DGO Gold Limited

(formerly Drummond Gold Limited)
ABN 96 124 562 849

Annual Report for the financial year ended 30 June 2015

TABLE OF CONTENTS

Directors' report

The Directors of DGO Gold Limited ("the Company", "DGO") submit herewith the annual report of DGO Gold Limited and its subsidiary Yandan Gold Mines Pty Ltd ("Consolidated Entity" or "Group") for the financial year ended 30 June 2015. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Information about Directors and the Company Secretary

The names and particulars of the Directors and the Company Secretary of the Company during or since the end of the financial year are:

Mr. Eduard Eshuys BSc, FAusIMM, FAICD *(Executive Chairman)*

Eduard, aged 70 is a geologist with several decades of exploration experience in Australia. His successes as Joseph Gutnick's exploration director are well known. In the late 1980s and early 1990s he led the teams that discovered the Plutonic, Bronzewing and Jundee gold deposits, and the Cawse Nickel Deposit. He has also had involvement in the Maggie Hays and Mariners nickel discoveries in the 1970's. More recently he was the Managing Director and CEO of St Barbara Limited from July 2004 to March 2009. During this time St Barbara Limited grew substantially as a gold producer.

During the past three years Mr. Eduard Eshuys has also serviced as director of Apex Minerals NL(Receivers and Managers Appointed)(In Liquidation) from 19 April 2012 to date.

Mr. Eduard Eshuys joined the Company on 15 July 2010 as Executive Chairman with responsibility for the corporate governance, exploration activities, administration, board conduct and leadership. As Chairman he will ensure that the Company maintains a well-balanced, suitably qualified, focused and motivated management team working for the benefit of all shareholders. Mr. Eduard Eshuys is a member of the Remuneration and Nomination Committee.

Mr. Brice K. Mutton BSc (Appl Geology) UNSW, FAusIMM, FAIG, MSEG *(Former Non-Executive Director resigned 20 July 2015)*

Brice, aged 64, is a geologist with over 30 years' experience in the resources industry, from exploration to mining and corporate management. Brice gained 20 years' experience in a range of positions with MIM Group Holdings. He was Chief Geologist at Hilton and Mount Isa Mines from 1988 to 1992. He was Executive Assistant to the CEO, MIM Holdings from 1992 to 1994, Deputy General Manager, MIM Petroleum Exploration 1995 to 1996 and General Manager Exploration Support MIM Exploration from 1996 to 1998. During this time he represented MIM and industry associations nationally and internationally. In between periods with MIM from 1979 to 1983 he worked on major mining and civil engineering projects in Australasia with Snowy Mountains Engineering Corporation and Golder Associates. He was Managing Director of Giants Reef Mining from 1998 to 2000. More recently he has consulted to the resources industry through Brice Mutton & Associates. During the past three years Mr. Brice Mutton has also serviced as Non-Executive Director Cusesta Coal Limited (27 September 2003 to date) and Non-Executive Director Apex Minerals Limited (Receivers and Managers Appointed)(In Liquidation) from 19 April 2012 to 30 April 2014.

Mr. Brice K. Mutton was appointed as Executive Director Exploration from 5 April 2007 until 31 May 2008. He provided consulting services as Exploration Manager from 1 June 2008 to 12 September 2008, becoming a Non-Executive Director on the 13 September 2008. Mr. B. K. Mutton from 1 August 2014 is the registered Senior Site Executive (SSE) for the company's Mining Leases and exploration tenements, and responsible for the management of the field operations at its Mt Coolon base. Brice was a member of the Remuneration and Nomination Committee and Audit Committees and a non-executive director until 20 July 2015.

Mr. Ross C. Hutton B. Eng (Min), MAusIMM *(Non-Executive Director)*

Ross, aged 67, is a Mining Engineer with over 45 years' experience in the minerals industry ranging from mining to project management in technical and executive management roles. He has worked in corporate and consultative roles managing activities from feasibility studies to operations both in Australia and internationally. He was appointed Non-Executive Director on 5 April 2007. Hutton is the Chairman of the Audit Committee and Remuneration and Nomination Committee.

During the past three years Mr. Ross C. Hutton has also serviced as Non-Executive Director Kagara Limited (in Liquidation) from 2003 to date, Non-Executive Director Apex Minerals Limited (Receivers and Managers Appointed)(In Liquidation) (in Liquidation) from 19 April 2012 to 3 December 2012 and Non-Executive Director Mungana Goldmines Limited from 17 July 2009 to 24 October 2014.

Mr. Michael J. Ilett BBus(Accy), GradDipAdvAcctg, GradDipCorpGov, MBA, ACIS, CPA, CA *(Director, Company Secretary and Chief Financial Officer)*

Michael, aged 49, is a Chartered Accountant and a member of Chartered Institute of Company Secretaries in Australia. In 2003, Mr. Michael J. Ilett was awarded the MBA Medallion from the Queensland University of Technology and in 2004 was awarded the J. S. Goffage Prize from Chartered Secretaries Australia Limited. Michael has over 25 years' commercial experience and was the former Company Secretary and Chief Financial Officer for Gold Aura Limited and Union Resources Limited. He has provided a key role in the listing of exploration companies on the ASX, capital raisings, corporate governance, administration and the duel listing of an Australian public company on the Alternative Investment Market (AIM). Michael Ilett was appointed as a Director and a member of the Remuneration and Nomination Committee and Audit Committees on 20 July 2015.

The above named directors held office during the whole of the financial year and since the end of the financial year except for:-

- Mr. Brice K. Mutton – resigned on 20 July 2015
- Mr. Michael J. Ilett – appointed on 20 July 2015

Principal activities

The Consolidated Entity's principle activities in the course of the financial year were to consider a number of opportunities to acquire or joint venture exploration tenements with particular emphasis on gold, copper and zinc exploration.

The Consolidated Entity made tenement applications for gold located in sediment hosted gold deposits (SHGD) based on research undertaken by the Company with CODES at the University of Tasmania. The research has focused on identifying districts in which SHGD's could occur in rocks in Australia that are of comparable geologic age to those of SHGD elsewhere in the world.

During the financial year, the Company sold its former wholly owned subsidiary Mt Coolon Gold Mines Pty Ltd that held the exploration tenements in the Drummond Basin. Details of the sale of Mt Coolon Gold Mines Pty Ltd are contained in note 7 and note 22 to the financial statements.

Operating Results

The net loss from operations of the Consolidated Entity for the year ended 30 June 2015 was $977,306 (2014: net loss $4,632,510). The net loss from continuing operations of the Consolidated Entity for the year ended 30 June 2015 was $741,521 (2014: net loss from continuing operations $346,363).

Review of Operations

The Board has deliberated on the future direction of the Company and decided that in line with its current financial capacity and technical and corporate skills the Company would be best served by focusing on greenfield exploration in particular for gold in SHDG. This strategy has been facilitated by the sale of the Drummond Basin gold assets during the year.

The Company has formulated the following greenfield exploration strategy:-

- Use sediment hosted gold deposit analogues of world class gold deposits and the peak ages of gold deposition to target Australian sedimentary basins based on CODES, UTAS research;
- Endeavour to acquire or joint venture exploration areas targeted;
- Research and review past exploration data for the target area acquired or joint ventured;
- Use that research to identify drill ready targets: and
- Develop exploration priorities determined by the identification of drill targets.

To guide exploration the Company has engaged CODES at the UTAS to conduct research into the formation and location of sediment host gold deposits in Australia based on analogues of the world class sediment hosted gold deposits elsewhere in the world. The research has focused on identifying districts in which SHGD's could occur in rocks in Australia that are of comparable geologic age to those of SHGD elsewhere in the world.

The objective is to establish a number of high priority target areas base on the UTAS research and follow this up with the evaluation of open file past exploration data, other research data, geophysical and geochemical surveys by government agencies and others. This work should lead to the possible definition of drill targets to at least confirm the prospectivty of the sedimentary rocks for the occurrence of sediment hosted gold mineralisation. The Company believes that no other Australian gold exploration has this approach to exploration.

Even though the Company is seeking to mitigate its risk through its greenflield exploration strategy there are a number of business risks that are commonly associated with exploration companies including the identified material business risks of tenement title risk, exploration and evaluation risk, and external environmental risks.

The Company has made applications for tenements in sediment hosted gold deposits (SHGD) based on targets identified by CODES at the University of Tasmania. There is a risk that the title to the tenements may not be granted or that the title may be subject to unregistered prior agreements or affected by undetected defects. The Company has engaged experience tenement consultants to help mitigate this risk.

After a tenement is granted there is a risk that the Company may be unable to find economically viable resources or reserves. The ability of the Company to make an economic return on its tenements is dependent upon many factors including the Company's ability to develop resources and reserves, ability to finance fund exploration costs, adherence to regulatory, statutory, environmental and indigenous heritage obligations and ability to obtain a return on the disposal or development of the tenements. The Company is relaying on the judgement and experience of its Board and consultants and the research undertaken through UTAS to mitigate the exploration and environmental risks.

There are many external environmental risks beyond the control of the Company that may affect the ability of the Company to develop its tenements. These factors include commodity prices, the ability to attract project partners and competent personal as well as changes to government and environmental requirements. These external environmental risks may affect the timing and amount of future funding that the Company can attract to support its exploration activities.

Target areas

Ten high priority targets areas (refer figure 1 bellow) have been identified by CODES which include sedimentary rocks of one of the above geological ages and in which favorable geological structures have been identified by past geological mapping and airborne geophysical surveys. Exploration tenements have initially been applied for in Western Australia and South Australia based on research by the Company at CODES at the University of Tasmania.

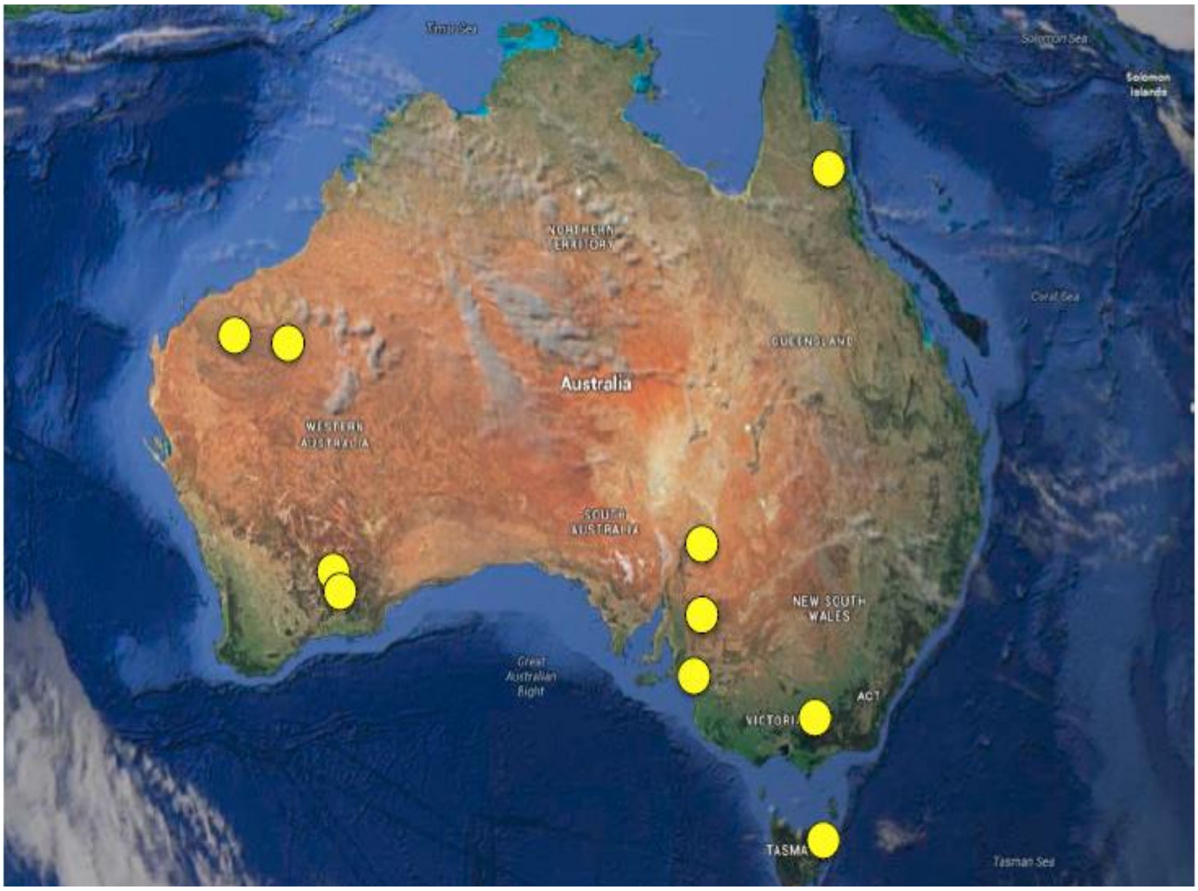

Figure 1: Ten priority areas identified by the University of Tasmania.

Western Australia

Exploration tenements have been applied for in the Mt Edwards, Ora Banda and Black Flag areas of the Eastern Goldfields near Kalgoorlie (refer figure 2 below). Subsequent to the applications having been made open file data held by the Department of Minerals & Energy has been reviewed collated and found that gold mineralisation has been intersected in shallow drilling in rocks overlying Black Flag Group sediments which are the target for sediment hosted gold. Further research of these areas and surrounding areas is continuing.

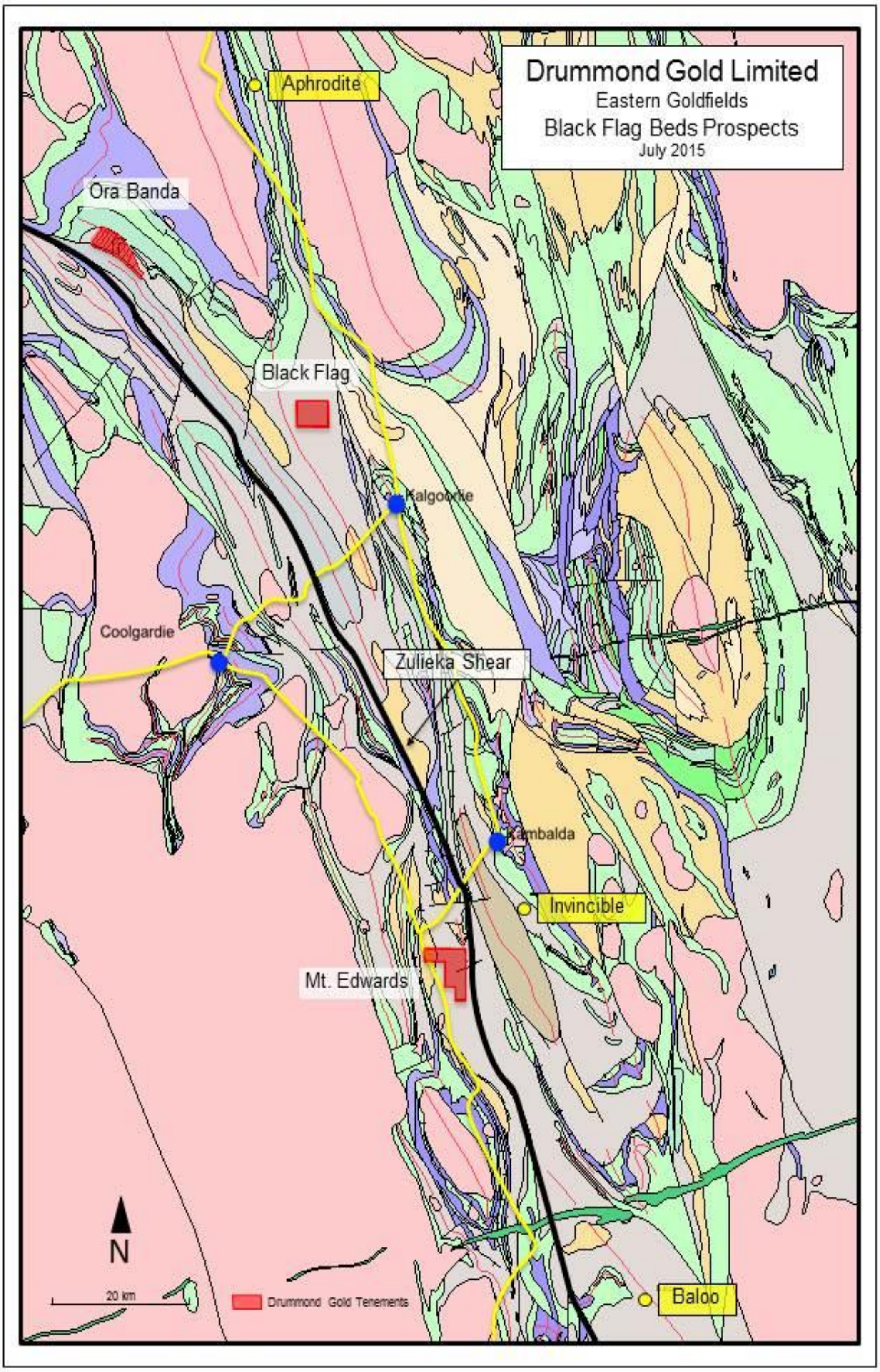

Figure 2: Tenement Applications, Mt Edwards, Ora Banda and Black Flag Eastern Goldfields Western Australia

South Australia

Exploration tenements have been applied for at Mt Barker to the east of Adelaide and at Dawson to the north east of Adelaide. Data compilation of past exploration activity is underway as identified in figure 3 below.

Figure 3: Tenement Application Mount Barker South Australia

Elsewhere in Australia

Other regions targeted by CODES which host favorable sedimentary basins for the formation and location of sediment by the hosted gold mineralisation have been identified in Queensland, Tasmania and Western Australia.

Changes in state of affairs

During the financial year, the Consolidated Entity disposed of its subsidiary Mt Coolon Gold Mines Pty Ltd that held tenements in the Drummond Basin. Details of the disposal are contained in the notes 7 and 22 of the financial statements. As the result of the disposal of Mt Coolon Gold Mines Pty Ltd the consolidated entity holds 50 million shares in GBM Resources Limited which are held as an available for sale asset.

On 19 December 2014 the Company also completed a share placement of a total of 60,000,000 fully paid ordinary shares at an issue price of $0.003 (0.3 cents) per share to the directors or their nominees as approved by shareholders at the Annual General Meeting held on 20 November 2014.

Other than above there was no significant change in the state of the affairs of the consolidated entity during the financial year.

Subsequent Events

On 13 July 2015 the Company acquired 212,766 Talisman Mining Limited shares for a total consideration of $100,000.

On 17 September 2015 the shareholders at the General Meeting of Shareholders approved the consolidation of the Company's ordinary shares on a 100:1 basis and had taken effect for trading on a deferred settlement basis on 21 September 2015

On 17 September 2015 the shareholders at the General Meeting of Shareholders approved the placement of 140,000 fully paid ordinary shares (on a post consolidation basis) at an issue price of $0.30 per share to Resource Surveys Pty, a related party of Mr Eduard Eshuys and 75,000 fully paid ordinary shares (on a post consolidation basis) at an issue price of $0.30 per share to Sheratan Pty Ltd, a related party of Mr Ross Hutton.

On 21 September 2015 the Company changed its name from Drummond Gold Limited to DGO Gold Limited effective on 21 September 2015..

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years

Other than the above, there has been not been any mater or circumstance occurring subsequent to the end of the financial year that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial year.

Future developments

The Company is in the process of evaluating the extensive research work undertaken with Codes at UTAS to identify target areas and will make further applications for tenements should land be available and or acquire the land from others or seek joint ventures with the exploration tenement holder to build up a portfolio of targets and prospects which have the potential for the discovery of sediment hosted gold deposits.

Health and Safety Policy

The Company is committed to developing a culture which supports the health and safety of all employees, contractors, customers and communities associated with its business and operations.

Environmental regulations

Until the time the tenement applications are grated, the Company is not subject to any particular and significant environmental regulation under the law of the Commonwealth or of a state or Territory. So far as the Directors are aware, there have been no material breaches of the Group's licenses and all exploration activities have been undertaken in compliance with the relevant environmental regulations.

Dividends

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

Shares under option or issued on exercise of options

There were no options on issue at the date of this report.

Indemnification of Directors and Officers

During the financial year, the Company paid a premium in respect of Directors' and Officers' Insurance insuring the Directors and Officers of the Company against a liability incurred as a Director and Officer to the extent permitted by the Corporations Act 2001.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an Officer or auditor of the Company or of any related body corporate against a liability incurred by such an Officer or auditor.

Directors' meetings

The following table sets out the number of Board of Directors' Meetings (excluding four Directors' Meetings requiring circulating resolutions), Remuneration & Nomination Committee Meetings and Audit Committee Meetings held during the financial year and attendance at such meeting by each Director and member of the committee.

	Board of Directors		Remuneration & Nomination Committee		Audit Committee	
Directors	Held	Attended	Held	Attended	Held	Attended
Mr. E. Eshuys (i)	14	14	1	1	N.A	N.A
Mr. B. K. Mutton (ii)	13	14	1	1	2	2
Mr. R. C. Hutton	10	14	1	1	2	2

(i) Mr. E. Eshuys is not a member of the Audit Committee.
(ii) Mr. B. K. Mutton resigned as a director on 20 July 2015.

Directors' shareholdings

The following table sets out each Director's direct and indirect interest and relevant interest in fully paid ordinary shares in the Company as at the date of this report:

Directors	Fully paid ordinary shares Number	Mt Coolon Mines Trust holding (i)	Total shares held (beneficial interest)	Relevant Interest
Mr. E. Eshuys	66,327,322	-	66,327,322	66,327,322
Mr. B. K. Mutton (ii)	20,138,947	1,046,270	21,185,217	20,138,947
Mr. R. C. Hutton (iii)	31,467,205	2,098,134	33,565,339	38,442,420
Mr. M. J. Ilett (iv)	1,284,627	-	1,284,627	1,284,627

(i) The Mt Coolon Gold Mines Trust (MCGMT) holds 6,975,215 fully paid ordinary shares in the Company. These indirect holdings represent the beneficial interest of approximately 15% and 30% respectively that Mr. B. K. Mutton and Mr. R. C. Hutton hold in the MCGMT.
(ii) Mr. B. K. Mutton resigned his directorship on 20 July 2015. Brice has approximately a 15% beneficial interest (but not a relevant) interest in the MCGMT.
(iii) Mr. R. C. Hutton has a relevant interest in all the fully paid ordinary shares held by the MCGMT as he holds approximately a 30% beneficial interest in the MCGMT.
(iv) Mr. M. J. Ilett is an alternate director for Mr. R. C. Hutton and was appointed as a director on 20 July 2015.

Remuneration report

The Remuneration Report, which forms part of the Directors' Report, sets out the information about the remuneration of the Group's key management personnel and relevant Group executives for the financial year ended 30 June 2015. The term key management personnel relates to those persons having the authority and responsibility for planning, directing and controlling the activities of the consolidated entity directly or indirectly including any director (whether executive or otherwise) of the consolidated entity. The prescribed details for each person covered by this remuneration report are detailed below under the following headings:-

A. Key management personnel and relevant group executives' details
B. Remuneration policy for key management personnel
C. Relationship between remuneration policy and company performance
D. Remuneration of the key management personnel and relevant group executives
E. Key terms of employment contracts

A. Key management and relevant group executives' details

The following persons acted as directors of the Company during or since the end of the financial year:
- Mr. E. Eshuys (Executive Chairman) appointed on15 July 2010;
- Mr. R. C. Hutton (Non-Executive Director) appointed on 5 April 2007;
- Mr. B. K. Mutton (Non-Executive Director) appointed on 5 April 2007 and was Exploration Manager until 12 September 2008. He became a Non-Executive Director on 13 September 2008 and resigned on 20 July 2015.
- Mr. M. J. Ilett (Company Secretary and Chief Financial Officer) who was appointed on 5 April 2007 and appointed as Director on 20 July 2015.

Mr. R. C. Hutton who retires by rotation will be eligible to be re-elected as a Director at the next Annual General Meeting. Mr. M. J. Ilett's appointment as a Director will be put to the shareholder at the next Annual General Meeting.

B. Remuneration policy for key management personnel

The Board of Directors is responsible for determining and reviewing compensation arrangements for key management personnel. The Remuneration and Nomination Committee makes recommendations to the Board on performance and remuneration of the key management personnel.

Executive Remuneration

Contracts for services for the executive members of the key management personnel are reviewed on a regular basis to ensure that they properly reflect the duties and responsibilities of the individuals concerned. The executive remuneration is based on a number of factors including length of service, relevant market conditions, knowledge and industry experience, organisational experience, performance of the Company and competitive factors within the industry. There is no guaranteed pay increases included in senior executives' contracts. The executives are not entitled to any retirement benefits other than those provided for under the key terms of the employment contracts as outlined below.

The Company has formulated a set of criteria for the performance review of the key executives. During the financial year, the Remuneration and Nomination Committee held a performance review for the Chairman, Non-Executive Directors and key executives and recommendations were made to and adopted by the Board. The senior executive consisting of Mr. E. Eshuys and Mr. M. J. Ilett have the opportunity to participate in executive decision making and make regular reports to the Board. The senior executives have an understanding of the Company's financial position, strategies, operations and risk management policies and an undertaking of their respective rights, duties, responsibilities, and the roles of board and senior executives.

Directors

The Directors' Fees are reviewed on a regular basis against industry benchmarks. The Directors received no equity-based payments during the year. Other than compulsory payments made under the superannuation guarantee legislation there have been no retirement benefits provided to the Directors.

C. Relationship between remuneration policy and company performance

The performance of the Company is considered in setting remuneration policy. DGO Gold Limited's performance in the exploration industry will be dependent upon the Company meeting the following corporate objectives:-

- conducting exploration that discovers major gold and base metal deposits;
- seeking long term cash flow and profitability through the development of its tenements; and
- actively pursuing acquisition opportunities in the Drummond Basin and elsewhere.

The table below sets out summary information about the Consolidated Entity's earning and movements in shareholders wealth for the five years to 30 June 2015:

Description	30 June 2015	30 June 2014	30 June 2013	30 June 2012	30 June 2011
Interest revenue and other income	3,299	4,346	358,973	1,061,452	202,731
Loss for the year from continuing operations	(741,521)	(346,363)	-	-	-
Loss for the year from discontinued operations	(235,785)	(4,286,147)	-	-	-
Net loss before tax	(977,306)	(4,636,316)	(5,581,860)	(261,783)	(3,470,981)
Net (loss)/profit after tax	(977,306)	(4,632,510)	(5,103,895)	1,454,859	(3,047,503)
Share price at start of year	0.2 cents	0.3 cents	0.8 cents	5.5 cents	4.8 cents
Share price at end of year	0.2 cents	0.2 cents	0.3 cents	0.8 cents	5.5 cents
Share-based payments	-	100,000	-	34,070	405,582
Interim dividend	-	-	-	-	-
Final dividend	-	-	-	-	-
Return of capital	-	-	-	-	-
Basic profit/(loss) per share (ii)	(20 cents)	(122 cents)	(217 cents)	62 cents	(139 cents)
Diluted profit/(loss) per share (ii)	(20 cents)	(122 cents)	(217 cents)	62 cents	(139 cents)

(i) DGO Gold Limited was admitted to the official list of the ASX on 21 December 2007 and this share price reflects price on quotation.
(ii) The calculation of the basic loss per share has been made on the basis of the 100:1 share consolidation that was approved by shareholders on 17 September 2015.

D. Remuneration of directors and senior management

The following table provides information about the remuneration of the Consolidated Entity's directors and senior management during the 30 June 2015 year:

	Short-term employee benefits				Post-employment benefits	Other long-term employee benefits	Share-based payment	Total
	Salary & fees	Bonus	Non-monetary	Other	Super-annuation			
2015	$	$	$	$	$	$	$	$
Executive chairman								
Mr. E. Eshuys (i),	137,500	-	-	-	12,350	-	-	149,850
Non-executive directors								
Mr. R. C. Hutton (i)	45,000	-	-	-	5,275	-	-	50,275
Mr. B. K. Mutton (i), (ii)	45,000	-	-	4,024	5,344	-	-	54,368
Company secretary								
Mr. M. J. Ilett (iii)	-	-	-	107,800	-	-	-	107,800

(i) The amount described in " Salary and fees" includes Directors' Fees and Salary excludes a total of $160,000 owing to Mr. E. Eshuys, Mr. B. K. Mutton and Mr. R. C. Hutton from the previous financial year which was paid during the year ended 30 June 2015.
(ii) The amount disclosed in "Short term employee benefits – other" for Mr. B. K. Mutton of $4,024 Mr B. K. Mutton's consulting fees were paid to his company Brice Mutton & Associates Pty Ltd.
(iii) The amount disclosed in "Short term employee benefits – other" column represents consulting fees of $107,800 (net of Goods and Services Tax). Mr. M. J. Ilett's consulting fees were paid to his company Kaus Australia Pty Ltd.

The following table provides information about the remuneration of the Consolidated Entity's directors and senior management during the 30 June 2014 year:

	Short-term employee benefits				Post-employment benefits	Other long-term employee benefits	Share-based payment	Total
	Salary & fees	Bonus	Non-monetary	Other	Super-annuation			
2014	$	$	$	$	$	$	$	$
Executive chairman								
Mr. E. Eshuys (i), (ii)	92,500	-	-	20,000	-	-	37,500	150,000
Non-executive directors								
Mr. R. C. Hutton (i), (ii)	33,750	-	-	-	-	-	11,250	45,000
Mr. B. K. Mutton (i), (ii), (iii)	33,750	-	-	126,350	-	-	11,250	171,350
Company secretary								
Mr. M. J. Ilett (iv)	-	-	-	110,862	-	-	-	110,862

(i) The amount described in "Share-based payment" represents part payment of the Chairman's salary and Director's fees for the 2015 financial year in the form of DGO Gold Limited shares in lieu of cash consideration.

(ii) The amount described in " Salary and fees" includes Directors' Fees and Salary totalling $160,000 owing to Mr. E. Eshuys, Mr. B. K. Mutton and Mr. R. C. Hutton which has been accrued and not paid as at 30 June 2014.

(iii) The amount disclosed in "Short term employee benefits – other" for Mr. B. K. Mutton of $126,350 Mr B. K. Mutton's consulting fees were paid to his company Brice Mutton & Associates Pty Ltd.

(iv) The amount disclosed in "Short term employee benefits – other" column represents consulting fees of $110,862 (net of Goods and Services Tax). Mr. M. J. Ilett's consulting fees were paid to his company Kaus Australis Pty Ltd.

Bonus and share-based payments granted as compensation for the current financial year

There were no bonuses or share based payments granted a compensation for the current financial year.

Key management personnel equity holdings

Fully paid ordinary shares of DGO Gold Limited held directly or indirectly at end of financial year:

	Balance at beginning of year	Granted as compensation (iii)	Received on exercise of options	Net other change	Balance at the end of the year	Relevant interest	Balance held nominally
	No.	No.	No.	No.	No.	No.	No.
2015							
Mr. E. Eshuys (i)	31,327,322	-	-	35,000,000	66,327,322	66,327,322	-
Mr. B. K. Mutton (i), (ii)	11,185,217	-	-	10,000,000	21,185,217	20,138,947	-
Mr. R. C. Hutton (i), (ii), (iii)	18,565,339	-	-	15,000,000	33,565,339	38,442,420	-
Mr. M. J. Ilett	1,284,627	-	-	-	1,284,627	1,284,627	-
2014							
Mr. E. Eshuys	10,493,989	20,833,333	-	-	31,327,322	31,327,322	-
Mr. B. K. Mutton	4,935,217	6,250,000	-	-	11,185,217	10,138,947	-
Mr. R. C. Hutton	12,315,339	6,250,000	-	-	18,565,339	23,442,420	-
Mr. M. J. Ilett	1,284,627	-	-	-	1,284,627	1,284,627	-

(i) On 19 December 2014 the Company issued a total of 60,000,000 fully paid ordinary shares at an issue price of $0.003 (0.3 cents) per share to the directors or their nominees as approved pursuant to a meeting of shareholders.

(ii) Mt Coolon Holdings Pty Ltd (MCGMT) holds 6,975,215 shares in the Company. Included in the balance of the shareholdings at the end of the year for Mr. B. K. Mutton, Mr. R. C. Hutton are their relevant interests in 6,975,215 shares held indirectly through the MCGMT.

(iii) Mr. R. Hutton holds a 30 per cent beneficial interest in MCGMT. The relevant interest for Mr. R. C. Hutton includes the total of 6,975,215 shares (2014: 6,975,215) held indirectly through the MCGMT.

E. Key terms of employment contracts

Contracts for services of key management personnel and relevant executives

Remuneration and other terms of employment for the Directors and other key management personnel are formalised in service agreements. The contractual arrangements contain certain provisions typically found in contracts of this nature.

Mr. E. Eshuys

The Company has entered into an agreement with Mr. E. Eshuys pursuant to which Mr. E. Eshuys has agreed to act in the capacity as an Executive Chairman and provided geological services to the Company. The key terms of the agreement are as follows:-

- Annual Fee of $150,000 per annum plus superannuation obligations under the superannuation guarantee up until 31 March 2015.
- Annual Fee of $100,000 per annum plus superannuation obligations under the superannuation guarantee commencing 1 April 2015.
- Term of the Agreement: One (1) year renewed on an annual basis by mutual consent.
- Annual leave accrued on equivalent of being employed one week per month and long service leave entitlement provided in accordance with the National Employment Standards;

- Termination due to resignation: Mr. E. Eshuys is required to provide one (1) month's notice and be paid the equivalent of one (1) month's fees for the provision of geological services together with accrued leave;
- Termination due to company notice: The Company is required to provide three (3) month's notice and make a payment equivalent of three (3) month's fee for the provision of geological services in lieu of notice together with accrued leave; and
- Termination due to change in control: In the event that a party acquires more than 50% of the Company and Mr. E. Eshuys is terminated, he shall be entitled total remuneration payable in respect of the equivalent of one (1) month's fees for the provision of geological services together with accrued leave.

Mr. B. K. Mutton

The Company has entered into an agreement with Mr. B. K. Mutton pursuant to which Mr. B. K. Mutton has agreed to act in the capacity as a Non-Executive Director of the Company. The key terms of the agreement are as follows:-

- Annual Director's Fees: $45,000 per annum plus superannuation obligations under the superannuation guarantee payable on a monthly basis for the provision of services as a Non Executive Director up until 20 July 2015.
- Term of the Agreement: One (1) year renewed on an annual basis by mutual consent.
- Consulting Fees: $175 per hour (exclusive of GST) for each hour worked and invoiced on projects approved by the Board, other than for work that forms part of his Director's duty, to a maximum amount of $5,000 per month (excluding GST) unless otherwise agreed by the Company;
- Termination due to resignation: Mr. B. K. Mutton is required to provide one (1) month's notice and be paid one (1) month's Director's Fees during this notice period;
- Termination due to company notice: The Company is required to provide three (3) month's notice and make a payment of four (4) month's Director's Fees in lieu of notice; and
- Termination due to change in control: In the event that a party acquires more than 50% of the Company and Mr. B. K. Mutton is terminated, he shall be entitled total remuneration payable in respect of four (4) months' Directors' fees.

Mr. R. C. Hutton

The Company has entered into an agreement with Mr. R. C. Hutton pursuant to which Mr. R. C. Hutton has agreed to act in the capacity as a Non-Executive Director of the Company. The key terms of the agreement are as follows:-

- Annual Director's Fees: $45,000 per annum plus superannuation obligations under the superannuation guarantee payable on a monthly basis for the provision of services as a Non Executive Director.
- Term of the Agreement: One (1) year renewed on an annual basis by mutual consent;
- Consulting Fees: $175 per hour (exclusive of GST) for each hour worked and invoiced on projects approved by the Board, other than for work that forms part of his Director's duty, to a maximum amount of $5,000 per month (excluding GST) unless otherwise agreed by the Company;
- Termination due to resignation: Mr. R. C. Hutton is required to provide one (1) month's notice and be paid one (1) month's Director's Fees during this notice period;
- Termination due to company notice: The Company is required to provide three (3) month's notice and make a payment of four (4) month's Director's Fees in lieu of notice; and
- Termination due to change in control: In the event that a party acquires more than 50% of the Company and Mr. R. C. Hutton is terminated, he shall be entitled total remuneration payable in respect of four (4) months' Directors' fees.

Mr. M. J. Ilett

The Company has entered into an agreement with Kaus Australis Pty Ltd dated 1 July 2010 pursuant to which Mr. M. J. Ilett has agreed to provide certain consultancy services to the Company and be appointed as the Company Secretary. The key terms of the agreement are as follows:-

- Annual Director's Fees: $45,000 per annum plus superannuation obligations under the superannuation guarantee payable on a monthly basis for the provision of services as a Director effective from 20 July 2015;
- Consulting fee: Hourly rate of $175 per hour (exclusive of GST);
- Outgoings: Provision to reimburse Kaus Australis Pty Ltd for all reasonable and necessary expenses incurred by it or Mr. M. J. Ilett in the performance of the services under the agreement;
- Term of the Agreement: One (1) year renewed on an annual basis by mutual consent;
- No annual leave or long service leave accrued;
- Termination due to Company notice: The Company is required to provide three (3) month's notice and make a payment equal to the invoices for services provided in the preceding three (3) months prior to the date of the company notice event; and
- Termination due to change in control: In the event that a party acquires more than 50% of the Company and the services of Kaus Australis Pty Ltd is terminated, Kaus Australis Pty Ltd shall be entitled total remuneration payable in respect of three (3) months' invoice equal to the invoices for services provided in the preceding three (3) months prior to the date of the change in control event.

End of audited remuneration report

Non-audit services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 28 to the financial statements.

The Directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 28 to the financial statements do not compromise the external auditor's independence, based on advice received from the Audit Committee, for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Auditor's independence declaration

The auditor's independence declaration is included on page 14 of the Annual Report.

The directors' report is signed in accordance with a resolution of Directors made pursuant to s.298 (2) of the Corporations Act 2001.

On behalf of the Directors

Eduard Eshuys
Executive Chairman
Brisbane, 30 September 2015

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
DGO Gold Limited (formerly Drummond Gold Limited)
27 General Macarthur Place
Redbank Qld 4301

30 September 2015

Dear Board Members

DGO Gold Limited (formerly Drummond Gold Limited)

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of DGO Gold Limited (formerly Drummond Gold Limited).

As lead audit partner for the audit of the financial statements of DGO Gold Limited for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Stephen Tarling
Partner
Chartered Accountants

Deloitte.

Deloitte Touche Tohmatsu
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Independent Auditor's Report to the Members of DGO Gold Limited (formerly Drummond Gold Limited)

Report on the Financial Report

We have audited the accompanying financial report of DGO Gold Limited (formerly Drummond Gold Limited), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 17 to 44.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 3, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of DGO Gold Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report DGO Gold Limited is in accordance with the *Corporations Act 2001*, including:

 (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

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

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 3.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 12 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of DGO Gold Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Stephen Tarling
Partner
Chartered Accountants
Brisbane, 30 September 2015

Directors' declaration

The Directors declare that:

a) in the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity;

c) In the director's opinion, the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board as stated in note 3 in the financial statements; and

d) the Directors have been given declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

Eduard Eshuys
Executive Chairman
Brisbane, 30 September 2015

Consolidated statement of profit and loss and other comprehensive income
for the financial year ended 30 June 2015

	Note	Year ended 30/06/15 $	Year ended 30/06/14 $
Continuing operations			
Interest income		3,299	3,254
Other income		-	455
Operating lease rental expenses:			
Minimum lease payments		(19,201)	(15,492)
Depreciation expenses	11	(19,009)	(34,681)
Employee benefit expenses		(109,500)	(75,614)
Directors' fees		(140,969)	(98,611)
Consultants and contractor expenses		(208,173)	(29,366)
Administration expenses		(197,968)	(91,406)
Loss on sale of fixed asset		-	(7,561)
Impairment - consideration receivable	22(a)	(50,000)	-
Impairment - exploration and evaluation expenditure	12	-	(1,147)
Loss before tax from continuing operations		(741,521)	(350,169)
Income tax benefit	6	-	3,806
Loss for the year from continuing operations		(741,521)	(346,363)
Discontinued operations			
Loss for the year from discontinued operations	7	(235,785)	(4,286,147)
LOSS FOR THE YEAR		(977,306)	(4,632,510)
Other comprehensive income			
Available for sale financial assets		(300,000)	-
		(300,000)	-
Income tax on other items of other comprehensive income		-	-
Total comprehensive loss for the year		(1,277,306)	(4,632,510)
From continuing and discontinued operations			
Basic loss per share (cents per share)	18	(20)	(122)
Diluted loss per share (cents per share)	18	(20)	(122)
From continuing operations			
Basic loss per share (cents per share)	18	(15)	(90)
Diluted loss per share (cents per share)	18	(15)	(90)

Notes to the financial statements are included on pages 22 to 44.

Consolidated statement of financial position
as at 30 June 2015

	Note	Year ended 30/06/15 $	Year ended 30/06/14 $
Current assets			
Cash and cash balances	8	457,246	241,700
Current tax assets	6	-	271,784
Trade and other receivables	9	25,027	12,948
Other financial assets	10	850,000	-
Total current assets		1,332,273	526,432
Non-current assets			
Trade and other receivables	9	-	371,183
Property, plant and equipment	11	62,047	245,907
Exploration and evaluation expenditure	12	-	2,000,000
Total non-current assets		62,047	2,617,080
Total assets		1,394,320	3,143,522
Current liabilities			
Trade and other payables	13	164,794	343,656
Provisions	14	7,877	7,877
Total current liabilities		172,671	351,533
Non-current liabilities			
Provisions	14	-	471,054
Total non-current liabilities		-	471,054
Total liabilities		172,671	822,587
Net assets		1,221,649	2,320,935
Equity			
Issued capital	15	20,204,243	20,026,223
Reserves	16	652	300,652
Accumulated losses	17	(18,983,246)	(18,005,940)
Total equity		1,221,649	2,320,935

Notes to the financial statements are included on pages 22 to 44.

Consolidated statement of changes in equity

for the financial year ended 30 June 2015

Consolidated	Fully paid ordinary shares $	Option premium reserve $	Share revaluation reserve $	Accumulated Losses $	Total $
Balance at 1 July 2013	19,581,001	300,652	-	(13,373,430)	6,508.223
Issue of shares	445,222	-	-	-	445,222
Loss for the year	-	-	-	(4,632,510)	(4,632,510)
Total comprehensive loss for the year	-	-	-	(4,632,510)	(4,632,510)
Balance at 30 June 2014	20,026,223	300,652	-	(18,005,940)	2,320,935
Balance at 1 July 2014	20,026,223	300,652	-	(18,005,940)	2,320,935
Issue of shares	178,020	-	-	-	178,020
Available for sale financial assets	-	-	(300,000)	-	(300,000)
Loss for the year	-	-	-	(977,306)	(977,306)
		-	(300,000)	(977,306)	(1,277,306)
Balance at 30 June 2015	20,204,243	300,652	(300,000)	(18,983,246)	1,221,649

Notes to the financial statements are included on pages 22 to 44.

Consolidated statement of cash flows
for the financial year ended 30 June 2015

	Note	Year ended 30/06/15 $	Year ended 30/06/14 $
Cash flows from operating activities			
Payments to suppliers and employees		(780,342)	(337,704)
Interest and other costs of finance paid		(201)	(590)
Income tax refund relating to eligible research and development activities		268,770	398,780
Net cash (used)/generated by operating activities	23	(511,773)	60,486
Cash flows from investing activities			
Interest received		3,299	3,663
Proceeds from property, plant and equipment		-	43,501
Proceeds on disposal of subsidiary		800,000	
Refunds of deposits		-	10,911
Payments for exploration and evaluation activities		(254,000)	(391,695)
Net cash generated/(used) by investing activities		549,299	(333,620)
Cash flows from financing activities			
Proceeds from issues of equity securities		180,000	380,000
Payment for share issue costs		(1,980)	(34,778)
Net cash generated by financing activities		178,020	345,222
Net increase in cash and cash equivalents		215,546	72,088
Cash and cash equivalents at the beginning of the financial year	8, 23	241,700	169,612
Cash and cash equivalents at the end of the financial year	8, 23	457,246	241,700

Notes to the financial statements are included on pages 22 to 44.

Notes to the financial statements
for the year ended 30 June 2015

1. General information

DGO Gold Limited (the Company) is a public company listed on the Australian Securities Exchange (trading under the code DGO), incorporated in Australia and operating in Queensland. DGO Gold Limited's registered office and its principal place of business are as follows:

Registered office	Principal place of business
27 General Macarthur Place	27 General Macarthur Place
Redbank Qld 4301	Redbank Qld 4301

The Groups' principle activity in the course of the financial year was to consider opportunities to acquire or joint venture gold exploration tenements with particular emphasis on gold based on research undertaken with the University of Tasmania on sediment hosted gold deposits in Australia.

2. Application of new and revised Accounting Standards

2.1 Amendments to AASBs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Group has applied a number of amendments to AASBs and a new Interpretation issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2014, and therefore relevant for the current year end.

AASB 2012-3 "Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities."

The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments have been applied retrospectively. As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments does not have any material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

'Amendments to AASB 136 – Recoverable Amount Disclosures for Non- Financial Assets' and AASB 2013-6 'Amendments to AASB 136 arising from Reduced Disclosure Requirements'

The amendments to AASB 136 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by AASB 13 'Fair Value Measurements' establishes reduced disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements in relation to disclosure of recoverable amount.

The application of these amendments does not have any material impact.

AASB 2014-1 "Amendments to Australian Accounting Standards" (Part A. Annual Improvements 2010-2012 and 2011-2013 Cycles)

The Annual Improvements 2010-2012 has made number of amendments to various AASBs, which are summarised below.

- The amendments to AASB 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to AASB 2 are effective for share- based payment transactions for which the grant date is on or after 1 July 2014.
- The amendments to AASB 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of AASB 9 or AASB 139 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to AASB 3 are effective for business combinations for which the acquisition date is date is on or after 1 July 2014.

2.1 Amendments to AASBs and the new Interpretation that are mandatorily effective for the current year (cont'd)

AASB 2014-1 "Amendments to Australian Accounting Standards" (Part A. Annual Improvements 2010-2012 and 2011-2013 Cycles)

- The amendments to AASB 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.
- The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.
- The amendments to AASB 116 and AASB 138 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.
- The amendments to AASB 124 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The Annual Improvements 2011-2013 has made number of amendments to various AASBs, which are summarised below:-

- The amendments to AASB 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements in the financial statements of the joint arrangement itself.
- The amendments to AASB 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, AASB 139 or AASB 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within AASB 132.
- The amendments to AASB 140 clarify that AASB 140 and AASB 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:
    i. the property meets the definition of investment property in terms of AASB 140; and
    ii. the transaction meets the definition of a business combination under AASB 3.

The application of these amendments does not have any material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

AASB 1031 "Materiality" ASB 2013-9 "Amendments to Australian Accounting Standards' – Conceptual Framework Materiality and Financial Instruments' (Part B Materiality) AASB 2014-1 Amendments to Australian Accounting Standards (Part C Materiality)

The revised AASB 1031 is an interim standard that cross-references to other Standards and the 'Framework for the Preparation and Presentation of Financial Statements' (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations. Once all of these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031, AASB 2013-9 (Part B) and AASB 2014-1 (Part C) does not have any material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

2.2 Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below:-

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards.	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from ASB 15'	1 January 2017	30 June 2019
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-6 'Amendments to Australian Accounting Standards – Agriculture: Bearer Plants'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 :Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016
AASB 2015-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent'	1 July 2015	30 June 2016
AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception'	1 January 2016	30 June 2017

2.2 Standards and Interpretations in issue not yet adopted (cont'd)

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending

None at the time of issue of annual report.

3. Significant accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purpose of preparing the consolidated financial statements, the Company is a for-profit entity.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the Directors on 30 September 2015.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries) (referred to as 'the Group' in these financial statements). Control is based on whether the investor has power over the investee, exposure, or rights, to variable returns from its involvement in the investee, and the ability to use its power over the investee to affect the amount of the returns.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

(b) Going concern

The financial statements have been prepared on the basis that the Consolidated Entity is a going concern, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. The Directors are of the opinion that the basis upon which the financial statements are prepared is appropriate in the circumstances as the Directors believe that they have sufficient funds to meet their budgeted activities, liabilities as they fall due and continue planned operations over the next 12 months as the Consolidated Entity holds available for sale financial assets consisting of 50 million shares in GBM Resources Limited shares and 212,766 Talisman Mining Limited shares at the date of this report.

(c) Business combinations

Under AASB3 Business Combinations, acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant Standards. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3(2008) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 Income Taxes and AASB 119 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share based payment awards are measured in accordance with AASB 2 Share-based Payment; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 Noncurrent Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 'Business Combinations' are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations', which are recognised and measured at fair value less costs to sell.

(d) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. 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.

(e) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

<u>Defined contribution plans</u>
Contributions to defined contribution superannuation plans are expensed when incurred.

(f) Financial assets

<u>AFS financial assets</u>
Listed shares and listed redeemable notes held by the Group that are traded in an active market are classified as AFS and are stated at fair value. Investments in unlisted shares that are not traded in an active market but that

are also classified as AFS financial assets and stated at fair value (when the directors consider that fair value can be reliably measured). Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.
Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Subsequent to initial recognition, investments in subsidiaries are measured at cost in the company financial statements.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity investments', 'available-for-sale' financial assets, and 'loans and receivables'.
The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method
The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

Financial assets at fair value through profit or loss
Financial assets are classified as financial assets at fair value through profit or loss where the financial asset:

- has been acquired principally for the purpose of selling in the near future;
- is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Loans and receivables
Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of financial assets
Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale- equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flow from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises a retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of the transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(g) Exploration and evaluation assets

An exploration and evaluation asset shall only be recognised in relation to an area of interest if 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:

- the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
- 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 areas of interest are continuing.

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. Capitalised exploration and evaluation expenditure is also written off in circumstances where the Board has made a determination in consideration of external indicators of impairment.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(h) Impairment of tangible and intangible assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) 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 (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

Exploration and evaluation are assessed for impairment when facts and circumstances suggest that the carrying value 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 value 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 in the previous years.

(i) Income tax

Current tax
Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).
The current tax asset is calculated by reference to the estimated Research and Development tax refunds relating to eligible research and development activities (R&D tax refunds) during the financial year. The Company and the consolidated entity are expecting to receive research and development tax offset with respect to its research and development activities.

Deferred tax
Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period
Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

(j) Leased assets

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Group as lessee
Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

(k) Property, plant and equipment

Land and buildings are measured at an historical cost basis. Depreciation on buildings is charged to profit or loss. Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

<u>Onerous contracts</u>
Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

(m) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

<u>Dividend and interest revenue</u>
Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(n) Share-based payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of the Black Scholes method. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

(o) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

(i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
(ii) for receivables and payables which are recognised inclusive of GST.

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

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

(p) Provision for restoration and rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of exploration and development activities undertaken, it is probable that an outflow of benefits will be required to settle the obligation and the provision can be measured reliably. The estimated future obligations include the costs of restoring the affected exploration and evaluation areas contained in the Group's tenements.

The provision for future restoration is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs will be reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.

The initial estimate of restoration and rehabilitation relating to exploration and evaluation assets is capitalised into the cost of the related asset and is amortised on the same basis as the related asset. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same way, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

(q) Government Grants

Government grants are assistance by the government in the form of transfers of resources to the Group in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government grants include government assistance where there are no conditions specifically relating to the operating activities of the Group other than the requirement to operate in certain regions or industry sectors.

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements (apart from those involving estimations, which are dealt with below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Impairment of assets and exploration and evaluation expenditure
The Company determines whether non-current assets should be assessed for impairment based on identified impairment triggers. At each reporting date management assesses the impairment triggers based on their knowledge and judgement.

Recoverability of Deferred Tax Assets
Deferred tax assets are not recognised for deductible temporary differences or carried forward tax losses if Directors consider that it is not probable that the Consolidated Group will be able to utilise those temporary differences until the Consolidated Entity becomes profitable.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Estimate of Useful lives of assets
The estimation of the useful lives of assets has been based on historical experience. In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Details of the useful lives of property, plant and equipment are set out in note 9.

5. Business and geographical segments

The Group operates predominately in one business segment being the evaluation and exploration of mineral deposits in sediment hosted gold deposits in Australia.

6. Income taxes

	Year ended 30/06/15 $	Year ended 30/06/14 $
Tax (expense)/benefit comprises:		
Difference between the estimated and actual refund for the financial year	-	3,806
Total income tax benefit	-	3,806

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	Year ended 30/06/15 $	Year ended 30/06/14 $
Loss from continuing operations	(741,521)	(350,169)
Income tax benefit calculated at 30% (i)	222,456	105,051
Tax effects of amounts which are not assessable/ (deductible) in calculating taxable income	2,676,305	464,426
Deferred tax assets not brought to account	(2,898,761)	(569,477)
Difference between the estimated and actual refund for the financial year	-	3,806
Total tax benefit	-	3,806

(i) The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

Unrecognised deferred tax balances

	Year ended 30/06/15 $	Year ended 30/06/14 $
The following deferred tax assets have not been brought to account:		
-Share issue costs	6,816	24,995
-Tax losses revenue	5,759,829	2,842,888
	5,766,645	2,867,883

Recognised deferred tax assets and liabilities

	Year ended 30/06/15 $	Year ended 30/06/14 $
Deferred tax assets		
Tax losses revenue	(15,311)	(67,744)
Accruals	16,899	68,880
Employee entitlements	2,363	2,363
Deferred tax liabilities:		
Prepayments	(3,951)	(3,499)
	-	-

No deferred tax asset has been recognised as it is not considered probable that there will be sufficient future taxable profits available against which the unused tax losses can be utilised in the foreseeable future. The Company and consolidated group are not in a tax consolidated group.

7. Discontinued operation

a) Disposal of Mount Coolon Tenements

On 10 April 2015, the Company disposed of Mt Coolon Gold Mines Pty Ltd. which carried out exploration activities on the Mt Coolon Mines Pty Ltd's tenements held in the Drummond Basin. The proceeds for the sale were greater than the carrying value of the related net assets and accordingly a gain on disposal is included in the profit and loss for the year from discontinued operations.

The disposal of the Mt Coolon Gold Mines Pty Ltd is consistent with the Group's strategic direction to acquire new tenements located in sediment hosted gold deposits in Australia. The disposal was completed on 10 April 2015, on which date control of the Mt Coolon Tenements passed onto the acquirer. Details of the assets and liabilities disposed of, and the calculation of the profit and loss on disposal are disclosed in note 22

b) Analysis of loss for the year from discontinued operation

The results of the discontinued operation included in the profit and loss for the year and the previous year are set out below:-

	Year ended 30/06/15 $	Year ended 30/06/14 $
Loss for the year from discontinued operation		
Revenue	115	647
	115	647
Impairment losses exploration and evaluation expenditure	556,305	4,285,427
Other expenses	23,567	271,060
	579,872	4,556,487
Loss before tax	579,757	4,555,840
Attributable income tax expense/(benefit)	3,014	(269,693)
	582,771	4,286,147
Less: Gain on disposal of operation (note 22)	(346,986)	-
Attributable income tax expense	-	-
	(346,986)	-
Loss to the year from discontinued operations (attributable to owners of the Company)	235,785	4,286,147

c) Cash flow from discontinued operation

Net cash inflow/(outflow) from operating activities	267,799	(104,736)
Net cash (outflow) from investing operations	(254,001)	(340,517)
Net cash (outflow)/inflow from financing activities	(15,580)	445,257
Net cash (outflows)/inflows	(1,782)	4

8. Cash and cash balances

	Year ended 30/06/15 $	Year ended 30/06/14 $
Cash at Bank	457,246	241,700

9. Trade and other receivables

	Year ended 30/06/15 $	Year ended 30/06/14 $
Current		
Interest receivable	-	842
Prepayments	13,169	11,663
Goods and services tax receivable	11,858	443
	25,027	12,948
Non-Current		
Environmental bonds – mining tenements (i)	-	371,183
	-	371,183
	25,027	384,131

(i) The Environmental Bonds are lodged with the Department of Employment, Economic Development and Innovation and will not be refundable until the Group has received clearance advice from the Environmental Protection Authority at a time when the Group relinquishes its exploration permits or mining leases.

10. Other financial assets

	Year ended 30/06/15 $	Year ended 30/06/14 $
Available for sale investments carried at fair value		
Quoted shares to GBM Resources Limited (i)	850,000	-
	850,000	-

(i) The Company holds 50,000,000 quoted shares in GBM Resources Limited which were acquired as part of the disposal of Mt Coolon Gold Mines Pty Ltd. The fair value of the shares received was $1,150,000 being 50,000,000 shares received at a market price of 2.3 cents per share at date of receipt. The GBM Resources Limited shares from part of the total consideration receivable of $2 million (refer note 22a). The Directors have determined that the fair value of the shares in GBM Resources Limited was $850,000 as at 30 June 2015 which has been based on the quoted price of the GBM Limited's shares as at that date. The resulting $300,000 difference between the consideration and fair value as on acquisition have been recorded in the share valuation reserve. The 50 million GBM Limited shares are held in voluntary escrow for a period of 12 months until 12 April 2016.

11. Property, plant and equipment

	2015 Consolidated					
	Freehold land at cost $	Motor vehicles at cost $	Leasehold and freehold improvements at cost $	Furniture at cost $	Other plant and equipment at cost $	Total $
Balance at 1 July 2014	51,668	127,950	144,954	31,525	341,537	697,634
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Derecognised on disposal of subsidiary	(51,668)	(31,005)	(141,448)	(17,855)	(198,580)	(440,556)
Balance at 30 June 2015	-	96,945	3,506	13,670	142,957	257,078
Accumulated depreciation						
Balance at 1 July 2014	-	(63,144)	(94,787)	(16,717)	(277,079)	(451,727)
Depreciation expense (i)	-	(10,649)	(9,216)	(2,047)	(19,573)	(41,485)
Disposals	-	-	-	-	-	-
Elimination on disposal of a subsidiary	-	29,883	101,320	11,084	155,894	298,181
Balance at 30 June 2015	-	(43,910)	(2,683)	(7,680)	(140,758)	(195,031)
Net book value						
As at 30 June 2015	-	53,035	823	5,990	2,199	62,047

(i) The deprecation expense is represented by $19,009 from the continuing operations and $22,476 from the discontinued operation.

	2014 Consolidated					
	Freehold land at cost $	Motor vehicles at cost $	Leasehold and freehold improvements at cost $	Furniture at cost $	Other plant and equipment at cost $	Total $
Balance at 1 July 2013	51,668	189,314	144,954	31,525	343,298	760,759
Additions	-	-	-	-	-	-
Disposals	-	(61,364)	-	-	(1,761)	(63,125)
Balance at 30 June 2014	51,668	127,950	144,954	31,525	341,537	697,634
Accumulated depreciation						
Balance at 1 July 2013	-	(63,077)	(82,598)	(14,278)	(240,501)	(400,454)
Depreciation expense	-	(14,777)	(12,189)	(2,439)	(38,339)	(67,744)
Disposals	-	14,710	-	-	1,761	16,471
Balance at 30 June 2014	-	(63,144)	(94,787)	(16,717)	(277,079)	(451,727)
Net book value						
As at 30 June 2014	51,668	64,806	50,167	14,808	64,458	245,907

The following useful lives are used in the calculation of depreciation:

Leasehold and freehold improvements	10 – 40 years
Motor vehicles	5 –12 years
Furniture	10 – 20 years
Other plant and equipment	3 – 25 years

12. Exploration and evaluation expenditure

	Year ended 30/06/15 $	Year ended 30/06/14 $
Gross carrying amount balance:		
Balance at beginning of financial year	16,199,441	15,793,986
Additions	165,303	405,455
Derecognised on disposal of subsidiary	(10,887,653)	-
Balance at end of the financial year	5,477,091	16,199,441
Accumulated write off/impairment:		
Balance at beginning of financial year	(14,199,441)	(9,914,014)
Amounts written off/impaired	-	(4,285,427)
Elimination on disposal of subsidiary	8,722,350	-
Balance at end of financial year	(5,477,091)	(14,199,441)
Net book value at end of financial year (i)	-	2,000,000

(i) The exploration and evaluation expenditure for the Group represents capitalised costs of exploration areas of interest carried forward as an asset in accordance with the accounting policy set out in note 3 (g). The ultimate recoupment of the exploration and evaluation expenditure in respect of the areas of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively the sale of the underlying areas of interest for at least their carrying value. Amortisation, in respect to each relevant area of interest is not charged to the income statement until a mining operation is ready for commencement or when tenements are relinquished.

13. Trade and other payables

	Year ended 30/06/15 $	Year ended 30/06/14 $
Trade payables (i)	55,181	86,661
Other – accrued expenses	56,329	256,777
Other – PAYG payable	53,284	218
	164,794	343,656

(i) The average credit period on purchases of goods is 30 days. No interest is charged on the trade payables.

14. Provisions

	Year ended 30/06/15 $	Year ended 30/06/14 $
Current		
Employee benefits (i)	7,877	7,877
	7,877	7,877
Non-current		
Provision for rehabilitation expenditure (ii)	-	396,054
Provision for landowner works (iii)	-	75,000
	-	471,054
	7,877	478,931

Provision for rehabilitation expenditure (ii)

	Year ended 30/06/15 $	Year ended 30/06/14 $
Balance at beginning of financial year	396,054	396,054
Disposals of subsidiary during the year	(396,054)	-
Balance at end of financial year	-	396,054

Provision for landowner works (iii)

Balance at beginning of financial year	75,000	75,000
Disposal of subsidiary	(75,000)	-
Balance at end of financial year	-	75,000

(i) The Group's current employee benefits are represented by provisions for annual leave totalling $7,877. The average number of employees during the current financial year was 1 employee.

(ii) The non current provision for rehabilitation expenditure represents the current value of the Directors' best estimates of the future sacrifice of economic benefits required to meet environmental liabilities on the Group's tenements based on work conducted by the Queensland Environmental Protection Agency and the Company's environmental consultants.

(iii) The non current provision for landowner works represents the present value of the Directors' best estimates of the future sacrifice of economic benefits required to meet landowner works relating to the Group's tenements.

15. Issued capital

	Year ended 30/06/15 $	Year ended 30/06/14 $
Fully paid ordinary shares 2015: 519,021,975 (2014: 459,021,975)	20,204,243	20,026,223
Fully paid ordinary shares		
Balance at beginning of financial year	20,026,223	19,581,001
Issue of shares to directors under a private placement (i)	180,000	380,000
Issue of shares to directors and chairman in lieu of payment	-	100,000
Share issue costs	(1,980)	(34,778)
Balance at end of financial year	20,204,243	20,026,223

	Number of shares	Share capital $
Balance as at beginning of the year	459,021,975	235,688,642
Movements	-	-
Balance as at the end of the year	-	235,688,642
Issue shares under private placements	60,000,000	190,000,000
Issue of shares to directors and chairman in lieu of payment	-	33,333,333
Balance as at the end of the year	519,021,975	459,021,975

(i) On 19 December 2014 the Company issued a total of 60,000,000 fully paid ordinary shares at an issue price of $0.003 (0.3 cents) per share to the directors or their nominees as approved pursuant to a meeting of shareholders.

Other share options on issue as at 30 June 2015
There were no options on issue as at 30 June 2015.

Capital Management

Management controls the capital of the group in order to fund its operations and continue as a going concern. The consolidated entity does not have any externally imposed capital requirements.

16. Reserves

	Year ended 30/06/15 $	Year ended 30/06/14 $
Share valuation reserve (i)	(300,000)	-
Option premium reserve (ii)	300,652	300,652
	652	300,652

(i) The Company holds 50,000,000 quoted shares in GBM Resources Limited which were acquired as part of the disposal of Mt Coolon Gold Mines Pty Ltd. The fair value of the shares received was $1,150,000 being 50,000,000 shares received at a market price of 2.3 cents per share at date of receipt. The Directors have determined that the fair value of the shares in GBM Resources Limited was $850,000 as at 30 June 2015 which has been based on the quoted price of the GBM Limited's shares as at that date. The resulting loss of $300,000 being the difference between the consideration and fair value as on acquisition have been recorded in the share valuation reserve.

(ii) The option premium reserve is a result of options being provided to directors.

17. Accumulated losses

	Year ended 30/06/15 $	Year ended 30/06/14 $
Balance at beginning of financial year	18,005,940	13,373,430
Net loss attributable to members of the parent entity	977,306	4,632,510
Balance at end of financial year	18,983,246	18,005,940

18. Loss per share

	Year ended 30/06/15 Cents per share	Year ended 30/06/14 Cents per share (restated)
Basic (loss) per share from continuing and discontinued operations (i)		
Total basic (loss) per share	(20)	(122)
Total diluted (loss)per share	(20)	(122)
Basic (loss) per share from continuing operations (i)		
Total basic (loss) per share	(15)	(90)
Total diluted (loss)per share	(15)	(90)

(i) The calculation of the basic loss per share from continuing and discontinued operations for the year ended 30 June 2015 has been made on the basis of the 100:1 share consolidation that was approved by shareholders on 17 September 2015 (note 30). The change has been applied retrospectively and accordingly, the loss per share for the year ended 30 June 2014 has been restated.

Basic (loss) per share from continuing and discontinued operations
The net (loss) and weighted average number of ordinary shares used in the calculation of basic (loss) per share from continuing and discontinued operations are as follows:

	Year ended 30/06/15 $	Year ended 30/06/14 $
Net (loss)	(997,306)	(4,632,510)
(Loss) used in the calculation of basis (loss) per share from continuing operations and discontinued operations	(997.306)	(4,632,510)

	Year Ended 30/06/15 No.	Year Ended 30/06/14 No. (restated)
Weighted average number of ordinary shares used in the calculation of basic (loss) per share	4,907,480	3,783,644

Basic (loss) per share from continuing operations
The net (loss) and weighted average number of ordinary shares used in the calculation of diluted (loss) per share from continuing operations are as follows:

	Year Ended 30/06/15 No.	Year Ended 30/06/14 No. (restated)
Weighted average number of ordinary shares used in the calculation of diluted (loss) per share	4,907,480	3,783,644

	Year ended 30/06/15 $	Year ended 30/06/14 $
Net (loss)	(741,521)	(346,363)
(Loss) used in the calculation of diluted (loss) per share from continuing operations	(741,521)	(346,363)

19. Dividends

There were no dividends paid or proposed during the current or previous financial year.

20. Information relating to mining tenements

The Department of Natural Resources and Mines (DME) and other government authorities require holders of mining tenements to pay rent, rates and to meet minimum exploration expenditures. It is noted that the Consolidated Entity can apply to relinquish its mining tenements at any time thereby extinguishing its obligations to meet its rental obligations and minimum exploration expenditure on the mining tenements. Moreover, variations to the terms of the current and future tenement holdings, the granting of new tenements and changes at renewal or expiry, will change the minimum exploration expenditures relating to the tenements.

DME has released Policy No 5/2012 dated October 2012 outlining expectations in relation to exploration permit work programs pursuant to the Mineral Resources Act 1989 (MRA) which provides the tenement holder with greater flexibility and time to complete the yearly expenditure commitments over a longer period. This Policy allows the consolidated entity is able to meet its yearly expenditure in total over three years rather than annually.

The expected outlays which can be extinguished at any time which arise in relation to granted tenements inclusive are as follows:-

	Year ended 30/06/15 $	Year ended 30/06/14 $
Exploration and evaluation expenditure		
Not longer than 1 year	-	660,000
Longer than 1 year and not longer than 5 years	-	1,248,635
Longer than 5 years	-	-
	-	1,908,635

21. Subsidiaries

Name of entity	Country of incorporation	Ownership interest	
		2015 %	2014 %
Parent entity			
DGO Gold Limited (i),(iii)	Australia		
Subsidiaries			
Mt Coolon Gold Mines Pty Ltd (ii)	Australia	-	100
Yandan Gold Mines Pty Ltd (i),(iii)	Australia	100	100

(i) The parent and the subsidiaries are not within a tax consolidated group.
(ii) DGO Gold Limited disposed of its interest in Mt Coolon Gold Mines Pty Ltd on 10 April 2015.
(iii) There are no significant restrictions of the ability of the consolidated entity to use any of the consolidated entity's assets to settle the liabilities of the consolidated entity.

22. Disposal of a subsidiary

On 10 April 2015, the Group disposed of Mt Coolon Gold Mines Pty Ltd which carried out exploration of the tenement held in the Drummond Basin.

(a) Consideration received

	Year ended 30/06/15 $
Consideration received in cash and cash equivalents	800,000
Consideration received in quoted securities (refer note 10)	1,150,000
Settlement proceeds receivable (i)	50,000
Total consideration received	2,000,000

(i) GBM Resources Limited withheld $50,000 of the total cash consideration on settlement. This amount was impaired by the Directors at 30 June 2015 as not deemed recoverable.

(b) Analysis of assets of liabilities over which control was lost

Financial position

	Year ended 30/06/15 $
Current assets	
Trade and other receivables	553
Total current assets	553
Non-current assets	
Trade and other receivables	372,141
Property plant and equipment	142,376
Exploration and evaluation expenditure	1,608,998
Total non-current assets	2,123,515

	Year ended 30/06/15 $
<u>Non-current liabilities</u>	
Provisions	471,054
Total non-current liabilities	471,054
Net assets disposed of	1,653,014
Gain on disposal of subsidiary	
Consideration received	2,000,000
Net assets disposed of	1,653,014
Gain on disposal	346,986

The gain on disposal is included in the loss for the year from discontinued operations (see note 7)

Net cash inflow on disposal of subsidiary

	Year ended 30/06/15 $
Consideration received in cash and cash equivalents	800,000
Less cash and cash equivalents balances disposed of	-
Total current assets	800,000

23. Notes to the statement of cash flows

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:

	Year ended 30/06/15 $	Year ended 30/06/14 $
Cash and cash equivalents	457,246	241,700

Reconciliation of (loss)/profit for the period to net cash flows from operating activities

	Year ended 30/06/15 $	Year ended 30/06/14 $
Net (loss) for the year	(977,306)	(4,632,510)
Interest income	(3,414)	(3,901)
Depreciation	41,485	67,744
Loss on sale of asset	-	7,106
Gain on disposal of subsidiary	(346,986)	
Impairment consideration receivable GBM Resource Limited	50,000	-
Impairment and write off of non-current-assets	556,306	4,285,427
Share based payment expense	-	100,000
Decrease/(increase) in assets:		
Trade and other receivables	(12,086)	4,483
Prepayments	(1,506)	13,882
Income tax benefit receivable	271,784	125,281
(Decrease)/increase in liabilities:		
Trade and other payables	(90,050)	96,707
Provisions – employee benefits	-	(3,733)
Net cash from operating activities	(511,773)	60,486

(b) Non cash transactions

During the financial year, the Company received 50,000,000 shares in GBM Resources Ltd at a fair value of 2.3 cents per share as part of the total consideration received for the sale of Mt Coolon Gold Mines Pty Ltd.

24. Contingent liabilities and contingent assets

The Directors are not aware of any contingent liabilities or contingent assets that are likely to have a material effect on the results of the Group as disclosed in these financial statements.

25. Financial instruments

(a) Financial risk management objectives
The Board monitors and manages the financial risk relating to the operations of the Group. The Group's activities include exposure to market risk, fair value interest rate risk, credit risk, liquidity risk and cash flow interest rate risk. The overall risk management program focuses on the unpredictability of the finance markets and seeks to minimise the potential adverse effects on the financial performance. Risk management is carried out under the direction of the Board of Directors.

(b) Significant accounting policies
Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

(c) Market price risk
The Group is involved in the exploration and development of mining tenements for base metals including gold and copper. Revenue associated with metal sales, and the ability to raise funds through equity and debt are dependent upon the commodity price for resources.

(d) Interest rate risk
There is a limited amount of interest rate risk relating to the cash and cash equivalents that the company holds in deposits. The Group will be exposed to further interest rate risk if it intends to borrow funds in the future for acquisition and development.

(e) Credit risk management
The maximum credit risk equals the carrying amount of the financial assets as recognised in the Statement of Financial Position.

(f) Fair value of financial instruments
The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and
- the Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

The carrying amounts of financial assets and financial liabilities approximate the fair values.

(g) Liquidity risk management
Ultimate responsibility for liquidity risk management rests with the Board of Directors, who has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets, expenditure commitments and liabilities.

(h) Cash flow and interest rate risk
The Group's income and operating cash flows are not materially exposed to changes in market interest rates.

(i) Capital risk management
The Group manages its capital to ensure that it will be able to continue as a going concern. The capital structure of the Group includes equity attributable to equity holders of the parent, comprising of issued capital, reserves and accumulated losses as disclosed in notes 15, 16 and 17 respectively. The Group operates its exploration and evaluation activities through its wholly owned subsidiary. None of the Group's entities are subject to externally imposed capital requirements. The Group intends to use a variety of capital market issues to meet anticipated funding requirements. The Group currently has no short-term or long-term borrowings. The Group does not have any unused credit facilities.

Fair value measurements recognised in the consolidated statement of financial position
The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2015	Level 1 $	Level 2 $	Level 3 $	Total
Available-for-sale financial assets				
Quoted securities in GBM Resources Limited	850,000	-	-	850,000
	850,000	-	-	850,000

There were no transfers between level 1 and 2 in the period.

Liquidity and interest risk tables
The following tables detail the Group's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables have been drawn up based on undiscounted cash flows and detail the Group's exposure to liquidity and interest rate risk as at 30 June 2015 and 30 June 2014:

2015	Weighted average effective interest rate %	Less than 1 month $	1-3 months $	3 months to 1 year $	1-5 years $	5 + years $	Total
Financial assets							
Non-interest bearing	-	-	11,858	-	850,000	-	861,856
Variable interest rate instrument	1.92	457,246	-	-	-	-	457,246
		457,246	11,858	-	850,000	-	1,319,104
Financial liabilities							
Non-interest bearing	-	55,181	109,613	-	-	-	164,794
		55,181	109,613	-	-	-	164,794

2014	Weighted average effective interest rate %	Less than 1 month $	1-3 months $	3 months to 1 year $	1-5 years $	5 + years $	Total
Financial assets							
Non-interest bearing	-	-	1,285	271,784	371,184	-	644,253
Variable interest rate instrument	1.69	241,700				-	241,700
		241,700	1,285	271,784	371,184	-	885,953
Financial liabilities							
Non-interest bearing	-	183,657	-	160,000	-	-	343,657
		183,657	-	160,000	-	-	343,657

26. Key management personnel compensation

	Year ended 30/06/15 $	**Year ended 30/06/14 $**
Short-term employee benefits (i)	339,324	417,212
Post-employment benefits	22,969	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	60,000
	362,293	477,212

(i) The short term employee benefits includes Directors' Fees and Salary totalling $160,000 previously owed to Mr. E. Eshuys, Mr. B. K. Mutton and Mr. R. C. Hutton which was accrued in the 30 June 2014 financial year and paid in the 30 June 2015 financial year. Further details of the key management personnel compensation can be found in the Remuneration Report section of the Directors' Report.

27. Related party transactions

(a) Equity interests in related parties

Equity interests in subsidiaries

Details of the percentage of ordinary shares held in the subsidiary are disclosed in note 21 to the financial statements.

(b) Transactions with key management personnel

Key management personnel compensation

The aggregate compensation made to key management personnel are disclosed in note 26 of the financial statements and details of the compensation made to key management personal has been provided in the Remuneration Report which forms part of the Directors' Report. Included in the Remuneration Report includes is a payment of $4,024(net of GST) for consulting fees to Brice Mutton & Associates Pty Ltd a related party of Mr. Brice Mutton and payment of $107,800 (net of GST) to Kaus Australis Pty Ltd a related party of Mr. Michael Ilett.

Other related party transactions

From September 2014 Exploration Drill Rigs Pty Ltd, a company related to Mr. Michael Ilett and Mr. Ross Hutton, provided the Company with a registered office, telephone, electricity and receptionist services for a rental and management fee totalling $19,200 per annum (levied at a rate of $1,600 per month excluding GST).

28. Parent entity disclosures

The parent entity in the Group is DGO Gold Limited which was incorporated in Brisbane, Australia on 5 April 2007.

Financial position

	Year ended 30/06/15 $	Year ended 30/06/14 $
Current assets	1,331,729	250,944
Non-current assets	62,060	1,727,601
Total assets	1,393,789	1,978,545
Current liabilities	172,672	262,975
Non-Current Liabilities	-	-
Total Liabilities	172,672	262,975
Issued capital	22,355,957	22,177,937
Accumulated losses	(21,135,492)	(20,763,019)
Option Premium Reserve	300,652	300,652
Share Valuation Reserve	(300,000)	-
	652	300,652
Total equity	1,221,117	1,715,570
Total equity and liabilities	1,393,789	1,978,545

Financial performance

	Year ended 30/06/15 $	Year ended 30/06/14 $
Loss for the year	(372,473)	(4,630,592)
Other comprehensive income	(300,000)	-
Total comprehensive (loss)	(672,473)	(4,630,592)

29. Remuneration of auditors

	Year ended 30/06/15 $	Year ended 30/06/14 $
Auditor of the parent entity		
Audit or review of the financial statements	70,000	82,500
	70,000	82,500

	Year ended 30/06/15 $	Year ended 30/06/14 $
Related practice of the parent entity auditor		
Other non-audit services – tax advice	-	-
Other non-audit services – research and development tax related services	-	13,636
	-	13,636

The auditor of DGO Gold Limited is Deloitte Touche Tohmatsu.

30. Events after the reporting date

On 13 July 2015 the Company acquired 212,766 Talisman Mining Limited shares for a total consideration of $100,000.

On 17 September 2015 the shareholders at the General Meeting of Shareholders approved the consolidation of the Company's ordinary shares on a 100:1 basis and had taken effect for trading on a deferred settlement basis on 21 September 2015

On 17 September 2015 the shareholders at the General Meeting of Shareholders approved the placement of 140,000 fully paid ordinary shares (on a post consolidation basis) at an issue price of $0.30 per share to Resource Surveys Pty, a related party of Mr Eduard Eshuys and 75,000 fully paid ordinary shares (on a post consolidation basis) at an issue price of $0.30 per share to Sheratan Pty Ltd, a related party of Mr Ross Hutton.

On 21 September 2015 the Company changed its name from Drummond Gold Limited to DGO Gold Limited effective on 21 September 2015.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years

Unaudited additional ASX and other information as at 25 September 2015

Number of holders of equity securities

519,021,975fully paid ordinary shares are held by 608 individual shareholders. All issued ordinary shares carry one vote per share. There is not a market buyback occurring.

Distribution of holders of equity securities

	Fully paid Ordinary Shares	%
100,001 and Over	507,828,713	97.84
50,001 to 100,000	4,671,050	0.90
10,001 to 50,000	5,387,659	1.04
5,001 to 10,000	1,072,097	0.21
1,001 to 5,000	61,082	0.01
1 to 1,000	1,374	0.00
Total	**519,021,975**	**100.00**
Holding less than a marketable parcel	**449**	

Twenty largest shareholders of quoted equity securities

Line item	Ordinary shareholders	A/C Designation	Fully paid ordinary shares	
			Number	Percentage
1	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED		205,660,000	39.62
2	RESOURCE SURVEYS PTY LTD	<SUPERANNUATION FUND A/C>	58,078,698	11.19
3	CAIRNGLEN INVESTMENTS PTY LTD		33,172,464	6.39
4	SCINTILLA STRATEGIC INVESTMENTS LIMITED		29,415,483	5.67
5	MR BRICE KENNETH MUTTON & MRS GAI MUTTON	<BRICE MUTTON SUPER FUND A/C>	20,120,946	3.88
6	SHERATAN PTY LTD	R & M SUPERANNUATION FUND	15,000,000	2.89
7	ROSS CLIVE HUTTON & MARIE JEAN HUTTON	R & M SUPERANNUATION	8,801,204	1.70
8	RESOURCE SURVEYS PTY LTD	RESOURCE SURVEYS S/F	7,746,624	1.49
9	MR ROSS CLIVE HUTTON & MRS MARIE JEAN HUTTON	<R&M SUPERANNUATION FUND A/C>	7,630,000	1.47
10	MR TREVOR NEIL HAY		7,484,599	1.44
11	MT COOLON HOLDINGS PTY LTD	MT COOLON GOLD MINES	6,975,215	1.34
12	DOUBLE JAY GROUP HOLDINGS PTY LTD	<KIMBERLEY S/F OPP A/C>	6,000,000	1.16
13	GEE NOMINEES PTY LTD	<G & A ESHUYS SUPER FUND A/C>	5,572,936	1.07
14	NATIONAL NOMINEES LIMITED	<DB A/C>	5,000,000	0.96
15	MR DAVID COURTNEY ROBINS		4,445,600	0.86
16	MR TIMOTHY CHARLES WINSPEAR		3,300,000	0.64
17	MRS CHLOE PODGORNIK		3,000,000	0.58
17	TESORO M B PTY LTD	THE G & T TRUST	3,000,000	0.58
17	DR PETER KENCH		3,000,000	0.58
18	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED		2,836,786	0.55
19	MR DION LAURENCE MILLER		2,658,000	0.51
20	MR ALAN BRIEN & MRS MELINDA BRIEN	<A & M BRIEN SUPER FUND A/C>	2,344,196	0.45
		Total	**441,242,751**	**85.01**
		Balance of register	**77,779,224**	**14.99**
		Grand total	**519,021,975**	**100.00**

Substantial shareholders

Ordinary shareholders	Fully Paid Shares Number
RESOURCE CAPITAL FUND V L. P.	205,660,000
EDUARD ESHUYS (i)	66,327,322
ROSS HUTTON (i)	38,442,420
CAIRNGLEN INVESTMENTS PTY LTD	33,172,464
SCINTILLA STRATEGIC INVESTMENTS LIMITED	29,415,483
TOTAL	**294,159,786**

(i) These are shares in which the Director's individually hold a relevant interest.

Tenements held

The Company has made application for tenements. However, there were no tenements granted at the date of this report.

Corporate Directory

Directors:	Mr. E. Eshuys (Executive Chairman) Mr. M. J. Ilett (Director) Mr. R. C. Hutton (Non-Executive Director)
Company secretary and chief financial officer	Mr. M. J. Ilett
Registered office and principal administrative office:	27 General Macarthur Place Redbank Qld 4301 P.O. Box 294 Carole Park Qld 4300 Telephone: + 61 7 3381 5368 Facsimile: + 61 7 3381 5363
Share registry:	Link Market Services Limited Level 15, ANZ Building 324 Queen Street BRISBANE QLD 4000 Postal Address: GPO Box 2537 BRISBANE QLD 4001 Telephone: 1300 554 474 Telephone: + 61 2 8280 7454 (overseas) Facsimile: + 61 2 8280 0303
Auditors:	Deloitte Touche Tohmatsu Level 25, Riverside Centre 123 Eagle Street BRISBANE QLD 4000 Telephone: + 61 7 3308 7000 Facsimile: + 61 7 3308 7001
Lawyers:	McCullough Robertson Lawyers Level 11, Central Plaza Two 66 Eagle Street BRISBANE QLD 4000 Telephone: + 61 7 3233 8888 Facsimile: + 61 7 3229 9949
Stock exchange listings:	DGO Gold Limited shares are quoted on ASX Limited (ASX Code: DGO).
Website:	www.dgogold.com.au
ABN:	96 124 562 849