rights	ATSR performance on share price (measured over a 3 year period 1 July 21 to 30 June 24
	229,133	33% of the Performance Rights	Reserve Growth[ii] (measured over a 3 year period 1 July 21 to 30 June 24)

DIRECTORS' REPORT

Remuneration Report Audited (continued)

(i) Peers selected for the measure are Capricorn Metals Ltd, Red 5 Ltd, Ramelius Resources Ltd, Westgold Resources Ltd, Calidus Resources Ltd, Gascoyne Resources Ltd, Bellevue Gold Ltd, Ora Banda Mining Ltd and Wiluna Mining Corporation Ltd. The performance of the Peer Companies will be adjusted/normalised by the Board in circumstances where one or more of those comparator companies cease to be listed on the ASX, or at the Board's discretion may change from time to time.

Relative Total Shareholder Return ("RTSR") performance to peers measured over the performance period which is applicable to each tranche.

RTSR Vesting conditions

- Below 50th percentile TSR – Nil vest
- At 50th percentile TSR – 50% vest
- 50th – 75th percentile TSR – pro-rata vest
- Above 75th percentile – 100% vest

(ii) Reserve Growth (Ore Reserve change) is measured through comparison of the Annual JORC compliant Reserves & Resource Statement and assessed over the Performance Period applicable to each Tranche.

Reserve growth can be derived from organic growth or through acquisition.

- Negative Ore Reserve Growth – Nil vest
- Mined depletion replaced – 50% vest
- Depletion replacement to 25% increase – pro-rata between 50% and 100% vest
- 25% increase in Ore Reserves or greater – 100% vest

Shares Granted as Remuneration

No shares were issued as remuneration during the financial year.

Remuneration Disclosures

The details of the remuneration of each Director and member of KMP of the Company for the years ending 30 June 2022 and 2021 are as follows:

2022	Short-term		Post employment	Termination benefits	Long-term	Share-based payment		
	Cash Salary (i)	Cash Bonus (ii)	Super-annuation		Long Service Leave	Options /Rights (iii)	Total	Performance Related
	$	$	$		$	$	$	%
M Wilkes (iv)	93,818	-	8,750	-	-	23,280	125,848	18.5
E Eshuys	100,000	-	10,000	-	-	-	110,000	-
S Higgins (vi)	10,679	-	1,068	-	-	-	11,747	-
R Reynolds (v)	109,807	-	10,981	-	-	-	120,788	-
L Junk (viii)	561,621	-	84,912	425,663	-	- (viii)	1,072,196	-
D Richards (vii)	396,140	35,524	36,189	-	2,330	61,390	531,573	18.2
D Humphry	420,013	36,797	26,784	-	1,609	68,361	553,564	19.0
J Howard (ix)	213,966	-	15,885	7,604	45,311	- (ix)	282,766	-
Total	1,906,044	72,321	194,569	433,267	49,250	153,031	2,808,482	8.0

(i) Salary includes movements in annual leave provision during the year. Entitlements cashed out above the minimum statutory superannuation threshold have been included in salaries

(ii) Cash bonus paid is inclusive of superannuation. Short term bonus paid in July 2022 relating to the June 2022 financial year are included

(iii) Share based payment expense is non-cash and represents an estimate of potential value. The fair value is allocated to each reporting period evenly over the period from grant date to vesting date

(iv) Mr Wilkes was appointed Non-Executive Director on 10 September 2021 until his appointment as Non-Executive Chair on 23 March 2022

(v) Mr Reynolds resigned 23 March 2022

(vi) Ms Higgins was appointed Non-Executive Director on 17 May 2022

DIRECTORS' REPORT

Remuneration Report Audited (continued)

(vii) Mr Richards was appointed Chief Executive Officer on 16 June 2022
(viii) Mr Junk resigned 16 June 2022. Due to his resignation there was a net credit balance of ($1,354,193) as a result of the reversal of previously expensed share based payments expense from grant date to resignation date
(ix) Mr Howard resigned 21 January 2022. Due to his resignation there was a net credit balance of ($36,002) as a result of the reversal of previously expensed share based payments expense from grant date to resignation date

2021	Short-term		Post employment	Termination benefits	Long-term	Share-based payment		
	Cash Salary	Cash Bonus	Super-annuation		Long Service Leave	Share rights	Total	Performance Related
	$	$	$		$	$	$	%
R Reynolds(i)	88,402	-	8,398	-	-	-	96,800	-
L Junk	558,472	110,000	52,250	-	1,832	922,750	1,645,304	62.8
E Eshuys(ii)	23,334	-	2,217	-	-	-	25,551	-
I Cochrane(iii)	117,316	-	11,145	-	-	-	128,461	-
B Patterson(iv)	33,333	-	3,167	-	-	-	36,500	-
J Howard	361,439	52,500	25,000	-	11,733	54,159	504,831	21.1
D Humphry(v)	274,328	35,000	18,830	-	206	27,553	355,917	17.6
G Dyker(vi)	6,590	-	5,424	196,965	(18,312)	(93,622)	97,045	N/A(ix)
Total	1,463,214	197,500	126,431	196,965	(4,541)	910,840	2,890,409	40.1

(i) Mr Reynolds was a Non-Executive Director until his appointment as Non-Executive Chairman on 10 May 2021
(ii) Mr Eshuys was appointed Non-Executive Director on 16 March 2021
(iii) Mr Cochrane resigned 10 May 2021
(iv) Mr Patterson resigned 30 November 2020
(v) Mr Humphry was appointed 12 October 2020
(vi) Mr Dyker resigned 15 July 2020

Shareholdings
The number of shares in the Company held during the financial year by KMP of the Company, including their related parties, are set out below.

Name	Balance at start of the year	Vested and issued as remuneration	Purchases/(sales)	Balance at the end of the year
Michael Wilkes	-	-	-	-
Eduard Eshuys(ii)	-	-	-	-
Sue-Ann Higgins	-	-	-	-
Robert Reynolds(i)	3,063,888	-	-	N/A
Leigh Junk(iii)	1,959,076	-	107,143	N/A
Dale Richards	-	-	-	-
Derek Humphry	200,000	-	107,143	307,143
James Howard(iv)	115,479	-	-	N/A

(i) Mr Reynolds resigned 23 March 2022
(ii) Mr Eshuys is Executive Chairman of public company DGO Gold Limited, which holds 64,058,548 shares and 22,222,222 options expiring 31 March 2022, exercisable into shares in the Company at $0.27 per option
(iii) Mr Junk resigned 16 June 2022
(iv) Mr Howard resigned 21 January 2022

DIRECTORS' REPORT

Remuneration Report Audited (continued)

Loans made to Key Management Personnel

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

Other Transactions with Key Management Personnel

For the year ended 30 June 2022, there have been no other transactions with, and no amounts are owing to or owed by KMP.

End of Remuneration Report

DIRECTORS' REPORT

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 31st day of August 2022

Mick Wilkes
Non-Executive Chair

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Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF DACIAN GOLD LIMITED

As lead auditor of Dacian Gold Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Dacian Gold Limited and the entities it controlled during the period.

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 31 August 2022

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

		Consolidated	
	Note	30 June 2022 $'000	30 June 2021 $'000
Revenue	2	223,665	241,623
Cost of goods sold	3	(253,377)	(216,920)
Gross (Loss) / Profit		(29,712)	24,703
Corporate employee expenses	3	(3,963)	(3,880)
Share-based employee expense	19	751	(1,294)
Borrowing and finance costs	3	(1,694)	(2,575)
Exploration	11	(24,157)	(20,318)
Losses on derivative instruments		-	(45)
Other expenses	3	(3,223)	(4,092)
Impairment loss on assets	3	(125,395)	-
(Loss) before income tax		(187,393)	(7,501)
Income tax (expense)	4	(11,040)	-
Net (loss) for the year attributable to the members of the parent entity		(198,433)	(7,501)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive (loss) for the year attributable to the members of the parent entity	17	(198,433)	(7,501)
(Loss) per share			
Basic (loss) per share attributable to ordinary equity holders of the parent (cents per share)	5	(19.3)	(1.2)
Diluted (loss) per share attributable to ordinary equity holders of the parent (cents per share)	5	(19.1)	(1.2)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	Consolidated 30 June 2022 $'000	30 June 2021 $'000
Current assets			
Cash and cash equivalents	7	17,464	35,942
Receivables	8	3,797	3,906
Inventories	9	21,391	19,431
Total current assets		42,652	59,279
Non-current assets			
Property, plant and equipment	10	72,786	89,544
Exploration and evaluation assets	11	54,454	103,504
Mine properties	12	11,805	95,606
Deferred tax assets	18	-	13,070
Total non-current assets		139,045	301,724
Total assets		181,697	361,003
Current liabilities			
Trade and other payables	13	28,490	26,228
Provisions	14	1,559	1,343
Borrowings	15	4,944	18,713
Total current liabilities		34,993	46,284
Non-current liabilities			
Provisions	14	29,216	28,771
Borrowings	15	7,488	8,911
Total non-current liabilities		36,704	37,682
Total liabilities		71,697	83,966
Net assets		110,000	277,037
Equity			
Issued capital	17	489,247	457,099
Share-based payments reserve	17	4,594	5,346
Accumulated losses	17	(383,841)	(185,408)
Total equity		110,000	277,037

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

		Consolidated			
	Note	Issued capital $'000	Share reserve $'000	Accumulated losses $'000	Attributable to owners of the parent $'000
Balance at 1 July 2020		**338,904**	**2,250**	**(178,512)**	**162,642**
Reported profit for the year		-	-	(7,501)	(7,501)
Other comprehensive income		-	-	-	-
Total comprehensive profit for the year		-	-	(7,501)	(7,501)
Shares issued		119,543	-	-	119,543
Share issue transaction costs		(1,510)	-	-	(1,510)
Deferred tax on share issue costs		(304)	-	-	(304)
Performance rights exercised		153	(153)	-	-
Performance rights forfeited		-	(605)	605	-
Options issued		-	2,873		2,873
Share-based payments expense		313	981	-	1,294
Balance at 30 June 2021	17	**457,099**	**5,346**	**(185,408)**	**277,037**
Reported loss for the year		-	-	(198,433)	(198,433)
Other comprehensive income		-	-	-	-
Total comprehensive profit for the year		-	-	(198,433)	(198,433)
Shares issued		35,905	-	-	35,905
Share issue transaction costs		(1,728)	-	-	(1,728)
Deferred tax on share issue costs		(2,029)	-	-	(2,029)
Performance rights forfeited		-	(2,273)	-	(2,273)
Options issued		-	23		23
Share-based payments expense		-	1,498	-	1,498
Balance at 30 June 2022	17	**489,247**	**4,594**	**(383,841)**	**110,000**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	Consolidated 30 June 2022 $'000	30 June 2021 $'000
Cash flows from operating activities			
Gold sales		223,126	241,053
Interest received		40	143
Other income		538	570
Interest paid		(738)	(1,643)
Payments for exploration and evaluation		(17,056)	(19,622)
Payments to suppliers and employees		(174,091)	(165,022)
Net cash from operating activities	7	31,819	55,479
Cash flows from investing activities			
Payments for mine properties' expenditure		(64,748)	(42,654)
Payments for plant and equipment		(2,619)	(3,595)
Payments to acquire exploration assets		-	(420)
Proceeds from sale of assets		9	-
Net cash used in investing activities		(67,358)	(46,669)
Cash flows from financing activities			
Proceeds from issue of share capital		35,905	27,793
Share issue transaction costs		(1,776)	(1,536)
Repayment of borrowings		(30,196)	(47,904)
Proceeds from borrowings		16,000	-
Transaction costs associated with borrowings		(280)	(519)
Repayment of lease liabilities		(2,592)	(2,413)
Premiums paid on put options		-	(265)
Net cash from / (used in) financing activities		17,061	(24,844)
Net increase/(decrease) in cash and cash equivalents		(18,478)	(16,034)
Cash and cash equivalents at the beginning of the year	7	35,942	51,976
Cash and cash equivalents at the end of the year	7	17,464	35,942

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Basis of Preparation

Dacian Gold Limited ("Dacian" or the "Company") is a company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange.

A description of the nature of operations and principal activities of Dacian and its subsidiaries (collectively, the "Group") is included in the Directors' Report, which is not part of these financial statements.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 31 August 2022.

The principal accounting policies adopted in the preparation of the financial statements are set out in the notes below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB").

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in notes.

Currency

The financial statements are presented in Australian dollars, which is Dacian's functional and presentation currency.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars ($'000) unless otherwise stated.

Goods and Services Tax ("GST") and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2022. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Going Concern

These financial statements have been prepared on the basis, that the entity is a going concern, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

In June 2022, the Company provided an operating update where it advised that the rapid change of the operating environment over the prior 6 months, had seen significant inflationary cost pressures which resulted in an increase in cost base, prompting a review of the operating strategy as follows:

- Open pit mining operations at Jupiter suspended by the end of June 22;
- Underground mining to continue until the previously developed stopes have been mined in Q1, FY23;
- Open pit mining at Hub at Redcliffe deferred;
- Processing of existing low grade stockpiles to commence in Q1, FY23;
- Development of a new operating regime for any future return to production, which reduces costs and maximises future cash flows; and
- Exploration focussing on increasing resources from the significant potential beneath and alongside the Jupiter open pits.

At 30 June 2022, the Group had a cash balance of $17.5M (2021: $35.9M), had a net working capital of $7.7M (2021: $12.9M) and incurred a net loss of $187.4M (2021: $7.5M). The ability of the group to continue as a going concern is dependent on the continued processing of existing stockpiles and future capital raisings.

These conditions indicate a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern and, therefore, the entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Subsequent to year end on 12 July 2022 the Company completed a placement of shares to raise $12.6M to fund the pivot to exploration.

The Dacian Board considers it has sufficient funds to meet its expected cash needs during the period of the Offer. However, Dacian may require ongoing capital raisings to fund its future exploration programs, costs associated with advancing projects to development in the future and, should it become necessary, the placing and maintaining of the Mt Morgans mill on care and maintenance after depletion of existing stockpiles. While no assurances can be given about the future ability to finance the Group's activities, the Directors believe, given the quality of the Groups assets, the Company can, if required, raise future funds to pursue its business strategy and meet its obligations as and when they fall due.

Should the Company not be able to continue as a going concern, it may be required to realise assets and discharge liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not included any adjustment relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Group. A list of controlled entities (subsidiaries) at year end is contained in Note 21.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profits and losses resulting from intra-group transactions have been eliminated. Subsidiaries are consolidated from the date on which control is obtained to the date on which control is disposed. The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

Other Accounting Policies

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements, are provided throughout the notes to the financial statements. Where possible, wording has been simplified to provide clearer commentary on the financial report of the Group. Accounting policies determined non-significant are not included in the financial statements.

Coronavirus (COVID-19) pandemic

As the COVID-19 pandemic continues to impact Australia and the World, the Group's focus remains on keeping its people well, and maintaining safe and reliable operations. The Group has considered the impact of COVID-19 on each of its significant accounting judgements and estimates, particularly with respect to assumptions used in determining receivables, impairment of non-current assets and going concern. At this stage, no further significant estimates have been identified as a result of COVID-19, however, management is monitoring the increased level of uncertainty in all future cash flow forecasts used in asset valuation and financial viability.

The Notes to the Financial Statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations and the financial position and performance of the Group. Information is considered relevant and material if, for example:

- the amount is significant due to its size or nature;
- the amount is important for understanding the results of the Group;
- it helps to explain the impact of significant changes in the Group's business; or
- it relates to an aspect of the Group's operations that is important to its future performance.

The notes are organised into the following sections:

- Performance for the year;
- Operating assets and liabilities;
- Capital structure and risk;
- Other disclosures.

A brief explanation is included under each section.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Performance for the Year

This section of the notes provides further information on key line items relevant to the financial performance of the Group. It includes profitability, the resultant return to shareholders via earnings per share and dividends.

Note 1 Segment Information

The Group 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 one operating segment. The Group's sole activity is mineral production, exploration and development of mineral interests through the gold processing facility at the Mt Morgans Gold Operation wholly within Australia, therefore it has aggregated all operating segments into the one reportable segment being mineral production, exploration and development.

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

Note 2 Revenue

Accounting Policies

Gold Sales

Under AASB 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control requires judgement. With the sale of gold bullion, this occurs when physical bullion, from a contracted sale, is transferred from the Company's account into the account of the buyer.

	30 June 2022 $'000	30 June 2021 $'000
Revenue from contracts with customers		
Gold Sales	223,126	241,053
Silver Sales	539	570
	223,665	241,623

Gold forward contracts delivery commitments

The Group enters into gold forward sale contracts and put options to manage the gold price of a proportion of gold sales. At 30 June 2022 there were no put options in place. The treatment of forward sale contracts is discussed further below.

The forward sale contracts are settled by the physical delivery of gold as per the contract terms. The gold forward sale contracts are accounted for as gold sales contracts with revenue recognised once the gold has been delivered to the counterparties. Consistent with the gold sales revenue recognition policy, the physical gold delivery contracts are considered to sell a non-financial item and therefore do not fall within the scope of *AASB 9: Financial Instruments*.

Gold forward contracts outstanding at 30 June 2022 are summarised in the table below.

	Gold for physical delivery oz	Average contract sale price A$/oz	Value of committed sales $'000
Due within 1 year[i]	10,500	2,667	28,003
	10,500	2,667	28,003

[i] There are no gold forward contracts with a delivery date after 31 December 2022

Note 3 Expenses

Accounting Policies

Costs of production

Cash costs of production is a component of cost of goods sold and includes direct costs incurred for mining, processing and mine site administration, net of costs capitalised to mine properties, pre-strip and production stripping assets. This category also includes movements in the cost of inventory.

	30 June 2022 $'000	30 June 2021 $'000
Cost of goods sold		
Costs of production	157,263	146,369
Royalties	5,555	6,637
Depreciation of mine plant and equipment	22,011	21,032
Amortisation of mine properties	68,548	42,882
	253,377	216,920

Depreciation & Amortisation

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

Class of Fixed Asset	Useful Life
▪ Office equipment and fixtures	3 - 4 years
▪ Computer equipment & software	2 - 4 years
▪ Motor Vehicles	3 years
▪ Plant and equipment	3 - 10 years / units of production

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

Mine properties are amortised on a unit-of-production basis over the reserve of the relevant mining area. The unit of account is tonnes of ore mined.

	30 June 2022 $'000	30 June 2021 $'000
Depreciation and Amortisation		
Depreciation expense – recognised in cost of goods sold	22,011	21,032
Depreciation expense – other	521	459
Amortisation expense	68,548	42,882
	91,080	64,373

Key estimates and assumptions

Unit-of-production method of depreciation/amortisation

The Group uses the unit-of-production basis when depreciating / amortising life-of-mine specific assets which results in a depreciation / amortisation charge proportionate to the depletion of the anticipated remaining life-of-mine production. Each item's economic life, which is assessed annually, has due regard for both its physical life limitations and to present assessments of the available reserve of the mine property at which it is located.

Note 3 Expenses (continued)

Borrowings and finance costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their use or sale. Other borrowing costs are expensed in the period in which they are incurred.

	30 June 2022 $'000	30 June 2021 $'000
Unwind of rehabilitation and restoration provision	290	78
Transaction costs	461	641
Interest expense on lease liabilities	457	479
Interest expense on borrowings	526	1,520
Interest (income)	(40)	(143)
	1,694	2,575

Employee expenses

	30 June 2022 $'000	30 June 2021 $'000
Corporate Employee expenses		
Salaries and wages	2,978	3,017
Director fees and consulting expenses	333	263
Defined contribution superannuation	283	288
Other employment expenses	369	312
	3,963	3,880

Other expenses

	30 June 2022 $'000	30 June 2021 $'000
Other expenses		
Administration & corporate	2,702	3,633
Non-production depreciation	521	459
	3,223	4,092

Impairment loss on assets

In June 2022, the Company announced a new focus, with the Company pivoting towards exploration, focussing on increasing resources and developing a leaner operating model. The new focus included suspension of existing mining, with open pit mining operations at Jupiter suspended at the end of June 2022 and underground operations to continue until previously developed stopes at the Beresford, Allanson, and Craic underground mines have been mined during the first quarter of FY2023 and then closed. A review of carrying values resulted in impairment of the carrying value of exploration and evaluation assets by $49.0 million (refer note 11) and impairment of mine properties of $76.3 million (refer note 12).

	Note	30 June 2022 $'000	30 June 2021 $'000
Impairment loss on assets			
Exploration and evaluation assets	11	49,050	-
Mine properties	12	76,345	-
		125,395	-

In addition, given losses incurred in FY2022 along with the mine, there is reduced likelihood of near-term utilisation of carry forward tax losses. As a result, $13.1 million of deferred tax assets associated with carry forward tax losses have been derecognised. These tax losses remain available to the Group but are no longer recorded as an asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 4 Income Tax

Accounting Policy

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

(a) Income Statement

	Note	30 June 2022 $'000	30 June 2021 $'000
Current income tax:			
Current income tax benefit		-	-
Deferred income tax:			
Tax losses brought to account for the first time		-	-
Relating to origination and reversal of timing differences		(1,933)	57
Tax losses derecognised	3	13,070	-
Adjustment in respect of prior years		(97)	(57)
Income tax expense / (benefit) reported in the Statement of Profit or Loss and Other Comprehensive Income		11,040	-

At 30 June 2022 the value of tax losses (on a gross basis not tax effected) was made up of unrecognised operating tax losses of $359 million (30 June 2021: $196.3 million unrecognised operating tax losses and $65.0 recognised tax losses), and unrecognised capital tax losses totalling $1.5 million (30 June 2021: $1.5 million). Utilisation will be subject to relevant tax legislation associated with recoupment including the same business test and continuity of ownership test. The Group has a reasonable expectation that these losses can be carried forward to future years for income tax purposes.

(b) Statement of Changes in Equity

	30 June 2022 $'000	30 June 2021 $'000
Deferred income tax:		
Capital Raising Costs	2,029	304

(c) Reconciliation of consolidated income tax expense to prima facie tax payable

	30 June 2022 $'000	30 June 2021 $'000
Accounting profit/(loss) from continuing operations before income tax expense	(187,393)	(7,501)
Tax at the Australian rate of 30% (2021: 30%)	(56,218)	(2,250)
Non-deductible expenses	(218)	399
Capital raising costs claimed	(769)	(964)
Temporary differences brought to account	44,872	3,132
Tax losses derecognised as deferred tax assets	13,070	-
Recognition of prior year tax losses	-	(260)
Current year tax losses not recognised	10,400	-
Adjustment in respect of previous year[i]	(97)	(57)
Income tax expense / (benefit) reported in Profit or Loss and Other Comprehensive Income	11,040	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 5 Earnings per Share

Accounting Policy

Earnings per share ("EPS") is the amount of post-tax profit attributable to each share. The Group presents basic and diluted EPS data for ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS takes into account the dilutive effect of all potential ordinary shares, being unlisted employee share options and performance rights on issue.

	30 June 2022	30 June 2021
a) Basic earnings per share	Cents	Cents
Profit/(Loss) attributable to ordinary equity holders of the Company	(19.3)	(1.2)
b) Diluted earnings per share		
Profit/(Loss) attributable to ordinary equity holders of the Company	(19.1)	(1.2)
c) Profit/(Loss) used in calculation of basic and diluted loss per share	$'000	$'000
(Loss) / profit after tax from continuing operations	(198,433)	(7,501)
d) Weighted average number of shares	No.	No.
Issued Ordinary shares at 1 July	910,625,572	556,264,777
Effect of shares issued	119,118,471	81,989,477
Weighted average number of ordinary shares at 30 June	1,029,744,043	638,254,254
Effect of dilution:		
Share options [i]	-	-
Performance rights[i]	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	1,029,744,043	638,254,254

[i] Share options and performance rights have been excluded from the calculation as the Company was loss making and their effect would have been anti-dilutive.

Note 6 Dividends

No dividends were paid or proposed during the financial year ended 30 June 2022 (30 June 2021: nil).

Operating Assets and Liabilities

This section of the notes shows cash generation, the assets used to generate the Group's trading performance and the liabilities incurred as a result. Liabilities relating to the Group's financing activities are addressed in the Capital Structure, Financial Instruments and Risk section (refer to note 15).

Note 7 Cash and Cash Equivalents

Accounting Policy

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

	30 June 2022 $'000	30 June 2021 $'000
Cash at bank	17,464	35,942
	17,464	35,942

Reconciliation of profit / (loss) after tax to net cash flow from operating activities:

	30 June 2022 $'000	30 June 2021 $'000
(Loss) / profit from ordinary activities after income tax	(198,433)	(7,501)
Depreciation and amortisation	91,080	64,373
Net loss on sale of assets	25	-
Impairment losses on assets	125,395	-
Bank facility fees	280	519
Premiums on put options	-	265
Share-based payments expense	(751)	1,294
Derivative financial instruments mark to market	-	(216)
Unwind of rehabilitation interest	290	78
Inventory NRV adjustment	52	88
Movement in assets and liabilities:		
(Increase)/decrease in receivables	336	(489)
(Increase)/decrease in inventories	(2,029)	807
Decrease in deferred tax assets	11,040	-
Increase/(decrease) in employee leave provisions	286	(63)
Increase/(decrease) in trade and other payables	4,248	(3,676)
Net cash flow from operating activities	31,819	55,479

Non-Cash investing and financing activities

During the year ended 30 June 2022 there were nil non-cash transactions. During the prior year ended 30 June 2021 the Company completed the acquisition of Redcliffe Gold Project. The transaction included the issue of securities. The $94,621,000 non-cash component was charged to exploration and evaluation assets (refer note 11) and is not reflected in investment activities in the cash flow statement.

Note 8 Receivables

Accounting Policy

Receivables are initially recognised at fair value and subsequently at the amounts considered receivable (financial assets at amortised cost). Balances within receivables do not contain impaired assets, are not past due and are expected to be received when due.

The Group does not have trade receivables in relation to gold sales. Prepayments relate to annual insurance payments. The only material receivables at year end are for GST and fuel tax credits receivable from the Australian Taxation Office and therefore, the Group is not generally exposed to credit risk in relation to its receivables.

Due to the short-term nature of these receivables, their carrying value is assumed to approximate fair value.

	30 June 2022 $'000	30 June 2021 $'000
Current receivables		
GST receivable	2,723	2,059
Prepayments	787	787
Other receivables	287	1,060
	3,797	3,906

Note 9 Inventories

Accounting Policy

Gold bullion, gold-in-circuit and ore stockpiles are physically measured or estimated and valued at the lower of cost and net realisable value. Cost is determined by the weighted average method and comprises direct costs and an appropriate portion of fixed and variable overhead costs, including depreciation and amortisation, incurred in converting ore into gold bullion. Net realisable value ("NRV") is the estimated selling price in the ordinary course of business (including delivery into scheduled hedges), less estimated costs of completion, depreciation, amortisation and the costs of selling the final product, including royalties.

Consumable stores are valued at the lower of cost and net realisable value. The cost of consumable stores is measured on a first-in first-out basis. Inventories expected to be sold (or consumed in the case of stores) within 12 months after the 30 June 2022 balance sheet date are classified as current assets, all other inventories are classified as non-current.

	30 June 2022 $'000	30 June 2021 $'000
ROM inventory (i)	5,752	3,277
Crushed ore	1,114	1,471
Gold in circuit	6,189	5,332
Gold dore	3,673	5,557
Mine spares and stores – at cost	4,663	3,794
	21,391	19,431

(i) At 30 June 2022, 1,690 tonnes of rom inventory related to the underground mines was carried at NRV

Key Estimates and Assumptions

Inventories

Net realisable value tests are performed at each reporting date and represent the estimated future sales price of the product based on the lower of the prevailing spot metals price or anticipated gold price realised from delivery into forward gold sales contracts at the reporting date, less estimated costs to complete production and bring the product to sale, including depreciation and amortisation.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data, and the estimated recovery percentage. Stockpile tonnages are verified by periodic surveys.

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Note 10 Property, Plant and Equipment

Accounting Policy

The value of property, plant and equipment is measured as the cost of the asset, less accumulated depreciation and impairment. The cost of the asset also includes the cost of replacing parts that are eligible for capitalisation, the cost of major inspections and an initial estimate of the cost of dismantling and removing the item from site at the end of its useful life (rehabilitation provisions). Changes in the rehabilitation provisions resulting from changes in the size or timing of the cost or from changes in the discount rate are also recognised as part of the asset cost.

Derecognition and Disposal

An item is derecognised when it is sold or otherwise disposed of, or when its use is expected to bring no further economic benefits. Any gain or loss from derecognising the asset (the difference between the proceeds on disposal and the carrying amount of the asset) is included in the income statement in the period the item is derecognised.

Impairment

The carrying values 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.

Right-of-use assets

The Group has lease contracts for various items of laboratory equipment and power infrastructure used in its operations as well as the corporate head office premises. These leases have lease terms up to 5 years. The net book value of leased assets at 30 June 2022 is $8.9 million (30 June 2021: $10.5 million). Further information about the leases for which the Group is a lessee is presented in the table below.

The Group also has certain leases of assets with lease terms of 12 months or less for equipment for which the assets are of low value and applies the short-term lease and lease of low-value assets recognition exemptions.

	Office Equip & Fixtures $'000	Computer Equip. & Software $'000	Motor Vehicles $'000	Plant & Equipment $'000	Leased Equipment $'000	Capital WIP $'000	Total $'000
Year ended 30 June 2022							
Cost	293	2,631	3,048	129,966	19,084	2,645	157,667
Accumulated depreciation	(156)	(1,843)	(2,394)	(70,306)	(10,182)	-	(84,881)
Net Book Value	**137**	**788**	**654**	**59,660**	**8,902**	**2,645**	**72,786**
Movements							
Opening net book value	155	381	163	77,680	10,522	643	89,544
Additions	-	-	-	-	930	4,879	5,809
Disposals	(30)	(3)	-	(1)	-	-	(34)
Transfers	70	658	660	1,489	-	(2,877)	-
Depreciation expense	(58)	(248)	(170)	(19,508)	(2,549)	-	(22,533)
Closing net book value	**137**	**788**	**654**	**59,660**	**8,902**	**2,645**	**72,786**
Year ended 30 June 2021							
Cost	407	2,063	2,450	128,488	18,625	643	152,676
Accumulated depreciation	(252)	(1,682)	(2,287)	(50,808)	(8,103)	-	(63,132)
Net Book Value	**155**	**381**	**163**	**77,680**	**10,522**	**643**	**89,544**
Movements							
Opening net book value	93	301	446	93,033	13,090	242	107,205
Additions	111	294	83	2,732	82	642	3,944
Disposals	-	-	-	-	(117)	-	(117)
Transfers	2	11	-	228	-	(241)	-
Depreciation expense	(51)	(225)	(365)	(18,313)	(2,534)	-	(21,488)
Closing net book value	**155**	**381**	**163**	**77,680**	**10,522**	**643**	**89,544**

Note 11 Exploration and Evaluation Assets

Accounting Policy

Exploration and evaluation costs are expensed in the year they are incurred, apart from acquisition.

Capitalised exploration and evaluation expenditures in relation to specific areas of interest continue to be recognised as an exploration and evaluation asset 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 costs include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation 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.

	30 June 2022 $'000	30 June 2021 $'000
Deferred exploration costs at the start of the financial year	103,504	4,072
Redcliffe Project acquisition	-	99,432
Impairment	(49,050)	-
	54,454	103,504

Impairment

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 (or 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 mine properties in development.

The recoverable amount of the exploration is determined based on fair value less cost to sell of the Group's net assets, with the net assets of the group (post mine properties impairment refer note 12) compared to its fair value which resulted in an impairment of $49.0 million being recognised against the exploration asset.

Key Estimates and Assumptions

Impairment of exploration and evaluation assets

The future recoverability of capitalised exploration and evaluation expenditure is dependent upon a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact future recoverability include the level of reserves and resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which the determination is made.

Note 11 Exploration and Evaluation Assets (continued)

Exploration commitments

The Group has certain obligations for payment of tenement rent, shire rates and to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Group's exploration programmes and priorities.

Note 12 Mine Properties

Accounting Policies

Mine Properties Under Development

Mine properties under development represents the costs incurred in preparing mines for production and includes plant and equipment under construction and operating costs incurred before normal production commences. These costs are capitalised to the extent they are expected to be recouped through the successful exploitation of the related mining leases. Once production commences, these costs are transferred to property, plant and equipment and mine properties, as relevant, and are depreciated and amortised using the units-of-production method based on the estimated economically recoverable reserve to which they relate or are written off if the mine property is abandoned.

Mine Properties in Production

Other mine properties represent expenditure in respect of exploration, evaluation, feasibility and pre-production operating costs incurred by the Group previously accumulated and carried forward in mine properties under development in relation to areas of interest in which mining has now commenced. Other mine properties are stated at cost, less accumulated amortisation and accumulated impairment losses.

Other mine properties are amortised on a unit-of-production basis over the economically recoverable reserve of the mine concerned. The unit of account is tonnes of ore mined.

Deferred Stripping

Stripping activity costs incurred in the development phase of an open pit mine are capitalised as part of the cost of constructing the mine and subsequently amortised over the life of the mine on a units-of-production basis.

Stripping activity incurred during the production phase of a mine is assessed as to whether the benefit accruing from that activity is to provide access to ore that can be used to produce ore inventory, or whether it in addition provides improved access to ore that will be mined in future periods.

To the extent that the benefit from the stripping activity is realised in the form of inventory produced, the Group accounts for those stripping activity costs in accordance with AASB 102 *Inventories*. A stripping activity asset is brought to account if it is probable that future economic benefits (improved access to that ore body) will flow to the Group, the component of the ore body for which access has been improved can be identified and costs relating to the stripping activity can be measured reliably.

The amount of stripping activity costs that are capitalised is determined based on a comparison of the stripping ratio in the relevant period with the life-of-mine stripping ratio. To the extent that there is a period of sustained stripping that exceeds the average life-of-mine stripping ratio, mine waste stripping costs are capitalised to the stripping activity asset. Such capitalised costs are amortised over the life of that component on a units-of-production basis. Changes to the life-of-mine are accounted for prospectively.

Impairment

The Group 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 Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs of disposal 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.

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Note 12 Mine Properties (continued)

Impairment (continued)

In assessing the fair value less cost of disposal, 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 cash generating unit.

It is reasonably possible that the underlying metal price assumption may change which may then impact the estimated life of mine determinant and may then require a material adjustment to the carrying value of mining plant and equipment, mining infrastructure and mining development assets. Furthermore, the expected future cash flows used to determine the fair value less cost of disposal of these assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as metal spot prices, discount rates, estimates of costs to produce reserves and future capital expenditure.

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 the 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.

In June 2022, the Company announced a new focus, with the Company pivoting towards exploration, focussing on increasing resources and developing a leaner operating model. The new focus included suspension of existing mining, with open pit mining operations at Jupiter suspended at the end of June 2022 and underground operations to continue until previously developed stopes at the Beresford, Allanson, and Craic underground mines have been mined during the first quarter of FY2023 and then closed. Immediately after year end Dacian placed shares at 10.16 cents per Dacian Share implying a market capitalisation of $110 million. The cost inflation and resultant closure of open pit and underground mining operations is considered an impairment indicator. Underground mine properties recoverable amount was calculated using a discounted cashflow model relating to the mine which took into account the prevailing gold price (30 June 2022 USD1,814/oz, exchange rate USD0.69:AUD1.00), the underground mine plan, projected mining and processing costs. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation. Mine infrastructure included in mine properties carrying value related to the overall project (eg. tailings storage facility, roads and run of mine pad) were not impaired. The Group Mine properties were reviewed and $76.3 million of capitalised mine development in relation to open pit and underground mining operations has been impaired.

	30 June 2022 $'000	30 June 2021 $'000
Mine Properties		
Cost	162,091	184,105
Impairment	(76,345)	-
Accumulated amortisation	(73,941)	(88,499)
Net book value	11,805	95,606
Movements		
Opening carrying amount	95,606	84,486
Additions	61,006	46,420
Impairment	(76,345)	-
Change in rehabilitation provision	86	7,582
Amortisation expense	(68,548)	(42,882)
Closing net book value	11,805	95,606

Note 12 Mine Properties (continued)

Key Estimates and Assumptions

Production Stripping Costs

The Group defers advanced stripping costs incurred during the production stage of its operations. This calculation requires the use of judgements and estimates, such as estimates of tonnes of waste to be removed over the life of the mining area and economically recoverable reserves extracted as a result. Changes in a mine's life and design may result in changes to the expected stripping ratio (waste to mineral reserves ratio) and amortisation which is calculated on a units of production basis. Any resulting changes are accounted for prospectively.

Determination of mineral resources and reserves

The Group uses the concept of life-of-mine as an accounting value to determine the amortisation of mine properties in production and deferred stripping costs. In determining life-of-mine, the Group prepares ore resource and reserve estimates in accordance with JORC Code 2012, guidelines prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia. The estimate of these resources and ore reserves, by their very nature, require judgements, estimates and assumptions.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves, and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may ultimately result in reserves being restated.

Note 13 Trade and Other Payables

Accounting Policy

Trade and other payables are initially recognised at the value of the invoice received from a supplier and subsequently measured at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and generally paid within 30 days of recognition.

	30 June 2022 $'000	30 June 2021 $'000
Current liabilities		
Trade and other payables	4,170	4,643
Accrued expenses	24,320	21,585
	28,490	26,228

Note 14 Provisions

Accounting Policy

Rehabilitation and Restoration

Long-term environmental obligations are based on the Group's environmental management plans, in compliance with current environmental and regulatory requirements.

Full provision is made based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the reporting date. To the extent that future economic benefits are expected to arise, these costs are capitalised and amortised over the remaining lives of mines.

Annual increases in the provision relating to the change in the net present value of the provision are recognised as finance costs. The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clear-up closure.

Note 14 Provisions (continued)

Employee Benefits

The provision for employee benefits represents annual leave and long service leave entitlements accrued by employees.

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of the employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service up to reporting date, plus related on costs. The benefit is discounted to determine its present value and the discount rate is the yield at the reporting date on high-quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

	30 June 2022 $'000	30 June 2021 $'000
Current:		
Employee leave liabilities	1,559	1,343
	1,559	1,343
Non-current:		
Employee leave liabilities	378	308
Rehabilitation provision	28,838	28,463
	29,216	28,771
Provision for rehabilitation		
Balance at the start of the financial year	28,463	20,901
Rehabilitation costs incurred during the year	(112)	(98)
Provisions recognised during the year	197	7,582
Unwinding of discount	290	78
Balance at the end of the financial year	28,838	28,463

Key Estimates and Assumptions

Rehabilitation Obligations

The provision for rehabilitation and restoration costs is based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the reporting date. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include an estimate of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

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Capital Structure, Financial Instruments and Risk

This section provides further information about the Group's contributed equity, financial liabilities, related financing costs and its exposure to various financial risks. It explains how these risks affect the Group's financial position and performance and what the Group does to manage these risks.

Note 15 Borrowings and Finance Costs

Accounting Policies

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of borrowings using the effective interest rate method.

Fees paid on establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs and amortised over the period of the remaining facility.

Finance Leases

From 1 July 2019 the Group has applied the new AASB 16 Leases accounting standard.

Unwinding of discount on provisions

The unwinding of discount on provisions represents the cost associated with the passage of time. Rehabilitation provisions are recognised at the discounted value of the present obligation to restore, dismantle and rehabilitate each mine site with the increase in the provision due to the passage of time being recognised as a finance cost in accordance with the policy described in note 14.

	30 June 2022 $'000	30 June 2021 $'000
Current		
Insurance premium funding liability	185	172
Lease Liabilities	2,759	2,345
Bank Loan	2,000	16,196
	4,944	18,713
Non-Current		
Lease Liabilities	7,488	8,911
	7,488	8,911

Bank loan

At 30 June 2022 the debt facility held with Australia and New Zealand Banking Group Limited, had an outstanding balance of $2.0 million (30 June 2021: $16.2 million).

During the year, debt repayments were made totalling $14.2 million (30 June 2021: $47.9 million). As a result, and in accordance with the loan agreement, the available debt limit was reduced by the same amount.

Note 15 Borrowings and Financing Costs (continued)

Repayments under the debt facility are classified as current with repayment scheduled on or before 31 December 2022. The information in the following table has been prepared on this basis and reflects the agreed fixed repayment schedule as at 30 June 2022.

	6 months or less	6-12 months	1-2 years
	$'000	$'000	$'000
Bank Loan	2,000	-	-

The debt facility contains typical financial covenants assessed periodically and is secured over all of assets of Dacian and its wholly owned subsidiaries, Dacian Gold Mining Pty Ltd and Mt Morgans WA Mining Pty Ltd.

The effective interest rate on the facility at 30 June 2022 is 3.94% (30 June 2021: 4.1%).

During the financial year, the Group incurred costs of $0.3 million (30 June 2021: $0.4 million) with respect to the various changes made to the facility's agreement.

Financing facilities

	30 June 2022 $'000	30 June 2021 $'000
Total Facilities		
Debt facility	2,000	16,196
Bank guarantee facility	815	856
	2,815	17,052
Facilities used at reporting date		
Debt facility	2,000	16,196
Bank guarantee facility	815	856
	2,815	17,052
Facilities unused at reporting date		
Debt facility	-	-
Bank guarantee facility	-	-
	-	-

Note 16 Financial Instruments

The Group has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Group'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 Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers and investments.

Gold Bullion Sales

Credit risk arising from the sale of gold bullion to the Group's customer is low as the payment by the customer (being The Perth Mint Australia) is guaranteed under statute by the Western Australian State Government. In addition, sales are made to high credit quality financial institutions, hence credit risk arising from these transactions is low.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 16 Financial Instruments (continued)

Trade and other receivables

The nature of the business activity of the Group does not result in trading receivables. The receivables that the Group does experience through its normal course of business are short-term and the risk of non-recovery of receivables is considered to be negligible.

Other

In respect of derivative financial instruments, the Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the mark-to-market of these instruments. The Group does not hold any credit derivatives to offset its credit exposure.

The Directors do not consider that the Group'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 Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

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	2-4 years[i]
	$'000	$'000	$'000	$'000	$'000	$'000
2022						
Trade & other payables	28,491	28,491	23,959	4,532	-	-
Insurance premium funding liability	185	185	185	-	-	-
Lease liabilities	10,247	11,053	1,612	1,529	3,063	4,849
Bank Loan[ii]	2,000	2,039	2,039	-	-	-
	40,923	41,768	27,795	6,061	3,063	4,849
2021						
Trade & other payables	26,228	26,228	21,696	4,532	-	-
Insurance premium funding liability	172	172	172	-	-	-
Lease liabilities	11,255	12,280	1,404	1,350	2,678	6,848
Bank Loan[ii]	16,196	16,509	16,509	-	-	-
	53,851	55,189	39,781	5,882	2,678	6,848

[i] There are no amounts currently maturing beyond 30 June 2026

[ii] 2022 Bank loan repayments are presented as per the debt facility repayment schedule presented in note 15

(c) Market risk

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 16 Financial Instruments (continued)

Commodity Price Risk

The Group's exposure to commodity price risk arises largely from Australian dollar gold price fluctuations. The Group's exposure to movements in the gold price is managed through the use of Australian dollar gold forward contracts. The gold forward sale contracts do not meet the criteria of financial instruments for accounting purposes on the basis that they meet the normal purchase/sale exemption because physical gold will be delivered into the contract. Further information relating to these forward sale contracts is included in note 2. No sensitivity analysis is provided for these contracts as they are outside the scope of *AASB 9 Financial Instruments*.

Interest rate risk

The Group's exposure to interest rate risk mainly arises from borrowings which are held at variable rates. At the reporting date, the Group had the following exposure to interest rate risk on financial instruments.

	Carrying amount ($)	
	30 June 2022 $'000	30 June 2021 $'000
Variable rate instruments		
Cash and cash equivalents	17,464	35,942
Borrowings	(2,000)	(16,196)
	15,464	19,746

Foreign Currency/Equity risk

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

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) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables remain constant.

	30 June 2022 $'000	30 June 2021 $'000
Interest Revenue		
Increase 1.0%	175	359
Decrease 1.0%	(175)	(359)
Interest Expense		
Increase 1.0%	(20)	(162)
Decrease 1.0%	20	162

(d) Fair values

Fair values versus carrying amounts

The carrying amounts and estimated fair values of all the Group's financial instruments recognised in the financial statements are materially the same. The methods and assumptions used to estimate the fair value of financial instruments are disclosed in the respective notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 17 Issued Capital and Reserves

Accounting Policy

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of shares or options are recognised as a deduction from equity, net of any related income tax effects.

	30 June 2022 No.	30 June 2021 No.	30 June 2022 $'000	30 June 2021 $'000
Issued share capital	1,085,077,063	910,625,572	489,247	457,099
Share movements during the year				
Balance at the start of the financial year	910,625,572	556,264,777	457,099	338,904
Share issue[i]	174,451,491	354,117,018	35,905	119,543
Exercise of performance rights (non-cash)	-	51,921	-	153
Less share issue costs	-	-	(1,728)	(1,510)
Deferred tax on share issue costs	-	-	(2,029)	(304)
Share-based payments for the year	-	191,856	-	313
Balance at the end of the financial year	1,085,077,063	910,625,572	489,247	457,099

	30 June 2022		30 June 2021	
	Accumulated losses $'000	Share-based payments reserve [i] $'000	Accumulated losses $'000	Share-based payments reserve $'000
Balance at the beginning of the year	(185,408)	5,346	(178,512)	2,250
Profit / (Loss) profit for the year	(198,433)	-	(7,501)	-
Transfer to issued capital on exercise of performance rights	-	-	-	(153)
Transfer to accumulated losses due to market conditions not met	-	-	605	(605)
Options issued during the year	-	23	-	-
Options issued in relation to asset	-	-	-	2,873
Share-based payments for the year	-	(775)	-	981
Balance at the end of the year	(383,841)	4,594	(185,408)	5,346

[i] The share-based payments reserve recognises the fair value of options over unissued shares and performance rights provided to employees and Key Management Personnel

Other Disclosures

This section provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements.

Note 18 Deferred Tax

Deferred tax assets and liabilities are recognised for temporary timing differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to those timing differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation

The Company and its 100% owned controlled entities have formed a tax consolidated group. Members of the Consolidated Entity have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly owned controlled entities on a pro-rate basis. The agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At reporting date, the possibility of default is remote. The head entity of the tax consolidated group is Dacian Gold Limited.

Note 18 Deferred Tax (continued)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	30 June 2022 $'000	30 June 2021 $'000
Deferred tax assets		
Trade & other payables	**198**	178
Provisions	**6,650**	9,063
Borrowings – Finance lease liabilities	**2,898**	3,377
Borrowing costs	**-**	234
Business related costs – profit & loss	**-**	1,442
Capital raising costs – equity	**-**	2,030
Tax Losses	**-**	19,501
Deferred tax liabilities		
Trade & other receivables	**(141)**	(251)
Inventories	**(329)**	(249)
Property, plant and equipment	**(9,276)**	(10,804)
Exploration and evaluation assets	**-**	(4,833)
Mine properties	**-**	(6,618)
Net deferred tax assets	**-**	13,070

Movement in temporary differences during the year:

	Balance 30 June 2021 $'000	Recognised in income $'000	Recognised in Equity $'000	Balance 30 June 2022 $'000
Trade and other receivables	(251)	110	-	(141)
Inventories	(248)	(81)	-	(329)
Property, plant & equipment	(10,804)	1,528	-	(9,276)
Exploration & evaluation	(4,833)	4,833	-	-
Mine properties in development	(6,618)	6,618	-	-
Trade & other payables	178	20	-	198
Provisions	9,063	(2,413)	-	6,650
Borrowings	3,377	(479)	-	2,898
Borrowing costs	234	(234)	-	-
Business related costs – profit & loss	1,442	(1,442)	-	-
Capital raising costs – equity	2,029	-	(2,029)	-
Tax losses	19,501	(19,501)	-	-
	13,070	(11,041)	(2,029)	-

Note 18 Deferred Tax (continued)

The value of tax losses (gross basis not tax effected) available to the Group at 30 June 2022 for income tax purposes is $360.4 million, which comprises (for accounting) unrecognised operating tax losses totalling $358.9 million and unrecognised capital tax losses totalling $1.5 million (30 June 2021: operating tax losses $262.8 million, $65.0 million recognised, $196.3 million unrecognised, and $1.5 million capital losses). Utilisation will be subject to relevant tax legislation associated with recoupment including the same business test and continuity of ownership test. The Group has a reasonable expectation that these losses can be carried forward to future years for income tax purposes.

Key Estimates and Assumptions

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in the tax laws in Australia could limit the ability of the Group to obtain tax deductions in future periods.

Note 19 Share-Based Payments

Accounting Policy

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based incentives, whereby employees render services in exchange for options and shares (equity-settled transactions).

There is currently a plan in place to provide these benefits, the Dacian Gold Limited Employee Option Plan, which provides benefits to Executive Directors and other employees.

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 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 equity instrument relates (market and non-vesting 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 award (the vesting period).

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 Group'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 statement of profit or loss 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 share-based incentives that do not ultimately vest, except for incentives where vesting is only conditional upon market and non-vesting conditions.

If the terms of a share-based incentive 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 incentive, or is otherwise beneficial to the employee, as measured at the date of modification.

If a share-based incentive 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 incentive and designated as a replacement award on the date that it is granted, the cancelled incentive and new awards are treated as if they were a modification of the incentive, as described in the previous paragraph.

The Group provides benefits to employees (including Executive Directors) of the Group through share-based incentives. Information relating to these schemes is set out below.

Note 19 Share-Based Payments (continued)

	30 June 2022 $'000	30 June 2021 $'000
Recognised share-based payments expense		
Share based payment expense[i]	(751)	1,294
Total share-based payments expense	(751)	1,294

(i) During the year $2,273,000 of performance rights expense was reversed as a result of forfeiture of the underlying rights

Dacian Gold Limited Employee Securities Incentive Plan

The Dacian Gold Limited Employee Securities Incentive Plan ("the Plan") was last approved by a resolution of the shareholders of the Company on 30 November 2020. All eligible Directors, executive officers and employees of Dacian Gold Limited and its subsidiaries, who have been continuously employed by the Company are eligible to participate in the Plan. The Plan allows the Company to issue free options or performance rights to eligible persons.

Options over Unissued Shares

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. The options are granted free of charge and vest subject to certain operational and market performance conditions being met. Options lapse if the employee ceases employment with the Company.

During the financial year 300,000 options over unissued shares were issued pursuant to the Company's Employee Option Plan (30 June 2021: nil). Options were granted for nil consideration. The fair value of options was calculated at the date of grant using the Black Scholes option pricing model which determined the fair value per option to be $0.0776. The value was expensed immediately. The key inputs to the model were:

Item	
Grant date	13 September 2021
Spot price	$0.20
Exercise price	$0.28
Vesting date	Immediately
Expiry date	10 September 2026
Expected future volatility	60%
Risk free rate	0.64%
Early exercise multiple	2.5x
Dividend yield	0%

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

	30 June 2022		30 June 2021	
	No.	WAEP	No.	WAEP
Options outstanding at the start of the year	22,222,222	$0.27	1,250,000	$1.81
Options expired during the year	(22,222,222)	$0.27	(1,250,000)	$1.81
Options exercised during the year	-	-	-	-
Options issued during the year	300,000[i]	$0.28	22,222,222	$0.27
Options outstanding at the end of the year	300,000	$0.28	22,222,222	$0.27

(i) 300,000 options with an exercise price of $0.28 and expiry date of 10 September 2026 were issued to Michael Wilkes on his appointment as Non-Executive Director

b) Subsequent to the reporting date

No options have been granted subsequent to the reporting date and to the date of signing this report.

Note 19 Share-Based Payments (continued)

Options over Unissued Shares (continued)

c) Weighted average contract life

The weighted average contractual life for vested and un-exercised options is 50.5 months (30 June 2021: 9 months).

Performance Rights

During the financial year ended 30 June 2022, 10,617,758 performance rights (30 June 2021: 5,325,482) were issued to employees, pursuant to the terms of the Plan. These rights were issued in two tranches to two separate groups of employees as set out in the table below.

The performance conditions that the Board has determined will apply to the performance rights are summarised below:

Tranche	Measurement Date	Date of vesting	Number of rights	Metric	Achieved LTI
1	30 June 2023	30 June 2023	4,297,402	33% - RTSR performance to peers 33% - ATSR performance on share price 33% - Reserve Growth (measured over the 2 years - 1 July 2021 to 30 June 2023)	-
2	30 June 2024	30 June 2024	6,320,356	33% - RTSR performance to peers 33% - ATSR performance on share price 33% - Reserve Growth (measured over the 3 years - 1 July 2021 to 30 June 2024)	-
Total			10,617,758		

The fair value of the performance rights granted were determined using Monte Carlo simulation, the share price at grant date for non-market based performance rights, a review of historical share price volatility and correlation of the share price of the Company to its Peer Group. The table below details the terms and conditions of the grant and the assumptions used in estimating fair value:

Tranche	Metrics	Date of grant	Measurement date	Number of rights	Date of vesting	Share price on grant date	Fair value at grant date	Expected share price volatility	Expected dividend yield	Expected risk free rate
1	RTSR	4 November 2021	30 June 2023	1,432,467	30 June 2023	$0.215	$0.137	60%	0%	1.37%
1	ATSR	4 November 2021	30 June 2023	1,432,467	30 June 2023	$0.215	$0.0916	60%	0%	1.37%
1	Growth	4 November 2021	30 June 2023	1,432,468	30 June 2023	$0.215	$0.215	60%	0%	1.37%
2	RTSR	4 November 2021	30 June 2024	2,106,785	30 June 2024	$0.215	$0.1555	60%	0%	1.37%
2	ATSR	4 November 2021	30 June 2024	2,106,785	30 June 2024	$0.215	$0.1014	60%	0%	1.37%
2	Growth	4 November 2021	30 June 2024	2,106,786	30 June 2024	$0.215	$0.215	60%	0%	1.37%
Total				10,617,758						

The movement in weighted average fair value ("WAFV") appears in the table below:

	30 June 2022		30 June 2021	
	No.	WAFV	No.	WAFV
Rights outstanding at the start of the year	12,582,585	$0.36	9,548,346	$0.51
Rights issued during the year	10,617,758	$0.15	5,325,482	$0.25
Rights vested during the year[(i)]	-	-	(51,921)	$2.94
Rights forfeited during the year	(13,010,773)	$0.07	(2,239,322)	$1.04
Rights outstanding at the end of the year	10,189,570	$0.52	12,582,585	$0.36

[(i)] At 30 June 2022 there were no rights that had vested during the year and were unissued at year end (30 June 2021: nil)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 19 Share-Based Payments (continued)

Key Estimates and Assumptions

Share-Based Payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate valuation model. The valuation basis and related assumptions are detailed above. The accounting estimates and assumptions relating to the equity settled transactions would have no impact on the carrying value of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Note 20 Contingencies

(a) Contingent liabilities

There are no material contingent liabilities at the reporting date.

(b) Contingent assets

There are no material contingent assets at the reporting date.

Note 21 Related Party Disclosures

(a) Controlled Entities

	Ownership Interest	
	2022	2021
	%	%
Parent Entity		
Dacian Gold Limited		
Subsidiaries		
Dacian Gold Mining Pty Ltd	100	100
Mt Morgans WA Mining Pty Ltd	100	100
Redcliffe Project Pty Ltd[(i)]	100	100
Redcliffe Resources Limited[(ii)]	-	100

(i) Redcliffe Project Pty Ltd (previously NTM Gold Limited)

(ii) Reflective Resources Limited was a company incorporated in Papua New Guinea, and a wholly owned subsidiary of Redcliffe Project Pty Ltd. The Company was deregistered 30 November 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 21 Related Party Disclosures (continued)

(b) Parent Entity

Financial statements and notes for Dacian Gold Limited, the legal parent entity, are provided below:

	Parent	
	30 June 2022 $'000	**30 June 2021 $'000**
Financial position		
Current assets	12,364	25,947
Non-current assets	106,674	185,305
Total assets	119,038	211,252
Current liabilities	8,716	5,873
Non-current liabilities	322	151
Total liabilities	9,038	6,024
Shareholders' equity		
Issued capital	489,247	457,099
Share-based payments reserve	4,594	5,346
Accumulated losses	(383,841)	(257,217)
Total equity	110,000	205,228
Financial performance		
Loss for the year	(126,625)	(142,025)
Other comprehensive (loss) / income	-	-
Total comprehensive loss	(126,625)	(142,025)

Commitments

The parent entity had lease commitments of $0.5 million at 30 June 2022 (30 June 2021: $0.1 million) relating to the lease of the Group's Perth office and car park. The debt facility includes security over the assets of the Group.

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries.

Pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785, Dacian and its wholly owned subsidiaries entered into a deed of cross guarantee on 23 May 2022 (the Guarantee). The effect of the Guarantee is that Dacian has guaranteed to pay any deficiency in the event of winding up of any controlled entity which is a party to the Guarantee or if they do not meet their obligations under the terms of any debt subject to the Guarantee. The controlled entities which are parties to the Guarantee have given a similar guarantee in the event that Dacian is wound up or if it does not meet its obligations under the terms of any debt subject to the Guarantee.

(c) Transactions with related parties

There have been no transactions with parties related to the consolidated entity in the financial year ended 30 June 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Note 22 Key Management Personnel

(a) Directors and Key Management Personnel

The following persons were Directors or Key Management Personnel of the Company during the current and prior financial year:

Michael Wilkes[i]	Non-Executive Director	appointed Non-Executive Chair 23 March 2022
Eduard Eshuys	Non-Executive Director	
Sue-Ann Higgins	Non-Executive Director	appointed 17 May 2022
Dale Richards[ii]	Chief Executive Officer	appointed CEO 16 June 2022
Derek Humphry	Chief Financial Officer	
Leigh Junk	Managing Director & CEO	resigned 16 June 2022
Robert Reynolds	Non-Executive Director	resigned 23 March 2022
James Howard	Chief Operating Officer	resigned 21 January 2022

(i) Michael Wilkes was appointed Non-Executive Director on 10 September 2021 and Non-Executive Chair on 23 March 2022
(ii) Dale Richards was appointed Chief Executive Officer on 16 June 2022 coinciding with his appointment as KMP. Mr Richards previously held the role of GM Geology and Exploration

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:

	30 June 2022 $	30 June 2021 $
Short-term employment benefits	1,978,365	1,660,714
Share-based payments	153,031	910,840
Other long-term benefits	49,250	(4,541)
Termination benefits	433,267	196,965
Post-employment benefits	194,569	126,431
Total Key Management Personnel remuneration	2,808,482	2,890,409

Note 23 Auditor's Remuneration

BDO Audit (WA) Pty Ltd		
Audit and review of financial statements	101,119	106,773
Total	101,119	106,773

Note 24 Events Subsequent to the Reporting Date

Shortly after year end on 5 July 2022, Genesis Minerals Limited (GMD) announced an off-market takeover offer for the Company. Subject to satisfaction or waiver of the conditions set out in the Bidder's Statement lodged with ASX on 29 July 2022, Dacian Shareholders will be entitled to receive 0.0843 fully paid ordinary shares in GMD for every Dacian share held. Dacian lodged its Target's Statement with the ASX on 29 July 2022.

On 12 July 2022, the Company completed a placement of shares to GMD to raise $12.6M to fund the pivot to exploration during the Offer period.

Other than the items noted above, there have 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 Group, the results of those operations or the state of affairs of the Group, in subsequent financial years.

DIRECTORS' DECLARATION

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

a. The accompanying financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 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 2022.

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

DATED at Perth this 31st day of August 2022

Mick Wilkes
Non-Executive Chair

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INDEPENDENT AUDITOR'S REPORT

To the members of Dacian Gold Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Dacian Gold Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment of Mine Properties and Exploration and Evaluation Assets

Key audit matter	***How the matter was addressed in our audit***
As disclosed in note 3, note 11 and note 12 to the financial report, the group recorded an impairment charge of $125.4m at 30 June 2022 against mine properties and exploration & evaluation expenditure. This resulted from a review of the mining activities at the Mt Morgans operation in June 2022 and the subsequent planned suspension of mining activities. The impairment of the Group's mine properties and exploration & evaluation expenditure requires management to make significant accounting judgements and estimates including: • Forecast processing/production costs; • Forecast gold pricing; and • The future recoverability of capitalised exploration and evaluation expenditure This is a key audit matter due to the quantum of the assets and the significant judgement involved in management's assessment of the recoverable amounts of mine properties and exploration & evaluation assets.	Our procedures included but were not limited to: • Considering the appropriateness of the Group's use of the fair value less costs of disposal methodology against the requirements of the accounting standards; • Assessing the integrity of the fair value less costs of disposal model used, including the accuracy of the underlying calculation formulas; • Challenging management's sensitivity assessment by performing our own sensitivity analysis in respect of the key assumption to indicate if there would be a significant change to the value of the asset; • Challenging the appropriateness of management's reserve estimate by assessing the significant assumptions, methods and source data used by the management's expert in estimating the reserve and this includes assessing the competency and objectivity of the management's expert; • Evaluating forecasted processing/production costs against the board approved model; • Assessing the expected forecast gold prices to published views by market commentators on future prices; • Reviewing publicly available market reports against managements impairment assessment for exploration and evaluation asset; and • Assessing the appropriateness of the related disclosures in note 3, note 11 and note 12 to the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 19 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Dacian Gold Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

BDO Audit (WA) Pty Ltd

BDO

Glyn O'Brien

Director

Perth, 31 August 2022

ASX Additional Information

Pursuant to the Listing Requirements of the Australian Securities Exchange, the shareholder information set out below was applicable as at 17 October 2022.

Distribution of Shareholders

Analysis of numbers of shareholders by size of holding:

Distribution	Number of Shareholders	Shares Held
1-1,000	765	306,194
1,001-5,000	1,416	3,948,292
5,001-10,000	691	5,388,389
10,001-100,000	1,417	49,285,744
More than 100,000	276	1,157,872,319
TOTALS	**4,565**	**1,216,800,938**

There are 1,746 shareholders holding less than a marketable parcel of ordinary shares.

Substantial Shareholders

An extract of the Company's Register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below:

Shareholder Name	Number of Shares	% of Shares
Genesis Minerals Limited	913,558,065	75.08%
DELPHI Unternehmensberatung Aktiengesellschaft	83,602,431	6.87%

Twenty Largest Shareholders

	Shareholder Name	Number of Shares	% of Shares
1	GENESIS MINERALS LIMITED	905,268,403	74.40
2	ARGONAUT SECURITIES (NOMINEES) PTY LTD <ASPL CLIENT NO3 A/C>	38,671,418	3.18
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	36,262,878	2.98
4	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAIL CLIENT DRP>	26,433,694	2.17
5	DEUTSCHE BALATON AKTIENGESELLSCHAFT	17,808,962	1.46
6	2INVEST AG	16,073,390	1.32
7	FINCLEAR SERVICES NOMINEES PTY LIMITED <ACCUM A/C>	9,500,000	0.78
8	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	5,048,506	0.41
9	CITICORP NOMINEES PTY LIMITED	4,477,274	0.37
10	VITESSE PTY LTD <VITESSE INVESTMENT A/C>	3,928,225	0.32
11	BUSANG NO 3 PTY LTD <GOYNE SUPER FUND A/C>	3,750,330	0.31
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	3,122,002	0.26
13	ALIANDA OAKS PTY LTD <RESOURCE SURVEYS INVEST A/C>	2,500,000	0.21
14	MINICO PTY LTD	2,500,000	0.21
15	ROGO INVESTMENTS PTY LIMITED	2,063,888	0.17
16	ITA VERO PTY LTD <THE RICHMOND A/C>	2,000,000	0.16
17	SHAREHOLDERS MUTUAL ALLIANCE PTY LTD <SHMA SUPER FUND A/C>	2,000,000	0.16
18	BUTTONWOOD NOMINEES PTY LTD	1,700,000	0.14
19	STALTARI INVESTMENTS PTY LIMITED <THE STALFAM A/C>	1,650,000	0.14
20	MR RODNEY FOSTER + MRS DEBRA FOSTER <R & D FOSTER SUPER FUND A/C>	1,548,220	0.13
	Top 20 holders of Ordinary Fully Paid Shares	**1,086,307,190**	**89.28**

Unquoted Securities

There are no unquoted securities at 17 October 2022.

Voting Rights

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll, each share will have one vote. Unlisted options and performance rights do not have voting rights.

Restricted Securities

The Company has no restricted securities.

On-Market Buy Back

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