DGO Gold Limited

ABN 96 124 562 849

Annual Report for the financial year ended 30 June 2016

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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 5365
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:	BDO Audit Pty Ltd Level 10 12 Creek Street BRISBANE QLD 4000 Telephone: + 61 7 3237 5999 Facsimile: + 61 7 3221 9227
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

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 2016. 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 71 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 served 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 65, 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 served 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 68, 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 served 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 50, 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 principal 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 Group 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.

Operating Results

The net loss from operations of the Consolidated Entity for the year ended 30 June 2016 was $871,690 (2015: net loss $977,306).

Review of Operations

The Group has continued to implement the strategy of greenfield exploration for sediment hosted gold deposits in Australia utilising research having been undertaken by CODES at the University of Tasmania over the past decade in conjunction with the analysis of the geological databases of federal and state government agencies.

The pyrite database developed by CODES over the past 10 years has identified the geologic times when the world's oceans were enriched in gold and other metals. Furthermore, gold in sediment-hosted deposits is considered to be sourced from the sediments of the sedimentary basins. The key initial step is the identification of gold enriched sedimentary basins. Identifying structural settings conducive to the development of ore deposits, such as deep-seated structures and anticlines within sedimentary basins then become the target.

DGO has secured promising land holdings in key target areas in Western Australia and South Australia. The Company now holds tenure (under joint venture, application or grant) covering 3,175 km2 across Western Australia, in the Eastern Goldfields, Yerrida Basin and the Pilbara, and in South Australia at Mt Barker, Dawson and Yerelina.

Sediment Hosted Gold and Base Metals, Yerrida Basin

The Exploration Licence applications are located approximately 100km north of Meekatharra in Western Australia and cover the highly prospective Proterozoic Yerrida Basin Juderina, Johnson Cairn and Maraloou Formations.

The Juderina Formation consists of sandstone, shale, siltstone, conglomerate and chert and is overlain by the shale and siltstone of the Johnson Cairn Formation. The Geological Survey of Western Australia (GSWA) estimate that the geological age of these formations range from 1600 to 2500Ma, the "right" age for the occurrence of sediment hosted gold mineralisation as indicated by the research by CODES at the University of Tasmania.

The Juderina Formation overlies the basement Archaean granites to the west and south west of the tenements. The Narracoota Volcanics, part of the Bryah sedimentary basin separated from the Yerrida Basin Juderina and Johnson Cairn Formations by the deep seated Goodin Fault, occur to the east and north of the tenements. The Narracoota Volcanics host Sandfire Resources' DeGrussa Copper Gold Mine and Sandfire Resources/Talisman Mining's recent Monty copper gold discovery

DGO's holding have been divided in to the Johnson Cairn Target, consisting of the granted TasEx joint venture tenement and three wholly owned exploration licence applications, and the Maraloou Target, consisting of five wholly owned exploration licence applications. See Figure 1 below.

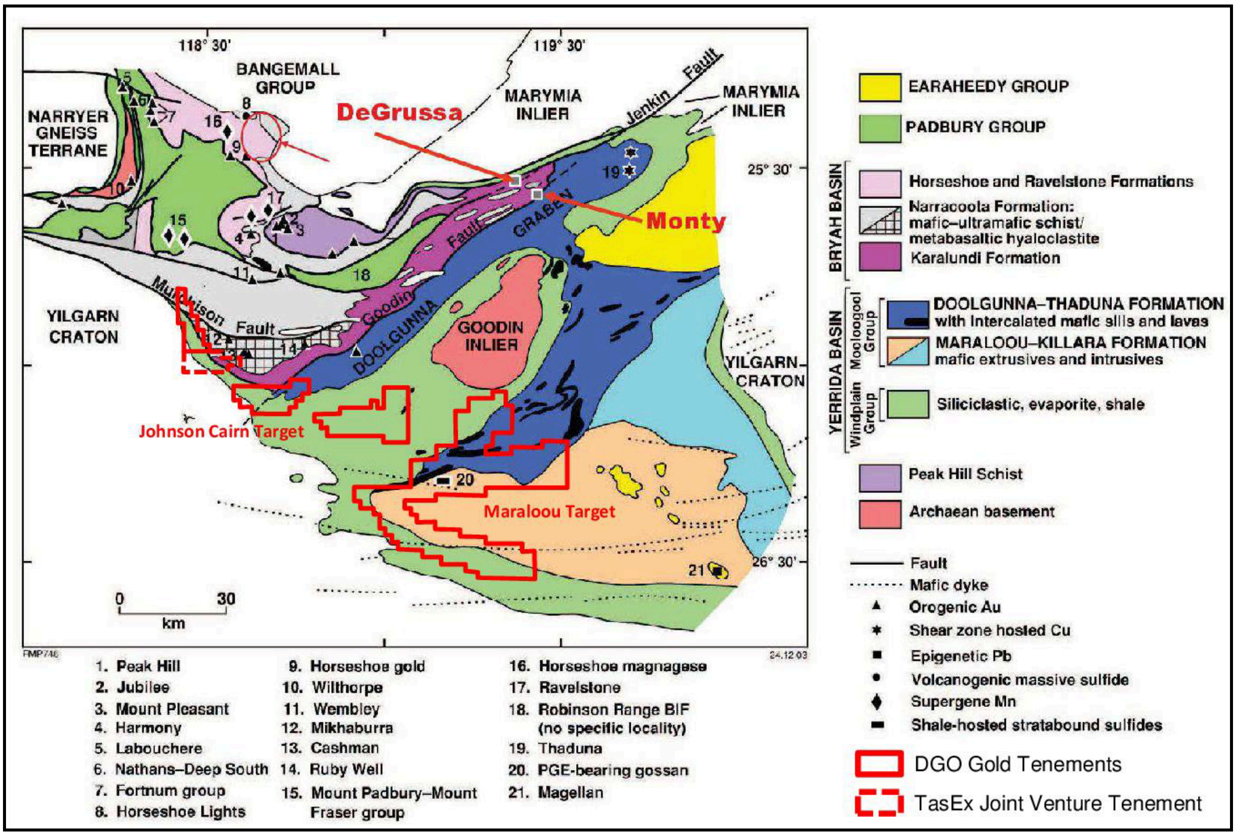

Figure 1: Yerrida / Bryah Basin Geology with DGO's Holdings

Johnson Cairn Target for Sediment Hosted Gold

The Johnson Cairn Target holdings consist of the granted TasEx joint venture tenement and three wholly owned exploration licence applications. These tenements predominantly cover Johnson Cairn and Juderina Formation sediments in the western portion of the Yerrida Basin, proximal to the northern margin of the Archaean Yilgarn Craton. Particular focus is the contact between the pyritic black shales and siltstone of the Johnson Cairn Formation and the basal Juderina Formation sediments.

Drill targets have been identified within the TasEx joint venture based on the identification of anomalous gold values from previous surface sampling which are coincident with gold nugget occurrences proximal to the highly prospective contact between the Johnson Cairn and Juderina Formations. Multiple targets have been identified adjacent to this contact, including a strike length of 2.5km within the center of the tenement. These targets have been defined in Formations which have been identified by the research at CODES to be of the "right" age for sediment hosted gold mineralisation

The Johnson Cairn Formation, as outlined in figure 2 below, consisting of pyritic black shales and siltstone overlies the basal Juderina Formation which consists of sandstone, shale, siltstone, conglomerate and chert and overlies the Archaean granites.

The abundance of pyrite mineralisation in the carbonaceous shales of the Johnson Cairn Formation as intersected by Enterprise Metals Limited drilling to the north east of the TasEx joint venture (as reported to the ASX in October 2013) is regarded by DGO as an important indicator of the prospectivity of the Johnson Cairn Formation.

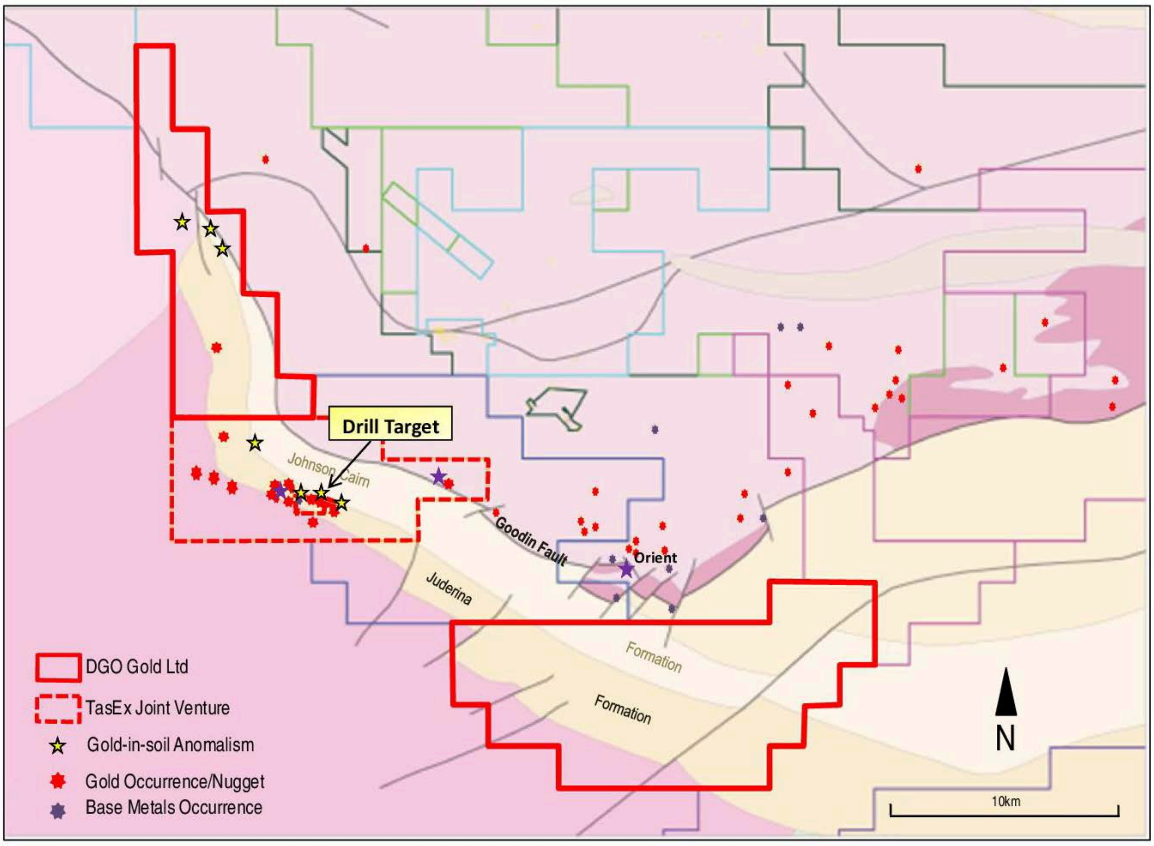

Figure 2: Johnson Cairn Target, Mineral Occurrences, Gold-in-soil Anomalism

Maraloou Target for Sediment Hosted Gold

The Company has applied for a further six full sized exploration licences covering approximately 1,294 km2 in the Proterozoic Yerrida Basin, an area that is highly prospective for sediment hosted gold and base metal mineralization (Juderina, Johnson Cairn and Maraloou Formations). These applications increase the Company's holdings in the Yerrida Basin, located approximately 100km north and east of Meekatharra in Western Australia, to 1,550km2.

The Maraloou Target holdings consist of five exploration licence applications that cover the prospective contact between the Juderina and Maraloou Formations, formations which are of the "right" age for the occurrence of sediment hosted gold mineralisation as indicated by the research by CODES. The stratigraphic and lithological similarity between the Maraloou Formation and the host sequence of the high grade copper mineralisation at the Monty and Degrussa deposits, as described by Sandfire Resources Limited, also identifies the gold base of the Maraloou Formation as a high priority target which has been highlighted in a research report by Dr. Stuart Bull commissioned by the Company.

The Maraloou Formation, which overlies the Juderina Formation and is estimated to be about 1800Ma by GSWA, consists of siltstone, ferruginous shale (in part calcareous) with basal intercalated tholeiitic basalt pillow lava and dolerite sills.

The exploration licence applications as outlined in figure 3 below are proximal to the Yerrida Basin margins, within 10km of the northern margin of the Archaean Yilgarn Craton and adjacent to the Goodin Dome basement high, highlighting the potential for buried basement highs beneath the sedimentary basin which are considered to be an important factor in the development of sediment hosted gold deposits.

Base metal occurrences, including Cu, Pb, Zn, Co, Ni, plus minor precious metal occurrences have been recorded within the Maraloou Formation. The Magellan Lead deposit is located about 50km east of DGO's southern exploration licence applications. Lead occurrences in the Magellan region are located proximal to the contact between the Juderina and Maraloou Formations

The compilation and review of all past exploration data across DGO's Maraloou Target holdings identified that a number of major companies considered that the Maraloou and Juderina Formations were prospective for gold and base metal mineralisation. However past exploration, consisting of geophysical surveys, regional to prospect scale surface sampling and limited predominantly shallow drilling, is considered inadequate in terms of testing the potential, largely due to the alluvium obscuring the prospective sediments of the "right" geological age.

DGO has commenced a comprehensive review of all available geophysical data across the Maraloou Target to assist in identifying basin highs and deep seated structures within the basin. In addition DGO is compiling past surface sampling data to assist in identifying discrete geochemical anomalism adjacent to the basal contact of the Maraloou Formation and integrating this data with the interpretation of the past geophysical exploration data.

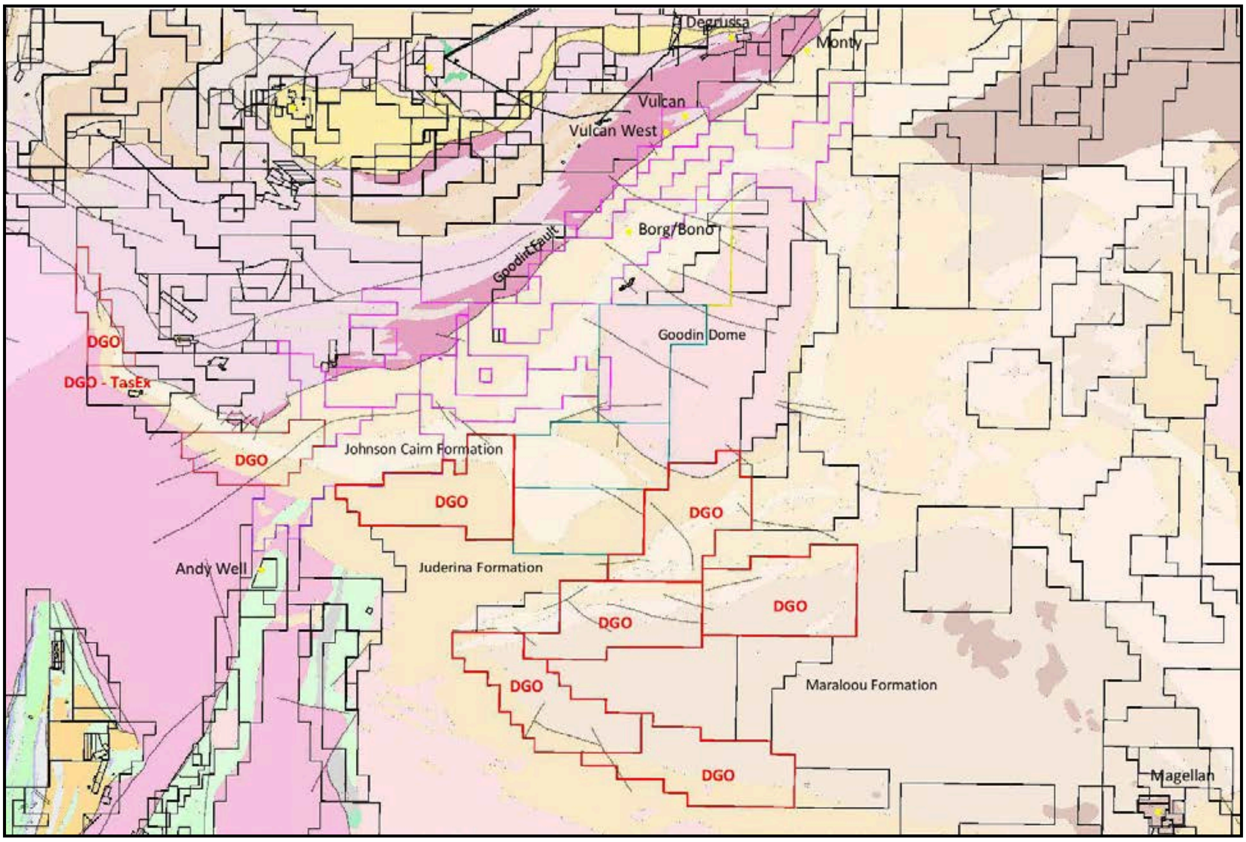

Figure 3: Yerrida / Bryah Basin with DGO's Holdings Relative to all Tenure

Sediment Hosted Gold in the Black Flag Group of the Eastern Goldfields WA

The discovery of Invincible by Gold Fields Australia in 2012 on the edge of Lake Lefroy at Kambalda, St Ives and Baloo by Sirius Resources NL in 2015 has confirmed the prospectivity of the Black Flag Group (BFG) sediments, which have largely been ignored in the past, due to the focus of exploration on the mafic rocks, basalts and dolerites.

DGO has established land holdings at Mt Edwards, Ora Banda and Black Flag (refer figure 4 below), with application for tenements in areas where BFG sediments are largely covered by overburden or transported younger sediments and consequently remain to be effectively explored. The Ora Banda tenements, consisting of 11 Prospecting Licenses, have been granted and an additional Exploration Licence application was lodged adjacent to the regionally significant Zuleika Shear at Mt Edwards.

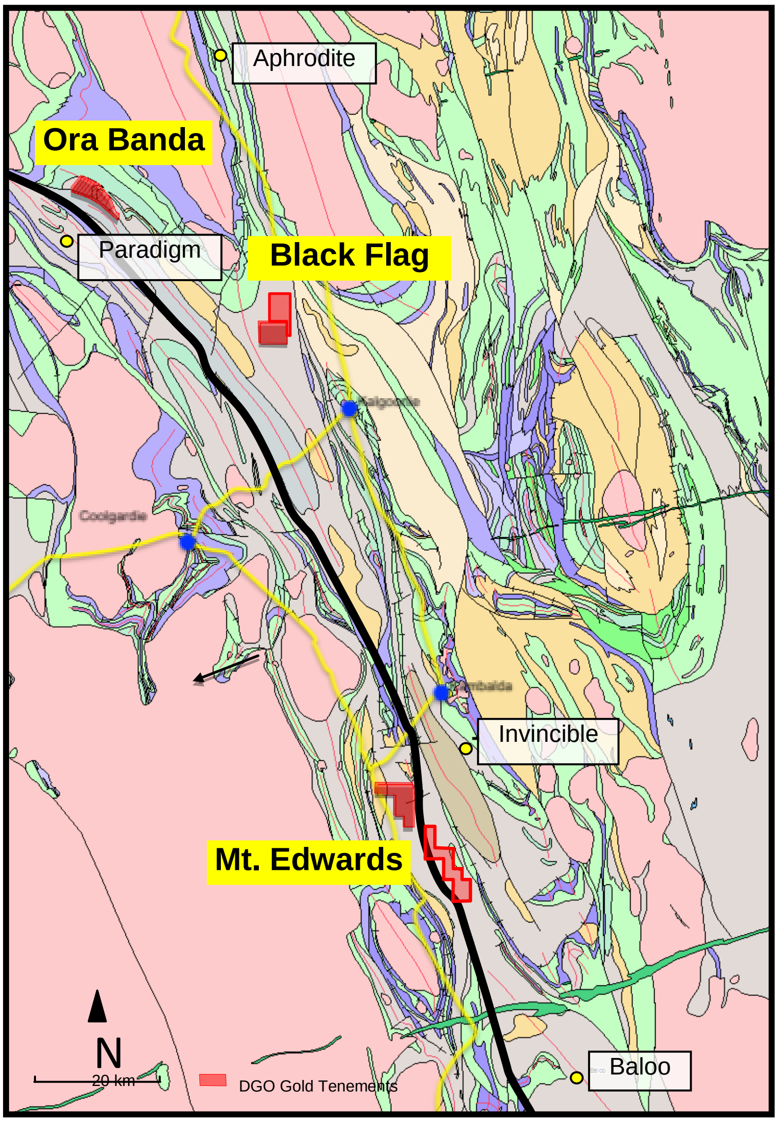

Figure 4 Eastern Goldfields Western Australia

Review of open file data over the applications at Black Flag has identified an anomalous gold zone, defined from broad spaced lines of predominantly shallow aircore drilling, that extends to the NNW for over 3.0km of strike, with limited follow up aircore / RC / diamond drilling having been completed. The majority of intersections occur in saprolite above black flag bed sediments, with zones of up to 60m of clay / saprolite cover. Previous exploration and drilling targets are outlined in figure 5 below.

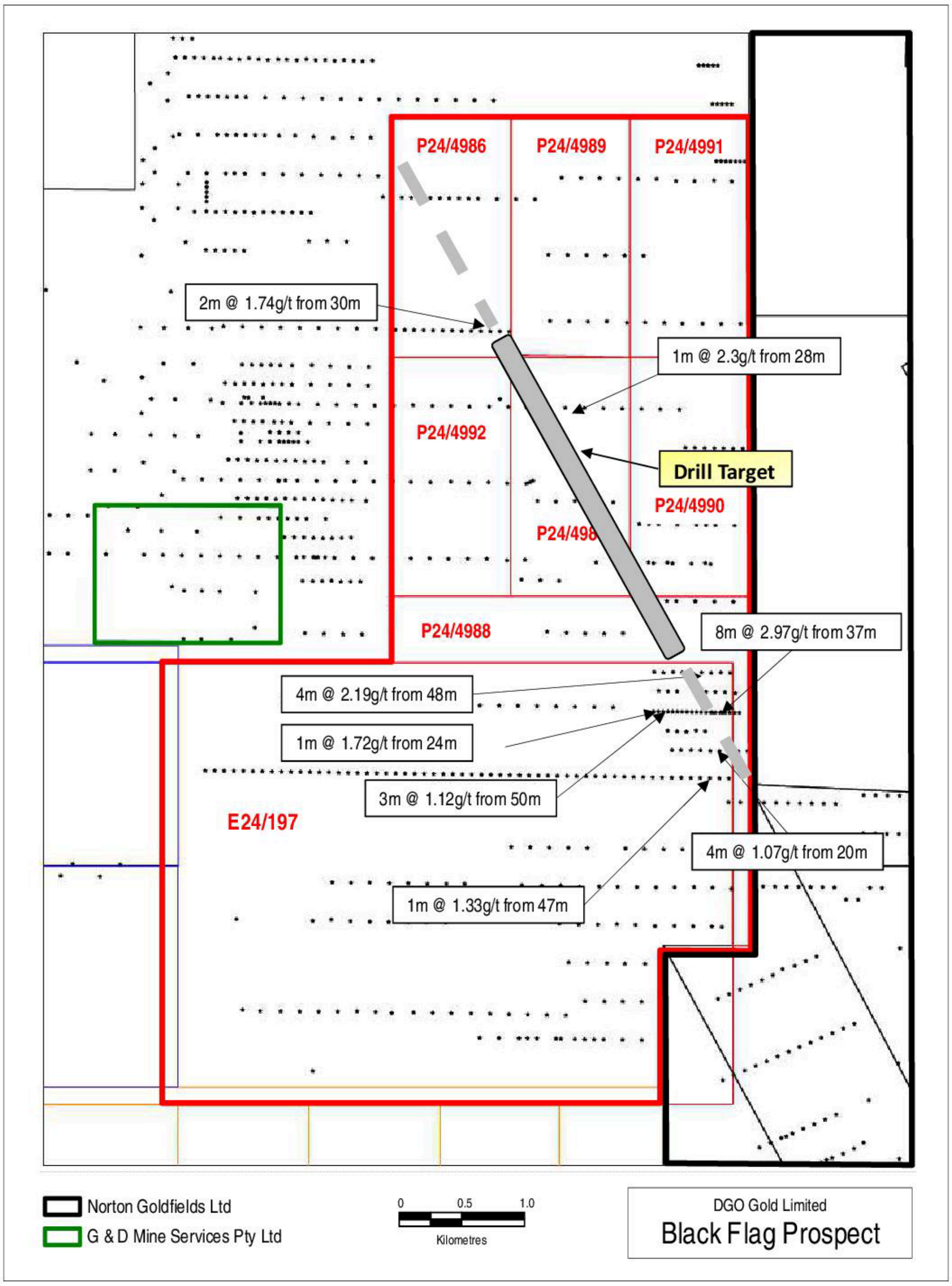

Figure 5: Black Flag, Previous exploration and drill target

South Australian Sukhoi Log Analogue Targets

Exploration Licence applications at Mt Barker (refer figure 6 below) and Dawson (refer figure 7 below) in South Australia, which cover a combined area of 331km2, have been recommended for grant. These applications now cover entirely the sediment hosted gold deposit targets identified by CODES in South Australia consisting of anticlinal structures within geological sequences which are age analogues of the giant Sukhoi Log deposit in eastern Russia and are paralleling a gold mineraliaation structure to the south.

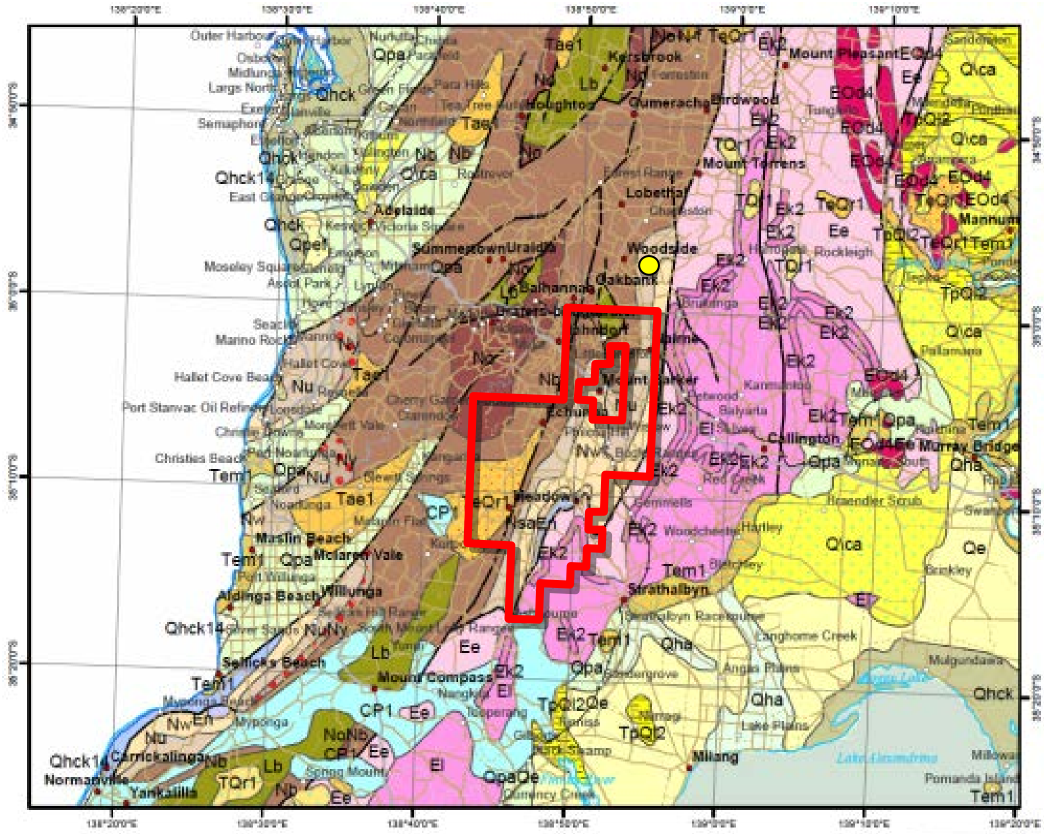

Figure 6: Mt Barker South Australia (the tenements outlined in red covers the CODES target)

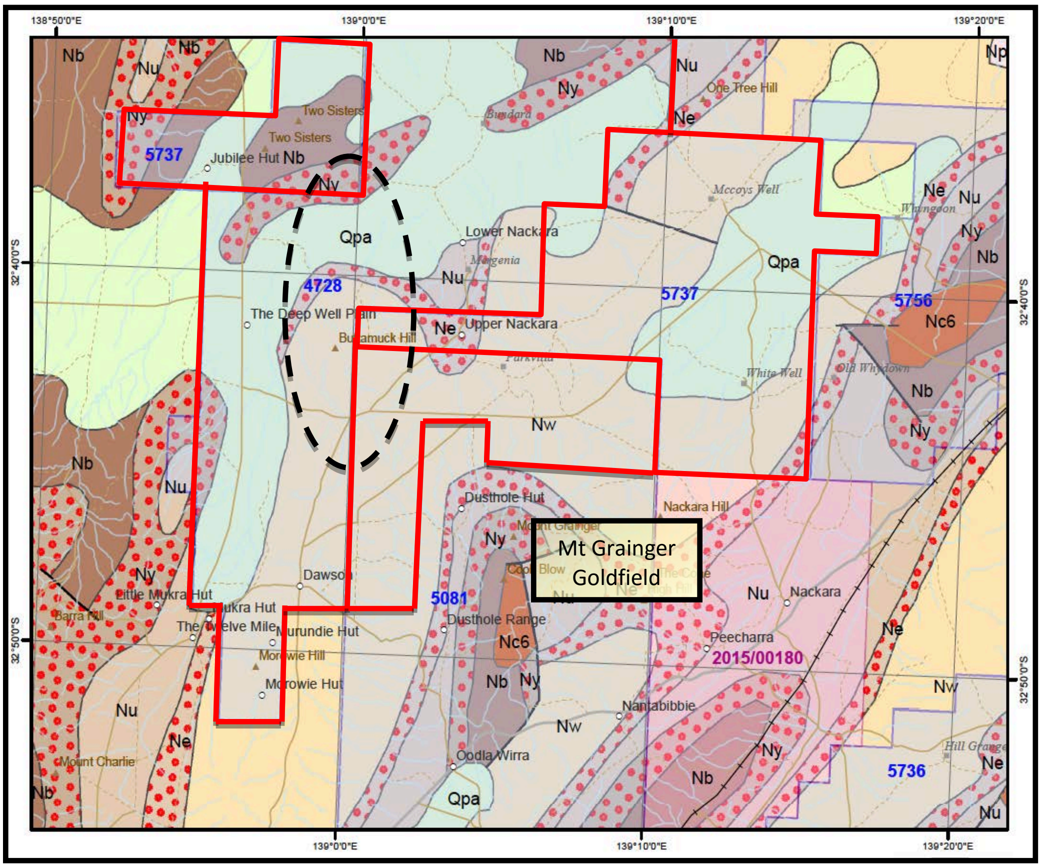

Figure 7: The Dawson CODES Target (DGO tenements marked red)

There is known gold mineralisation in the vicinity of both Mt Barker and Dawson. Compilation and review of available past exploration data within the target areas has commenced

Future Activities

Drill targets have been identified at Johnson Cairn Target in the Yerrida Basin and Black Flag in the Eastern Goldfields of WA. Drilling in the December Quarter 2016 will follow obtaining the necessary regulatory approvals.

Gold and copper geochemistry targets have been identified adjacent to the basal contact of the Maraloou Formation within the Yerrida Basin. These targets have not been adequately tested in the past.

DGO's greenfield exploration strategy is based on the research by CODES at UTAS and using sediment hosted gold deposit analogues to target Australian sedimentary basins within the peak gold geologic times, in conjunction with the analysis of the geological data bases of the federal and state government agencies. In the past Australian gold exploration has not focused on sediment hosted gold

Changes in state of affairs

During the financial year, the Company disposed of 50 million quoted shares in GBM Resources Limited for a total cash consideration of $600,000.

On 17 September 2015, the Company completed a share placement of a total of 64,500 fully paid ordinary shares at an issue price of $0.30 (30 cents) per share to the directors or their nominees as approved by shareholders at general meeting of the Company.

On 13 November 2015, the Company issued 392,000 fully paid ordinary shares at an issue price of $0.25 (25 cents) per share pursuant to a Share Purchase Plan.

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 25 July 2016 Yandan Gold Mines Pty Ltd received $28,382 from the Australian Taxation Office representing interest income of $113 and the income tax refund of $28,269 relating to the research and development activities for the 2015 financial year.

On 27 July 2016 the Company received $235,524 from the Australian Taxation Office representing interest income of $3,364 and the income tax refund of $232,160 relating to the research and development activities for the 2015 financial year.

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.

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

The Company is subject to the particular and significant environmental regulation under the law of the Commonwealth or of a state or Territory relating to the tenements that are granted. 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 (including Directors' approvals 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.

Directors	Board of Directors		Remuneration & Nomination Committee		Audit Committee	
	Held	Attended	Held	Attended	Held	Attended
Mr. E. Eshuys (i)	17	17	1	1	2	2
Mr. B. K. Mutton (ii)	1	1	-	-	-	-
Mr. R. C. Hutton	17	17	1	1	2	2
Mr. M. J. Ilett (ii)	17	17	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 and Mr. M. J. Ilett was appointed on the same date.

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 (i)	Mt Coolon Mines Trust holding (ii)	Total shares held (beneficial interest)	Relevant Interest
Mr. E. Eshuys	863,284	-	863,284	863,284
Mr. R. C. Hutton (i)	449,673	69,753	470,599	519,426
Mr. M. J. Ilett	32,847	-	32,847	32,847

(i) Fully ordinary shares held excluding those held in in the Mt Coolon Gold Mines Trust (MCGMT)
(ii) The MCGMT holds 69,753 fully paid ordinary shares in the Company. Mr. R. C. Hutton holds a beneficial interest of approximately of 30% in the MCGMT and a relevant interest in all the shares in MCGMT.

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 2016. 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 on 15 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 (Executive Director, Company Secretary and Chief Financial Officer) who was appointed on 5 April 2007 and was appointed as an Executive Director on 20 July 2015.

Mr. M. J. Ilett who retires by rotation will be eligible to be re-elected as a Director 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 2016:

Description	30 June 2016	30 June 2015	30 June 2014	30 June 2013	30 June 2012
Interest revenue and other income	261,995	3,299	4,346	358,973	1,061,452
Loss for the year from continuing operations	(871,690)	(741,521)	(346,363)		
Loss for the year from discontinued operations	-	(235,785)	(4,286,147)		-
Net loss before tax	(871,690)	(977,306)	(4,636,316)	(5,581,860)	(261,783)
Net (loss)/profit after tax	(871,690)	(977,306)	(4,632,510)	(5,103,895)	1,454,859
Share price at start of year (i)	20 cents	20 cents	30 cents	80 cents	55 cents
Share price at end of year (i)	20 cents	20 cents	20 cents	30 cents	80 cents
Share-based payments	-	-	100,000	-	34,070
Return of capital	-	-	-	-	-
Basic profit/(loss) per share (i)	(15 cents)	(20 cents)	(122 cents)	(217 cents)	62 cents
Diluted profit/(loss) per share (i)	(15 cents)	(20 cents)	(122 cents)	(217 cents)	62 cents

(i) The calculation of the basic loss per share and share price has been made on the basis of the 100:1 share consolidation that was approved by shareholders on 17 September 2015 applied to all the financial years in the comparison table.

(ii)

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 2016 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			
2016	$	$	$	$	$	$	$	$
Executive chairman								
Mr. E. Eshuys	100,000	-	-	-	9,500	-	-	109,500
Non-executive directors								
Mr. R. C. Hutton	45,000	-	-	-	4,275	-	-	49,275
Mr. B. K. Mutton (i)	2,250	-	-	-	214	-	-	2,464
Executive director and Company Secretary								
Mr. M. J. Ilett (ii), (iii)	123,213	-	-	-	4,097	-	-	127,310
Total	**270,463**	**-**	**-**	**-**	**18,086**			**288,549**

(i) Mr. B. K. Mutton resigned as a non-executive director on 20 July 2015.
(ii) Mr. M. J. Ilett was appointed a director on 20 July 2015.
(iii) Salary & fees includes $80,088 representing consulting fees (net of Goods and Services Tax) paid to Kaus Australia Pty Ltd a related party of Mr. M. J. Ilett.

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)	49,024	-	-	-	5,344	-	-	54,368
Company secretary								
Mr. M. J. Ilett (iii)	107,800	-	-	-	-	-	-	107,800
	339,324	**-**	**-**	**-**	**22,969**	**-**	**-**	**362,293**

(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 2016.
(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) Salary & fees includes $107,800 representing consulting fees (net of Goods and Services Tax) paid to Kaus Australia Pty Ltd a related party of Mr. M. J. Ilett.

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

	Balance at beginning of year	Result of 100:1 consolidation	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.	No.
2016								
Mr. E. Eshuys (i), (ii)	66,327,322	663,284	-	-	200,000	863,284	863,284	-
Mr. R. C. Hutton (i), (ii), (iii)	33,565,339	335,599	-	-	135,000	470,599	519,426	-
Mr. M. J. Ilett (ii)	1,284,627	12,847	-	-	20,000	32,847	32,847	-
2015								
Mr. E. Eshuys	31,327,322	-	-	-	35,000,000	66,327,322	66,327,322	-
Mr. B. K. Mutton (iv)	11,185,217	-	-	-	10,000,000	21,185,217	20,138,947	-
Mr. R. C. Hutton (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	-

(i) On 14 October 2015 the Company made a 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. E. 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. R. C. Hutton.
(ii) On 13 November 2015 the Company issued a total of 60,000 fully paid ordinary shares at an issue price of $0.25 per share to Resource Surveys Pty, a related party of Mr. E. Eshuys, 60,000 fully paid ordinary shares (on a post consolidation basis) at an issue price of $0.25 per share to Sheratan Pty Ltd, a related party of Mr. R. C. Hutton and 20,000 fully paid ordinary shares (on a post consolidation basis) at an issue price of $0.25 per share to Rincewind Pty Ltd, a related party of Mr. Michael Ilett as part of a share purchase plan.
(iii) The balance of Mr. R. Hutton holds a 30 per cent beneficial interest in the MCGMT being 20,926 fully paid ordinary shares. The relevant interest for Mr. R. C. Hutton includes the total of 69,753 shares (2015: 6,975,215) held indirectly through the MCGMT.
(iv) Mr. B. K. Mutton resigned on 20 July 2015 and the balance at 30 June 2015 reflects the number held of shares held on resignation.

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 $100,000 per annum plus superannuation obligations under the superannuation guarantee.
- Term of the Agreement: One (1) year renewed on an annual basis by mutual consent.
- Entitled to any accrued long service leave on retirement or termination.
- Termination due to resignation: Mr. E. Eshuys is required to provide one (1) months' notice and be paid the equivalent of one (1) month's fees for the provision of geological services together with accrued long service leave;
- Termination due to company notice: The Company is required to provide three (3) months' 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 long service 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 any accrued long service leave.

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) months' 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) months' 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.
- Consulting fee for Chief Financial Officer and Company Secretarial services charged at 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) months' 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 29 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 18 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.

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Share options

As at the date of this report there are no ordinary shares of DGO Gold Limited under option.

On behalf of the Directors

Eduard Eshuys
Executive Chairman
Brisbane, 22 September 2016

Auditor's Independence Declaration

BDO

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DECLARATION OF INDEPENDENCE BY T R MANN TO THE DIRECTORS OF DGO GOLD LIMITED

As lead auditor for the review of DGO Gold Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of DGO Gold Limited and the entities it controlled during the year.

T R Mann
Director

BDO Audit Pty Ltd

Brisbane, 22 September 2016

Consolidated statement of profit and loss and other comprehensive income

for the financial year ended 30 June 2016

	Note	Year ended 30/06/16 $	Year ended 30/06/15 $
Continuing operations			
Interest income		1,566	3,299
Other income – government grant	9	260,429	-
Occupancy cost		(19,527)	(19,201)
Depreciation expenses	11	(6,694)	(19,009)
Employee benefit expenses		(34,752)	(109,500)
Directors' fees		(78,443)	(140,969)
Consultants and contractor expenses		(92,828)	(208,173)
Administration expenses		(169,536)	(197,968)
Finance cost		(11)	-
Loss on sale of fixed assets		(4,730)	-
Impairment of consideration receivable	22(a)	-	(50,000)
Impairment of available for sale financial assets		(569,149)	-
Exploration and evaluation expenditure		(158,015)	-
Loss before tax from continuing operations		(871,690)	(741,521)
Income tax (expense)/benefit		-	-
Loss for the year from continuing operations		(871,690)	(741,521)
Discontinued operations			
Loss for the year from discontinued operations	7	-	(235,785)
LOSS FOR THE YEAR		(871,690)	(977,306)
Other comprehensive income			
Items that may be reclassified as profit and loss			
Change in fair value of available for sale financial assets		(269,149)	(300,000)
Reclassification adjustments – impairment of available-for-sale financial assets		569,149	-
Income tax on other items of other comprehensive income		-	-
Other comprehensive income for the year net of tax		300,000	(300,000)
Total comprehensive loss for the year		(571,690)	(1,277,306)
From continuing and discontinued operations			
Basic loss per share (cents per share)	18	(15)	(20)
Diluted loss per share (cents per share)	18	(15)	(20)
From continuing operations			
Basic loss per share (cents per share)	18	(15)	(15)
Diluted loss per share (cents per share)	18	(15)	(15)

Notes to the financial statements are included on pages 23 to 43.

Consolidated statement of financial position

as at 30 June 2016

	Note	Year ended 30/06/16 $	Year ended 30/06/15 $
Current assets			
Cash and cash equivalents	8	365,668	457,246
Trade and other receivables	9	279,567	25,027
Assets classified as held for sale	10	80,851	850,000
Total current assets		726,086	1,332,273
Non-current assets			
Property, plant and equipment	11	18,805	62,047
Exploration and evaluation expenditure	12	151,393	-
Total non-current assets		170,198	62,047
Total assets		896,284	1,394,320
Current liabilities			
Trade and other payables	13	91,923	164,794
Provisions –pertains to annual leave	14	7,877	7,877
Total current liabilities		99,800	172,671
Total liabilities		99,800	172,671
Net assets		796,484	1,221,649
Equity			
Issued capital	15	20,350,768	20,204,243
Reserves	16	300,652	652
Accumulated losses	17	(19,854,936)	(18,983,246)
Total equity		796,484	1,221,649

Notes to the financial statements are included on pages 23 to 43.

Consolidated statement of changes in equity

for the financial year ended 30 June 2016

Consolidated	Issued capital $	Accumulated losses $	Option premium reserve $	Share revaluation reserve $	Total $
Balance at 1 July 2014	20,026,223	(18,005,940)	300,652	-	2,320,935
Loss for the year	-	(977,306)	-	-	(977,306)
Other comprehensive income	-	-	-	(300,000)	(300,000)
Total comprehensive income	-	(977,306)	-	(300,000)	(1,277,306)
Issue of shares	180,000	-	-	-	180,000
Share issue costs	(1,980)	-	-	-	(1,980)
	178,020	-	-	-	178,020
Balance at 30 June 2015	20,204,243	(18,983,246)	300,652	(300,000)	1,221,649
Balance at 1 July 2015	**20,204,243**	**(18,983,246)**	**300,652**	**(300,000)**	**1,221,649**
Loss for the year	**-**	**(871,690)**	**-**	**-**	**(871,690)**
Other comprehensive income	**-**	**-**	**-**	**300,000**	**300,000**
Total comprehensive income	**-**	**(871,690)**	**-**	**300,000**	**(571,690)**
Issue of shares	**162,500**	**-**	**-**	**-**	**162,500**
Share issue costs	**(15,975)**	**-**	**-**	**-**	**(15,975)**
	146,525	**-**	**-**	**-**	**146,525**
Balance at 30 June 2016	**20,350,768**	**(19,854,936)**	**300,652**	**-**	**796,484**

Notes to the financial statements are included on pages 23 to 43.

Consolidated statement of cash flows

for the financial year ended 30 June 2016

	Note	Year ended 30/06/16 $	Year ended 30/06/15 $
Cash flows from operating activities			
Payments to suppliers and employees		(471,253)	(780,342)
Interest and other costs of finance paid		(11)	(201)
Payments for exploration and evaluation activities		(158,015)	-
Government grants in relation to exploration assets		-	268,770
Net cash (used)/generated by operating activities	23	(629,279)	(511,773)
Cash flows from investing activities			
Interest received		1,566	3,299
Proceeds from sale of property, plant and equipment		31,818	-
Proceeds on disposal of subsidiary		-	800,000
Proceeds from sale of shares		600,000	-
Payment for acquisition of shares		(100,000)	
Payments for exploration and evaluation activities		(142,208)	(254,000)
Net cash generated/(used) by investing activities		391,176	549,299
Cash flows from financing activities			
Proceeds from issues of equity securities		162,500	180,000
Payment for share issue costs		(15,975)	(1,980)
Net cash generated by financing activities		146,525	178,020
Net increase in cash and cash equivalents		(91,578)	215,546
Cash and cash equivalents at the beginning of the financial year	8, 23	457,246	241,700
Cash and cash equivalents at the end of the financial year	8, 23	365,668	457,246

Notes to the financial statements are included on pages 23 to 43.

Notes to the financial statements
for the year ended 30 June 2016

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' principal 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. New accounting standards for application in future periods

Accounting standards issued by the AASB that are not yet mandatorily applicable to the consolidated entity, together with an assessment of the potential impact of such pronouncements on the consolidated entity when adopted in future periods, are discussed below:

AASB 9: Financial Instruments and associated amending standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and de-recognition requirements for financial instruments and simplified requirements for hedge accounting. The key changes that may affect the consolidated entity on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives and the irrevocable election to recognise gains and losses on investment in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the in the ability to hedge risk, particularly with respect to hedges of non-financial items.

Although it is anticipated that the adoption of AASB 9 may have an impact of the consolidated entity's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

There are no other standards that are not yet effective and that would be expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

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, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board's other authoritative pronouncements.

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.

The financial statements and notes of the Group also comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

The financial statements were authorised for issue by the Directors on 22 September 2016.

New Accounting Standards and Interpretations
The Group adopted all new Accounting Standards and Interpretations effective for the year ended 30 June 2016. There were no material impacts on the financial statements of the Group as a result of adopting these standards.

Basis of preparation
The financial report has been prepared on the basis of historical cost, except for assets classified as held for sale that have been measured at fair value. 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 controlled by the Company (its subsidiary) (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 consolidated financial statements have been prepared on a going concern basis which contemplates that the group will continue to meet its commitments and can therefore continue normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Because of the nature of the operations, exploration companies, such as DGO Gold Limited, find it necessary on a regular basis to raise additional cash funds to fund future exploration activity and meet other necessary corporate expenditure. At the date of this financial report, the ability of the group to execute its currently planned exploration and evaluation activities requires the group to raise additional capital within the next 12 to 18 months. Accordingly, the group is in the process of investigating various options for the raising of additional funds which may include but is not limited to an issue of shares or the sale of exploration assets as and when required.

At the date of this financial report, none of the above fund raising options have been concluded and no guarantee can be given that a successful outcome will eventuate. The directors have concluded that as a result of the current circumstances there exists a material uncertainty that may cast significant doubt regarding the group's and the company's ability to continue as a going concern and therefore, the group and company may be unable to realise their assets and discharge their liabilities in the normal course of business. Nevertheless, after taking into account the current status of the various funding options currently being investigated and making other enquiries regarding other sources of funding, the directors have a reasonable expectation that the group and the company will have adequate resources to fund its future operational requirements and for these reasons they continue to adopt the going concern basis in preparing the financial report.

The financial report does not include adjustments relating to the recoverability or classification of recorded assets amounts or to the amounts or classification of liabilities that might be necessary should the group not be able to continue as a going concern.

(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.

<u>Effective interest method</u>
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

<u>Current tax</u>
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.

<u>Deferred tax</u>
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.

Onerous contracts
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 recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the consolidated entity will comply with all the attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs they are intended to compensate. Government grants relating to the purchase or development of assets, including exploration and evaluation activities, are deducted from the carrying value of the asset.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(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.

4. Critical accounting judgements and estimates

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.

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

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 30/06/16 $	Year ended 30/06/15 $
Loss from continuing operations	(871,690)	(741,521)
Income tax benefit calculated at 30% (ii)	261,507	222,456
Tax effects of amounts which are not assessable/ (deductible) in calculating taxable income	(233,929)	2,619,615
Deferred tax assets not brought to account	(27,578)	(2,842,071)
Total tax benefit	-	-

(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 30/06/16 $	Year ended 30/06/15 $
The following deferred tax assets have not been brought to account:		
-Share issue costs	7,963	6,816
-Tax losses revenue	6,482,545	5,759,829
	6,490,508	5,766,645

Recognised deferred tax assets and liabilities

	Year ended 30/06/16 $	Year ended 30/06/15 $
<u>Deferred tax assets</u>		
Tax losses revenue	27,862	(15,311)
Accruals	18,332	16,899
Employee entitlements	2,363	2,363
<u>Deferred tax liabilities</u>:		
Exploration and evaluation expenditure	(45,418)	-
Prepayments	(3,139)	(3,951)
	-	-

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 30/06/16 $	Year ended 30/06/15 $
<u>Loss for the year from discontinued operation</u>		
Revenue	-	115
	-	115
Impairment losses exploration and evaluation expenditure	-	556,305
Other expenses	-	23,567
	-	579,872
Loss before tax	-	579,757
Attributable income tax expense/(benefit)	-	3,014
	-	582,771
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

c) Cash flow from discontinued operation

Net cash inflow/(outflow) from operating activities	-	267,799
Net cash (outflow) from investing operations	-	(254,001)
Net cash (outflow)/inflow from financing activities	-	(15,580)
Net cash (outflows)/inflows	-	(1,782)

8. Cash and cash equivalents

	Year ended 30/06/16 $	Year ended 30/06/15 $
Cash at Bank	365,668	457,246

9. Trade and other receivables

	Year ended 30/06/16 $	Year ended 30/06/15 $
Current		
Prepayments	10,463	13,169
Government Grants (i)	260,429	-
Goods and services tax receivable	8,675	11,858
	279,567	25,027

(i) The Government Grant represents the expected income tax refund as the result of the Group's research and development activities for the 2015 financial year.

10. Assets classified as held for sale

	Year ended 30/06/16 $	Year ended 30/06/15 $
Available for sale investments carried at fair value		
Quoted shares - GBM Resources Limited (i)	-	850,000
Quotes shares – Talisman Mining Limited (ii)	80,851	-
Amounts recognised directly in equity associated with assets held for sale	80,851	850,000

(i) The Company originally acquired 50,000,000 quoted shares in GBM Resources Limited as part of their disposal of Mt Coolon Gold Mines Pty Ltd in the previous financial year. During the current financial year the Company disposed of these shares for the total cash consideration of $600,000. An impairment expense of $250,000 has been recorded during the 2016 financial year representing the difference between the carrying value of $850,000 as at 30 June 2015 and the cash consideration of $600,000 received at the time of the sale.

(ii) During the year the Company acquired 212,766 quoted shares in Talisman Mining Limited for the consideration of $100,000. The Directors have determined that the fair value of the shares in Talisman Mining Limited was $80,351 as at 30 June 2016 which has been based on the quoted price of the Talisman Mining Limited shares as at that date. The resulting $19,149 difference between the consideration and fair value as on acquisition have been recorded as an impairment expense.

The directors have made the decision to sell the available for sale investments and as a result of this decision the GBM Resources Limited and Talisman Mining Limited shares have been classified as Assets classified as held for sale in accordance with AASB 5 Non-current Assets Held for Sale and *Discontinued Operations*.

Impairment
During the period the directors have recorded an impairment expense of $550,000 for the decrease in the fair value GBM Resources Limited being for the reclassification of the share revaluation reserve as at 30 June 2015 of $300,000 and for the impairment expense of $250,000 at the time of sale of these shares. A further impairment expense of $19,149 has also been recorded for the decline of fair value of Talisman Mining Limited shares resulting in a total impairment expense of $569,149 for the 2016 financial year. The Directors have determined that as there has been a significant decline in the fair value of the shares below cost an impairment expense should be recognised in profit and loss rather than a movement in the share revaluation reserve.

11. Property, plant and equipment

	2016 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 2015	-	96,945	3,506	13,670	142,957	257,078
Additions	-	-	-	-	-	-
Disposals	-	(58,377)	-	-	-	(58,377)
Balance at 30 June 2016	-	38,568	3,506	13,670	142,957	198,701
Accumulated depreciation						
Balance at 1 July 2015	-	(43,910)	(2,683)	(7,680)	(140,758)	(195,031)
Depreciation expense	-	(4,025)	(327)	(994)	(1,348)	(6,694)
Disposals	-	21,829	-	-	-	21,830
Elimination on disposal of a subsidiary						
Balance at 30 June 2016	-	(26,106)	(3,010)	(8,674)	(142,106)	(179,896)
Net book value						
As at 30 June 2016	-	12,462	496	4,995	851	18,805

	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.

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 30/06/16 $	Year ended 30/06/15 $
<u>Gross carrying amount balance:</u>		
Balance at beginning of financial year	-	16,199,441
Additions	151,393	165,303
Derecognised on disposal of subsidiary	-	(10,887,653)
Balance at end of the financial year	151,393	5,477,091
<u>Accumulated write off/impairment:</u>		
Balance at beginning of financial year	-	(14,199,441)
Amounts written off/impaired	-	-
Elimination on disposal of subsidiary	-	8,722,350
Balance at end of financial year	-	(5,477,091)
Net book value at end of financial year (i)	151,393	-

(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 30/06/16 $	Year ended 30/06/15 $
Trade payables (i)	27,388	55,181
Other – accrued expenses	61,108	56,329
Other – PAYG payable	3,427	53,284
	91,923	164,794

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

14. Provisions

	Year ended 30/06/16 $	Year ended 30/06/15 $
Current		
Employee benefits (i)	7,877	7,877
	7,877	7,877

Provision for rehabilitation expenditure (ii)

	Year ended 30/06/16 $	Year ended 30/06/15 $
Balance at beginning of financial year	-	396,054
Disposals of subsidiary during the year	-	(396,054)
Balance at end of financial year	-	-
Provision for landowner works (iii)		
Balance at beginning of financial year	-	75,000
Disposal of subsidiary	-	(75,000)
Balance at end of financial year	-	-

(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 30/06/16 $	Year ended 30/06/15 $
Fully paid ordinary shares 2016: 5,797,268 (2015: 519,021,975)	20,350,768	20,204,243
Fully paid ordinary shares		
Balance at beginning of financial year	20,204,243	20,026,223
Issue of shares under private placements	64,500	180,000
Issue of shares under share purchase plan	98,000	-
Share issue costs	(15,975)	(1,980)
Balance at end of financial year	20,350,768	20,204,243

	Number of shares	Share capital $
Balance as at beginning of the year	519,021,975	459,021,975
Result of a 100:1 share consolidation	(513,831,707)	-
Issue shares under private placements	215,000	60,000,000
Issue of shares under a share purchase plan	392,000	-
Balance as at the end of the year	5,797,268	519,021,975

Other share options on issue as at 30 June 2016
There were no options on issue as at 30 June 2016.

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 30/06/16 $	Year ended 30/06/15 $
Share valuation reserve (i)	-	(300,000)
Option premium reserve (ii)	300,652	300,652
	300,652	652

(i) During the period the directors have determined that the decrease in the fair value decrease in the GBM Resources Limited shares totaling $500,000 ($300,000 recognised at 30 June 2015 and $250,000 at the time of sale) and the decrease in the fair value decrease in the Talisman Mining Limited shares totaling $19,149 represents a significant decline in the fair value of the investment in an equity instrument below its cost and is therefore an impairment that was recognised in profit or loss. As the result a total decrease in value of $519,149 including the $300,000 share reserve as at 30 June 2015 had been recognised as an impairment expense in the profit and loss.

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

17. Accumulated losses

	Year ended 30/06/16 $	Year ended 30/06/15 $
Balance at beginning of financial year	18,983,246	18,005,940
Net loss attributable to members of the parent entity	871,690	977,306
Balance at end of financial year	19,854,936	18,983,246

18. Loss per share

	Year ended 30/06/16 Cents per share	Year ended 30/06/15 Cents per share (restated)
Basic (loss) per share from continuing and discontinued operations (i)		
Total basic (loss) per share	(15)	(20)
Total diluted (loss)per share	(15)	(20)
Basic (loss) per share from continuing operations (i)		
Total basic (loss) per share	(15)	(15)
Total diluted (loss)per share	(15)	(15)

(i) The calculation of the basic loss per share from continuing and discontinued operations for the year ended 30 June 2016 has been made on the basis of the 100:1 share consolidation that was approved by shareholders on 17 September 2016 (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 30/06/16 $	Year ended 30/06/15 $
Net (loss)	(871,690)	(997,306)
(Loss) used in the calculation of basis (loss) per share from continuing operations and discontinued operations	(871,690)	(997,306)

	Year Ended 30/06/16 No.	Year Ended 30/06/15 No. (restated)
Weighted average number of ordinary shares used in the calculation of basic (loss) per share	5,625,668	4,907,480

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 30/06/16 No.	Year Ended 30/06/15 No. (restated)
Weighted average number of ordinary shares used in the calculation of diluted (loss) per share	5,625,668	4,907,480

	Year ended 30/06/16 $	Year ended 30/06/15 $
Net (loss)	(871,690)	(741,521)
(Loss) used in the calculation of diluted (loss) per share from continuing operations	(871,690)	(741,521)

19. Dividends

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

20. Information relating to mining tenements

It is noted that the various state government departments require holdings of mining tenement 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.

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

	Year ended 30/06/16 $	Year ended 30/06/15 $
Exploration and evaluation expenditure		
No longer than 1 year	299,520	-
Longer than 1 year and not longer than 5 years	808,860	-
Longer than 5 years	150,300	-
	1,264,680	-

21. Subsidiaries

Name of entity	Country of incorporation	Ownership interest 2016 %	Ownership interest 2015 %
Parent entity			
DGO Gold Limited (i),(iii)	Australia		
Subsidiaries			
Mt Coolon Gold Mines Pty Ltd (ii)	Australia	-	-
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 2016 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 $
Non-current liabilities	
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 30/06/16 $	Year ended 30/06/15 $
Cash and cash equivalents	365,668	457,246

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

	Year ended 30/06/16 $	Year ended 30/06/15 $
Net (loss) for the year	(871,690)	(977,306)
Interest income	(1,566)	(3,414)
Depreciation	6,694	41,485
Loss on sale of asset	4,730	-
Gain on disposal of subsidiary	-	(346,986)
Impairment quoted securities	569,149	-
Impairment consideration receivable GBM Resource Limited	-	50,000
Impairment and write off of non-current-assets	-	556,306
Decrease/(increase) in assets:		
Trade and other receivables	2,618	(12,086)
Prepayments	2,706	(1,506)
Government grant receivable	(260,429)	271,784
(Decrease)/increase in liabilities:		
Trade and other payables	(81,491)	(90,050)
Net cash from operating activities	(629,279)	(511,773)

(b) Non cash transactions

The previous 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. These shares were we disposed of in the 2016 financial year the cash consideration of $600,000.

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).

2016	Level 1 $	Level 2 $	Level 3 $	Total
Available held for sale				
Quoted securities in Talisman Mining Limited	80,851	-	-	80,851
	80,851	-	-	80,851

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 2016:

2016	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	-	-	269,104				269,104
Variable interest rate instrument	0.94	365,668					365,668
		365,668	269,104				634,772
Financial liabilities							
Non-interest bearing		27,388	64,535				91,923
		27,388	64,535				91,923

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

26. Key management personnel compensation

	Year ended 30/06/16 $	Year ended 30/06/15 $
Short-term employee benefits	270,463	339,324
Post-employment benefits	18,086	22,969
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
	288,549	362,293

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 $80,088 (net of GST) for CFO and Company Secretarial Services to Kaus Australia Pty Ltd a related party of Mr. Michael Ilett.

Other related party transactions

Exploration Drill Rigs Pty Ltd, a company related to Mr. Michael Ilett and Mr. Ross Hutton, provides the Company with a registered office, outgoings, telephone, electricity and receptionist services for a total of $19,527 per annum excluding goods and services tax.

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 30/06/16 $	Year ended 30/06/15 $
Current assets	697,273	1,331,729
Non-current assets	18,817	62,060
Total assets	716,090	1,393,789
Current liabilities	96,963	172,672
Non-Current Liabilities	-	-
Total Liabilities	96,963	172,672
Issued capital	22,502,481	22,355,957
Accumulated losses	(22,184,006)	(21,135,492)
Option Premium Reserve	300,652	300,652
Share Valuation Reserve	-	(300,000)
	300,652	652
Total equity	619,127	1,221,117
Total equity and liabilities	716,090	1,393,789

Financial performance

	Year ended 30/06/16 $	Year ended 30/06/15 $
Loss for the year	(1,048,514)	(372,473)
Other comprehensive income	300,000	(300,000)
Total comprehensive (loss)	(748,514)	(672,473)

29. Remuneration of auditors

	Year ended 30/06/16 $	Year ended 30/06/15 $
Auditor of the parent entity		
Audit or review of the financial statements	40,000	70,000
	40,000	70,000

	Year ended 30/06/16 $	Year ended 30/06/15 $
Related practice of the parent entity auditor		
Other non-audit services – tax advice	-	-
Other non-audit services – research and development tax related services	-	-
	-	-

The auditor of DGO Gold Limited is BDO Audit Pty Ltd.

30. Events after the reporting date

On 25 July 2016 Yandan Gold Mines Pty Ltd received $28,382 from the Australian Taxation Office representing interest income of $113 and the income tax refund of $28,269 relating to the research and development activities for the 2015 financial year.

On 27 July 2016 the Company received $235,524 from the Australian Taxation Office representing interest income of $3,364 and the income tax refund of $232,160 relating to the research and development activities for the 2015 financial year.

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.

Directors' declaration

The directors of the company declare that:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes, are in accordance with the *Corporations Act 2001* and:
    a. comply with Accounting Standards and the *Corporations Regulations 2001*; and

    b. give a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date.

2. The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. 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.
4. The remuneration disclosures included in pages 13 to 16 of the directors' report (as part of audited Remuneration Report), for the year ended 30 June 2016, comply with section 300A of the *Corporations Act 2001*.
5. The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Eduard Eshuys
Executive Chairman
Brisbane, 22 September 2016

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INDEPENDENT AUDITOR'S REPORT

To the members of DGO Gold Limited

Report on the Financial Report

We have audited the accompanying financial report of DGO Gold Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, 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.

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 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 about 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.

Independence

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 of 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 2016 and of its performance for the year ended on that date; and

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

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 3.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 3 (b) in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of non-core assets. These conditions, along with other matters as set out in Note 3 (b), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 16 of the directors' report for the year ended 30 June 2016. 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 2016 complies with section 300A of the *Corporations Act 2001*.

BDO Audit Pty Ltd

BDO

T Mann

T R Mann
Director

Brisbane, 22 September 2016

Unaudited additional ASX and other information as at 16 September 2016

Number of holders of equity securities

5,797,268 fully paid ordinary shares are held by 548 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	3,975,262	68.57
50,001 to 100,000	720,759	12.43
10,001 to 50,000	627,543	10.82
5,001 to 10,000	160,780	2.77
1,001 to 5,000	207,434	3.58
1 to 1,000	105,490	1.82
Total	**5,797,268**	**100.00**
Holding less than a marketable parcel	**442**	

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		2,056,600	35.48
2	RESOURCE SURVEYS PTY LTD	<SUPERANNUATION FUND A/C>	640,787	11.05
3	CAIRNGLEN INVESTMENTS PTY LTD		331,725	5.72
4	SCINTILLA STRATEGIC INVESTMENTS LIMITED		318,330	5.49
5	SHERATAN PTY LTD	R & M SUPERANNUATION FUND	285,000	4.92
6	MR BRICE KENNETH MUTTON & MRS GAI MUTTON	<BRICE MUTTON SUPER FUND A/C>	202,820	3.50
7	RESOURCE SURVEYS PTY LTD	RESOURCE SURVEYS S/F	140,000	2.41
8	MR TREVOR NEIL HAY		93,752	1.62
9	ROSS CLIVE HUTTON & MARIE JEAN HUTTON	R & M SUPERANNUATION	88,013	1.52
10	OCTIFIL PTY LTD		79,584	1.37
11	RESOURCE SURVEYS PTY LTD	RESOURCE SURVEYS S/F	77,467	1.34
12	SHERATAN PTY LTD	<R AND M SUPER FUND A/C>	76,300	1.32
13	MT COOLON HOLDINGS PTY LTD	MT COOLON GOLD MINES	69,753	1.20
14	MR JOSEPH BANDIZIOL		60,160	1.04
15	BACTALL PTY LIMITED	<SUPERANNUATION FUND A/C>	60,000	1.03
15	DOUBLE JAY GROUP HOLDINGS PTY LTD	<KIMBERLEY S/F OPP A/C>	60,000	1.03
16	GEE NOMINEES PTY LTD	<G & A ESHUYS S/F A/C>	55,730	0.96
17	NATIONAL NOMINEES LIMITED	<DB A/C>	50,000	0.86
18	MR DAVID COURTNEY ROBINS		44,456	0.77
19	MRS CHLOE PODGORNIK		30,000	0.52
19	TESORO M B PTY LTD	THE G & T TRUST	30,000	0.52
19	DR PETER KENCH		30,000	0.52
20	CHRISTOPHER BRIAN MUIR		29,500	0.51
	Total		**4,900,037**	**84.52**
	Balance of register		**897,231**	**15.48**
	Grand total		**5,797,268**	**100.00**

Substantial shareholders

Ordinary shareholders	Fully Paid Shares Number
RESOURCE CAPITAL FUND V L. P.	2,056,000
EDUARD ESHUYS (i)	863,284
ROSS HUTTON (i)	519,426
CAIRNGLEN INVESTMENTS PTY LTD	331,725
SCINTILLA STRATEGIC INVESTMENTS LIMITED	318,330
TOTAL	4,088,765

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

Tenements held

The following table details the list of mineral tenements granted and under application:

		Tenements - Granted	Tenements - Applications	Area (km2)
Western Australia				
	Mt Edwards		E15/1465, 1488, 1514	81
	Ora Banda	P24/4946 - 4956		22
	Black Flag	P24/4986 - 4992, E24/197		32
	Mallina	E47/3328 - 3329	E47/3327	245
	Yerrida Basin	E51/1590	E51/1729, 1730, 1748 - 1753	1550
Sub-Total				*1930*
South Australia				
	Mt Barker	EL5770, EL5812	E2016/00017	328
	Dawson	EL5737	E2016/00103, ERA752	772
	Yerelina	EL5813		145
Sub-Total				*1245*
TOTAL				**3175**