DACIAN GOLD

ANNUAL REPORT 2018

ABN 61 154 262 978

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CORPORATE GOVERNANCE

Please refer to the Company's website **www.daciangold.com.au** for the 2018 Corporate Governance Statement and Policies.

CORPORATE DIRECTORY

DIRECTORS

Rohan Williams	Executive Chairman & CEO
Barry Patterson	Non-Executive Director
Robert Reynolds	Non-Executive Director
Ian Cochrane	Non-Executive Director

COMPANY SECRETARY

Kevin Hart

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Level 2
1 Preston Street
Como WA 6152

AUDITOR

Grant Thornton Audit Pty Ltd
Level 43, Central Park
152-158 St Georges Terrace
Perth WA 6000

SHARE REGISTRY

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

STOCK EXCHANGE LISTING

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

ASX CODE

DCN – Ordinary shares

COMPANY INFORMATION

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

The Company is domiciled in Australia.

CONTACT

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Email: info@daciangold.com.au
Website: www.daciangold.com.au

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Fellow Shareholder,

It is with much pleasure that I present to you Dacian Gold's sixth Annual Report.

It seems each year I write the Chairman's Letter to Shareholders I start by saying the latest financial year was busier than the preceding year. And so it was again with FY2018, where the Company made many significant milestones, none more so than Dacian Gold joining the ranks of the Australian gold producers on 29 March 2018.

Producing the first bar of gold for *any* aspiring gold company is a very significant achievement. Few companies get to experience it, and for those of you that have shared the journey from our exploration IPO in late 2012, to today, where your Company has a Mineral Resource base of over 3.5 million ounces of gold and has just completed building, on time and on budget, Australia's largest new gold mine in over 6 years, it has been one of dramatic and exciting changes from year to year.

In addition to the A$200 million project construction at Mt Morgans, the following pages also detail several other key advancements the Company has made during the year, including:

- Confirming Cameron Well as a new gold discovery with a maiden Mineral Resource of 245,000 ounces. Ongoing drilling at Cameron Well throughout the year confirmed the presence of at least four mineralised bedrock structures beneath the large 6km² surface oxide gold anomaly defined by Dacian over the previous 18 months. Open-ended intersections like 97m @ 3.1g/t gold and 49.3m @ 2.6g/t gold confirm the excellent potential Cameron Well has to become the third major gold mining centre at Mt Morgans;
- Significantly improving our understanding of the major Westralia ore deposit, now developing as one of Western Australia's largest new underground gold mines. A new Mineral Resource upgraded Measured and Indicated to almost 1 million ounces at 5.2g/t gold. Following a geological breakthrough, which confirmed the orientation of high grade trends seen in the mine are likely to continue into areas never previously drill tested, it provides the Company with an opportunity to grow the resource base beyond the current 1.5 million ounces;
- A $48M equity capital raising designed to finance both the extinguishment of a life-of-mine royalty at the Jupiter open pit and bring forward asset value through the drill bit by accelerating exploration efforts at Cameron Well and Westralia in the next 12-18 months.

The immediate focus of your Company is to continue the ramp-up of gold production at Mt Morgans from the underground mine at Westralia and the open pit at Jupiter. The effort and expertise to ramp-up the operations from start-up, to significant levels of steady-state gold production from a new and large underground gold mine with three production declines; plus commence mining a new and large 1.8km long open pit, all feeding a new 2.5Mtpa treatment plant cannot be understated.

It is our plan to reach steady-state levels, or Commercial Production, at the end of 2018. We have told the market that we are targeting our first full year of production in the range of 180,000 – 210,000 ounces, after which we expect to be producing 200,000 ounces per annum at an average all-in-sustaining-cost of around A$1,000 per ounce. We believe the Mt Morgans gold field still has outstanding prospectivity and consequently we have a targeted production life greater than 10 years. The exploration programs outlined above will go a long way to unlocking the ultimate endowment of the Mt Morgans goldfield and the production levels it can sustain.

Maintaining the very high levels of activity and expertise that mark the achievements of the last 12 months has only come about through the extraordinary efforts of hundreds of dedicated employees, contractors and consultants. What Dacian Gold has achieved over the last 12 months is a testament to them, and on behalf of all Shareholders I would like to say to them very well done and thank you.

Of course none of this happens without the Shareholders. On behalf of the Directors of the Company and all of those stakeholders who have benefited from working at Mt Morgans, I would like to extend a very warm thank you to all Shareholders for their continued support and interest in the Company.

Rohan Williams
Executive Chairman

REVIEW OF OPERATIONS

INTRODUCTION AND DACIAN GOLD'S CORPORATE OBJECTIVE

Dacian Gold Limited's Mt Morgans Gold Operation **(MMGO)** is located 25km west of Laverton, being approximately 750km north-east of Perth in Western Australia (see Figure 1). The MMGO is a 520 km² tenement package comprising predominantly granted mining leases. It is situated in the Laverton gold district, which is known to contain approximately 30 million ounces of gold, making it the second highest endowed gold district in Western Australia, behind Kalgoorlie.

The MMGO has been the Company's sole focus since its IPO on the ASX in November 2012. In less than six years since the Company's IPO, Dacian Gold has advanced the project towards mid-tier producer status, and following the 2017 financial year where the Company delivered a bankable Feasibility Study, the 2018 financial year was spent realising that value through achievement of the following key milestones at the MMGO:

- Completed infrastructure construction on time and on budget, and commenced mining operations;
- Achieved its first gold milestone in March 2018;
- Provided guidance in its first full-year of production of 180,000-210,000 ounces in FY2019;
- Developed a newly formed geological interpretation at Westralia;
- Increased Measured and Indicated Resources at Westralia, and updated total Mineral Resource for the MMGO;
- Released a maiden resource of 245,000 ounces at its potential third mining centre, Cameron Well; and
- Raised $48 million in equity funding to advance an accelerated exploration program at Cameron Well and Westralia.

Each of the key achievements completed during FY2018 is described in more detail in the following pages under the headings: *Mt Morgans Gold Operation and Mine Development; Maiden Production Guidance of 180,000-210,000 ounces in FY2019; July 2018 Equity Financing; and Exploration, Drilling and Mineral Resources*. Also included in this Annual Report is an updated Mineral Resource and Ore Reserve statement.

Dacian Gold's corporate objective is to become Australia's next mid-tier gold producer through successfully executing the ramp-up of the MMGO towards steady-state production rates of +200,000 ounces per annum over a mine life in excess of 10 years. Coupled with a strong focus on exploration, the Company intends to test its belief that the potential undiscovered gold endowment of its gold field is significant.

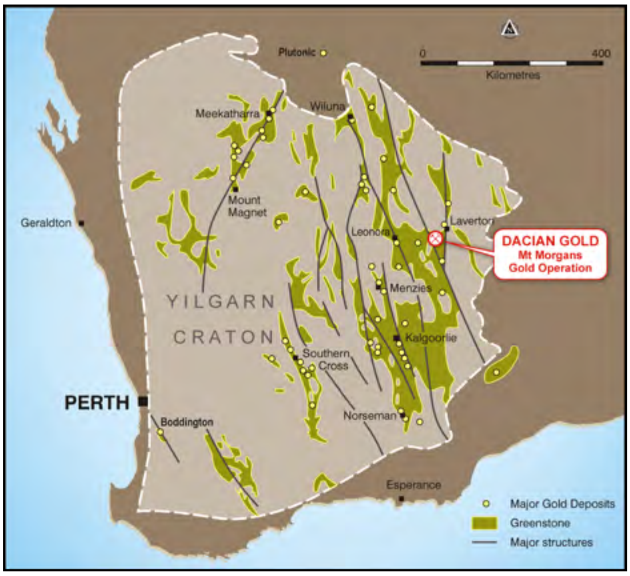

Figure 1 Location of Dacian Gold's Mt Morgans Gold Operation area in Western Australia

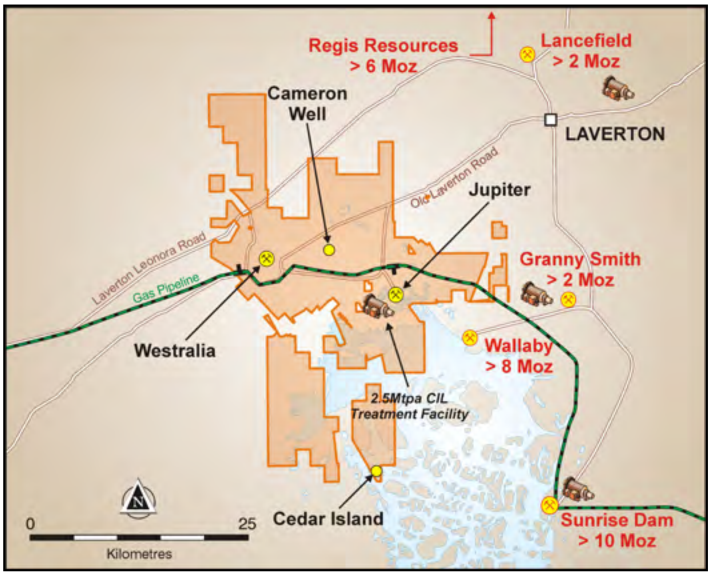

Figure 2 Location map showing Dacian Gold's 100%-owned MMGO tenure (orange), including the Westralia, Jupiter and Cameron Well Deposits. Also shown is the location of key infrastructure, as well as proximal multi-million ounce gold deposits.

MT MORGANS GOLD OPERATION AND MINE DEVELOPMENT

2.5Mtpa CIL Treatment Plant

During financial year 2018, construction of the MMGO 2.5Mtpa CIL treatment facility was successfully completed and commissioned, culminating in the mine achieving its first gold pour milestone on 29 March 2018. Associated infrastructure including the tailings storage facility, the permanent power station, the main site administration complex and the Jupiter mine workshop were also completed. The construction, together with underground and open pit development, was completed on time and on budget, at a total capital cost of $200 million. The treatment plant component was completed by GR Engineering Services.

Figure 3 *Aerial view of the 2.5Mtpa treatment facility at MMGO*

Figure 4 *SAG mill and ball mill assembly with CIL tanks of the new 2.5Mtpa treatment plant at MMGO. Note the treatment plant ponds and power station behind the mills and tanks.`*

REVIEW OF OPERATIONS

MT MORGANS GOLD OPERATION AND MINE DEVELOPMENT

Jupiter Mine Area

The Jupiter mine area is located adjacent the MMGO treatment facility. The mine commenced open pit mining operations during the year following clearing and grade control activities with Heffernans the primary source of ore mining. The open pit mine has advanced strongly through the year, now operating near steady state levels of 5,000 ore tonnes per day.

During the year, the Jupiter open pit mining contract was awarded to Macmahon Contractors Pty Ltd (Refer ASX release, 1 December 2017). The award of this major mining contract followed the award of the Westralia underground mining contract to RUC Cementation Mining Contractors Pty Ltd last year (Refer ASX release, 13 April 2017). All material mining contracts have now been awarded.

Figure 5 *Aerial view of mining operations at the Jupiter mine area. The foreground is current activities at Heffernans open pit while the past-producing Doublejay pit is in the background.*

Westralia Mine Area

The Westralia mine area is located immediately below the Westralia open pit from which the access portals to the Beresford and Allanson underground mines are located. At the time of this report, underground mining activities have progressed towards steady-state run rates with stoping and development occurring at Beresford South and North mines, with Allanson decline development underway. Stoping at Allanson is planned to commence later in calendar year 2018.

MT MORGANS GOLD OPERATION AND MINE DEVELOPMENT

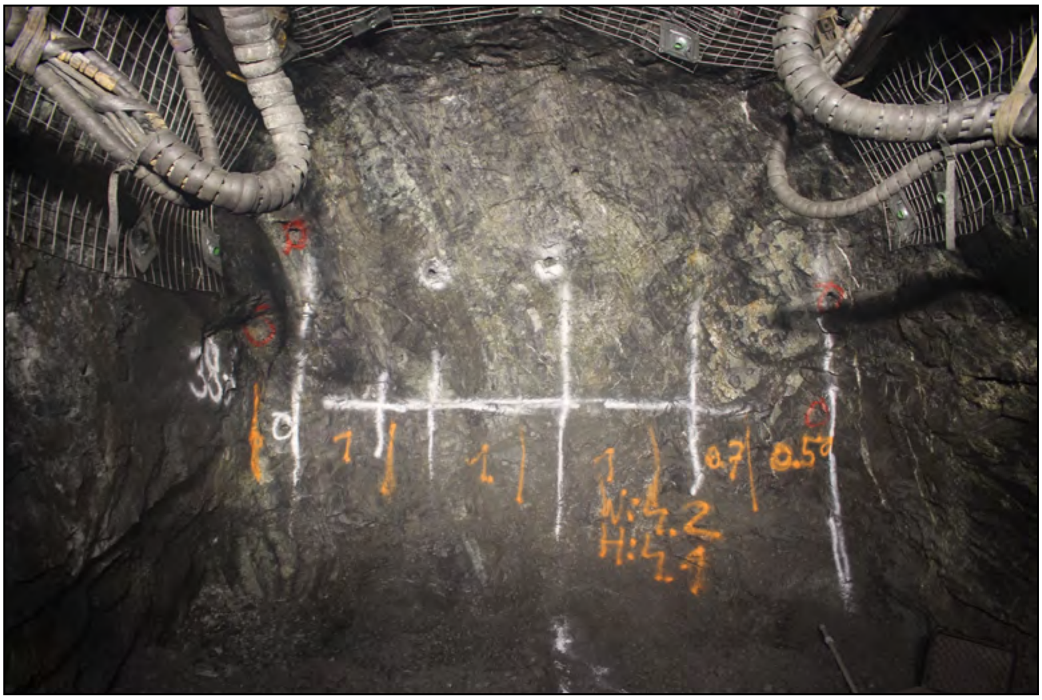

Figure 6 *High-grade 33 g/t ore heading at Beresford South*

Figure 7 *Good stoping conditions at Beresford South*

MT MORGANS GOLD OPERATION AND MINE DEVELOPMENT

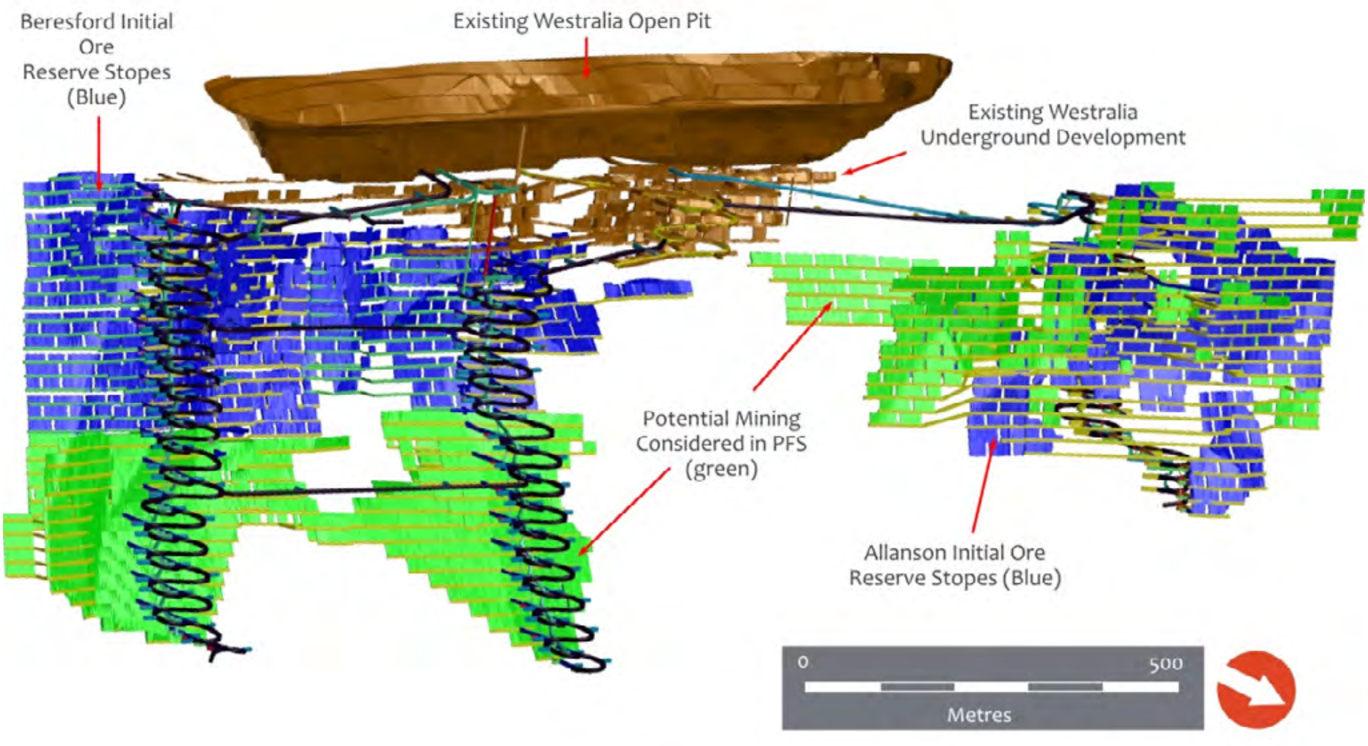

Figure 8 Mine plan layout of the Beresford (left hand side of image) and Allanson (right hand side of image) underground mines below the Westralia open pit. The blue shading represents the underground Ore Reserve, totalling 493,000oz and the green shading is potential underground mining associated with Inferred Mineral Resources considered in the Westralia PFS (Refer ASX release, 21 November 2016).

REVIEW OF OPERATIONS

MAIDEN PRODUCTION GUIDANCE OF 180,000-210,000 OUNCES FOR FY2019

During the year, the Company announced its maiden production guidance for FY2018 and FY2019. For FY2018, 30,000-40,000 ounces was guided which was MMGO's first quarter of its ramp-up phase. In July 2018, the Company reported actual production of 34,155 ounces (Refer ASX release, 6 July 2018), an excellent result and within the aforementioned guidance.

For FY2019, the Company has guided for 180,000-210,000 ounces, consistent with the Company's stated goal of becoming a +10 year, +200,000oz per year gold producer. The guidance allows for a conservative 6-9 month ramp-up period during calendar year 2018 at MMGO and incorporates the following:

- the Jupiter open pit to reach a steady-state production of 5,000 tonnes of ore per day with open pit ores the primary source of feed in the initial quarters until underground tonnages increase during FY2019;
- the Beresford and Allanson underground mines to reach steady-state operations of a combined 3,000 tonnes of ore mined per day. Steady-state ore development of approximately 1,000 tonnes per day and stoping of approximately 2,000 tonnes of ore per day is the designed combined production rate from the underground mines. The underground operations continue to build in line with expectations through 2018 and are set to underpin the MMGO 2HFY2019 weighted production as higher-grade underground ore increases the contribution to production;
- throughput, reagent consumption and recovery optimisations for the new 2.5Mtpa treatment plant; and
- to provide a meaningful period for grade reconciliation analysis.

As noted above, FY2019 production guidance is expected to be 2HFY2019 weighted, however, it excludes any incremental production from a potential third mining centre at MMGO, being Cameron Well.

JULY 2018 EQUITY FINANCING

In July, the Company successfully completed an Institutional Placement for $40 million (Refer ASX release, 11 July 2018) and a Shareholder Purchase Plan for $8.3 million (before costs) (Refer ASX release, 28 August 2018) with the proceeds earmarked to fund accelerated exploration programs at Westralia and Cameron Well and extinguish a Jupiter life of mine royalty obligation.

The accelerated exploration programs at both Westralia and Cameron Well (and referred to in below sections) are designed to bring forward asset value by focusing on the down plunge extension at Westralia and potentially unlocking Cameron Well as a third mining hub at MMGO. The objective for the Company is to test across MMGO's extensive tenement position the collective potential to increase mine life and/or production rates at the operation.

The removal of the Jupiter life of mine royalty for $12 million unencumbers the mine of an additional royalty cost.

The Institutional Placement saw approximately 17.9 million new shares issued at A$2.70 per share to a broad range of new institutional funds and existing holders as well as several new offshore investors.

EXPLORATION, DRILLING AND MINERAL RESOURCES

Cameron Well Exploration Activity

The Company first commenced exploration at Cameron Well in September 2016 with wide-spaced reconnaissance RAB and aircore drilling. Follow-up infill drilling led to the delineation of a large and coherent oxide gold anomaly over an area measuring 6km² in size (Refer ASX release, 21 June 2017). An outcropping syenite body with an associated 1.1km diameter magnetic anomaly (called the Cameron Well Syenite Complex) underlies part of the oxide gold anomaly.

The Company announced numerous high-grade results from a 312 RC drill hole oxide Mineral Resource drilling campaign within the Cameron Well Syenite Complex (Refer ASX releases, 14 February 2018 and 22 May 2018). Many of these intersections are shown in Figure 9 below.

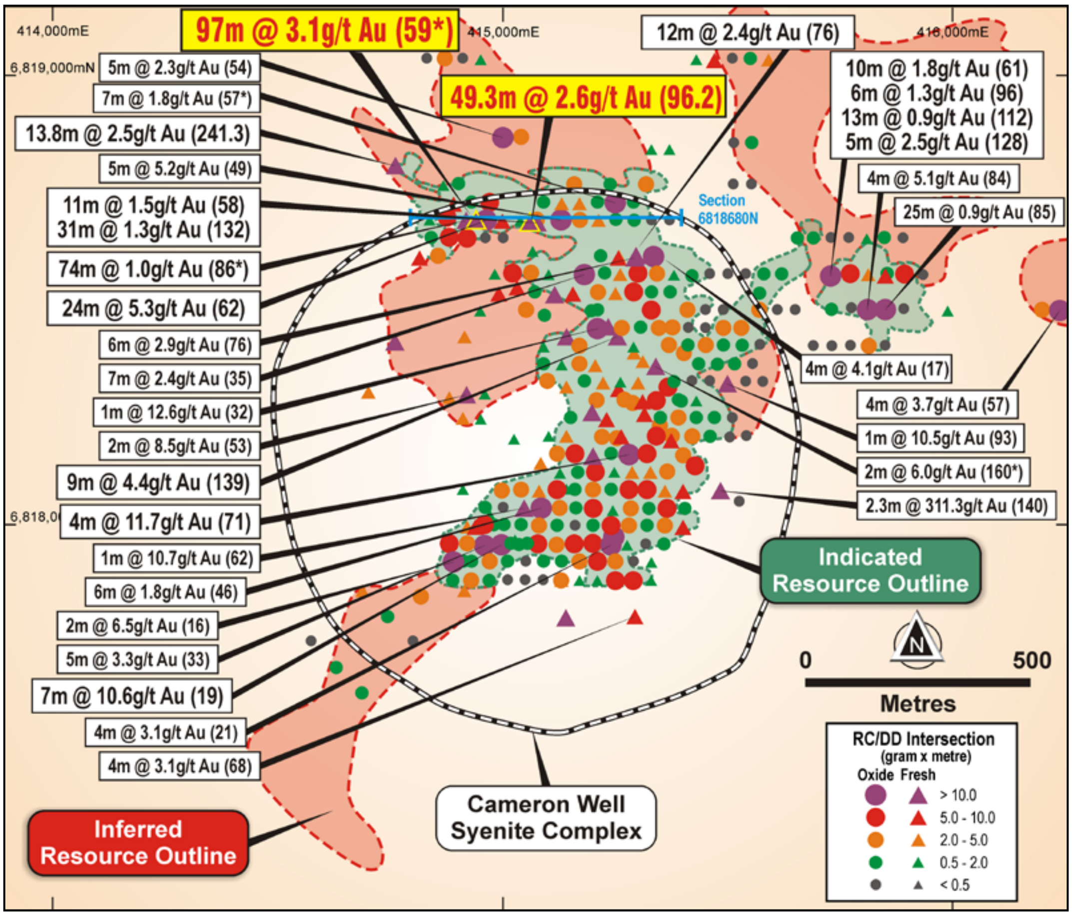

Figure 9 *Plan showing the Mineral Resource classification at Cameron Well underlying RC and diamond infill drilling results (Refer ASX releases, 22 May 2018 and 9 July 2018).*

The Company has also drilled 16 diamond drill holes within the Cameron Well Syenite Complex testing for mineralised bedrock structures below certain areas of the oxide gold anomaly. Better intersections from this reconnaissance diamond drilling include 2.3m @ 311.3 g/t gold from 140m (Refer ASX release, 8 August 2017).

Combining the results from the 16 reconnaissance diamond drill holes and several of the RC drill holes has confirmed the presence of at least four mineralised bedrock structures within the Cameron Well Syenite Complex (Refer ASX releases, 14 February 2018 and 22 May 2018).

Importantly, each of the four confirmed mineralised bedrock structures has a different orientation:

1. Steep-dipping, north-west striking;
2. Shallow dipping to north-west, north-east striking;
3. Sub-vertical, north-south striking; and
4. Shallow east-north-east dipping, north-north-west striking.

EXPLORATION, DRILLING AND MINERAL RESOURCES

The Company is highly encouraged that it has identified four separate and differently oriented primary gold lodes in the bedrock below the oxide mineralisation. As such, an array of mineralised lodes is a strong indication of a significant mineralised system at Cameron Well.

During the year the Company reported its thickest high-grade intersection yet from Cameron Well with 97m @ 3.1 g/t gold which was drilled to infill to 20m spacing, two previously reported intersections drilled 40m apart, being:

- 74m @ 1.0 g/t gold from 86m in 17CWRC0118, and
- 24m @ 5.3 g/t gold from 62m in 18CWRC0315 (Refer ASX release, 22 May 2018)

Also reported was 49.3m @ 2.6 g/t gold intersection from a diamond drill hole that was drilled in an opposite direction to the hole that intersected 97m @ 3.1 g/t gold. The two new intersections referred to above were designed to test one of the four known mineralised bedrock structures.

Figure 10 shows the location of the two thick and high-grade intersections lying on the northern margin of the circular Cameron Well Syenite Complex.

RC drill hole 18CWRC0374 intersected 97m @ 3.1 g/t gold from 59m down hole. The intersection comprised the following continuous sections:

- 12m @ 3.4 g/t gold as oxide mineralisation from 59m;
- 29m @ 3.3 g/t gold as 'transitional' or weathered mineralisation from 71m; and
- 56m @ 2.9 g/t gold as fresh or bedrock mineralisation from 100m. The drill hole ended in an 8m run averaging 4.8 g/t gold.

Diamond drill hole 18CWDD0037 intersected the following mineralised sections:

- 5.3m @ 1.0 g/t gold as oxide mineralisation from 58.5m;
- 13.2m @ 0.7 g/t gold as 'transitional' or weathered mineralisation from 76.8m; and
- 49.3m @ 2.6 g/t gold as bedrock mineralisation from 96.2m including 24m @ 4.3 g/t gold.

Figure 10 is cross section 6818680N that shows the location of the new intersections are part of a broad and highly mineralised oxide anomaly.

All drilling referred to above was included within the maiden Resource estimate for Cameron Well (see following section).

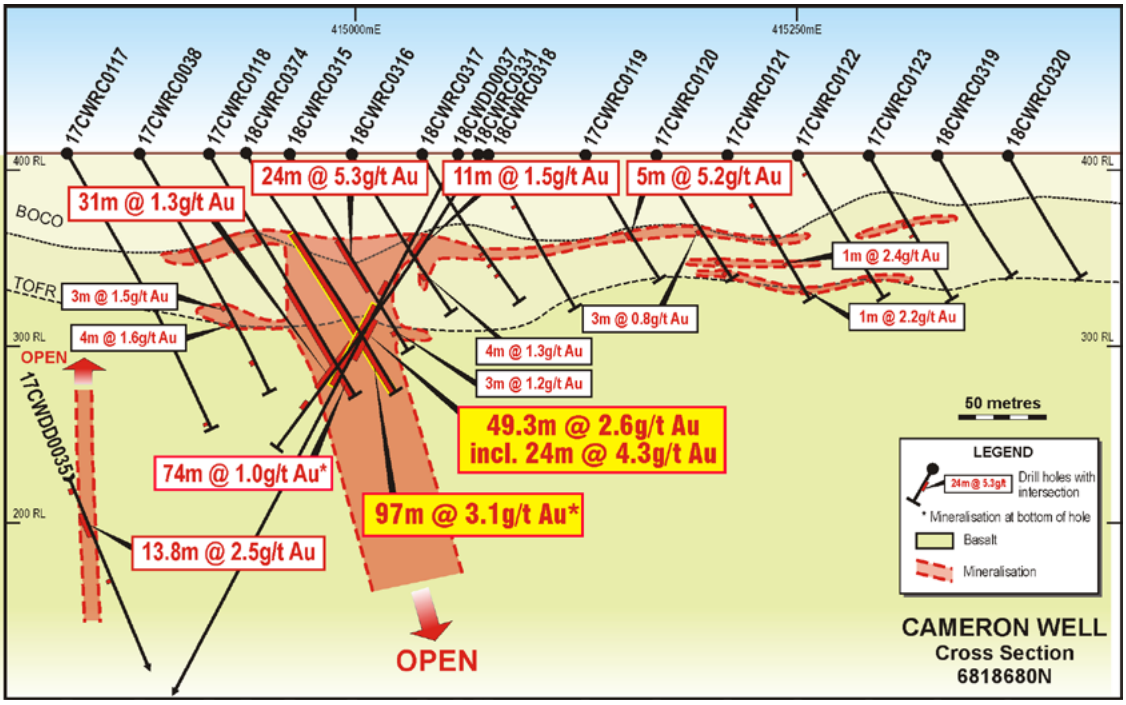

Figure 10 Cross Section 6818680N through the northern margin of the Cameron Well Syenite Complex showing thick high grade mineralisation developed over a steeply east-dipping bedrock structure (refer to Figure 9 for section line). Note the flat blankets of oxide gold mineralisation developed over 500m, which is supergene or oxide gold development as commonly observed in the Eastern Goldfields of Western Australia.

EXPLORATION, DRILLING AND MINERAL RESOURCES

Cameron Well Maiden Resource Estimate

The maiden Mineral Resource estimate at Cameron Well reporting above a 0.4g/t cut-off grade, is:

6.3M tonnes at 1.2g/t gold for 245,000 ounces.

Table 1 below shows the breakdown of the Cameron Well Mineral Resource and Figure 9 is a plan view showing the classification location of the Indicated and Inferred Mineral Resource outlines.

Over 70% of the ounces from the total Mineral Resource estimate at Cameron Well lies within 100m of the surface, with limited drilling testing below this level. The Cameron Well Deposit has an Indicated Mineral Resource estimate of 3.5M tonnes @ 1.1g/t gold for 117,000 ounces, which will underpin the maiden Cameron Well Ore Reserve due for release later in 2018.

Based on the following observations at Cameron Well, the Company is confident that with ongoing drilling there is excellent potential for the discovery of additional Mineral Resources:

- Large areas of the significant 6km² oxide gold anomaly at Cameron Well still require RC drill testing; and
- Despite the general paucity of bedrock drill testing at Cameron Well, there has been the early identification of at least four bedrock mineralised structures.

The Company plans to commit $12 million of the recent equity raising of $48 million to aggressively pursue Mineral Resource growth at Cameron Well over the next 12-18 months.

Type	Indicated			Inferred			Total		
	Tonnes t	Au g/t	Au ounces	Tonnes t	Au g/t	Au ounces	Tonnes t	Au g/t	Au ounces
Alluvial	141,000	0.6	3,000	115,000	1.0	4,000	255,000	0.8	7,000
Oxide	449,000	1.1	16,000	450,000	1.2	18,000	900,000	1.2	34,000
Saprolite	728,000	0.9	20,000	581,000	1.1	21,000	1,309,000	1.0	42,000
Saprock	1,527,000	0.9	45,000	907,000	1.0	29,000	2,434,000	1.0	74,000
Fresh	619,000	1.7	33,000	756,000	2.3	57,000	1,375,000	2.0	90,000
Total	**3,465,000**	**1.1**	**117,000**	**2,808,000**	**1.4**	**129,000**	**6,273,000**	**1.2**	**245,000**

Table 1 *Cameron Well Maiden Mineral Resource – 31 July 2018 (0.4g/t Au Cut-off)*

Westralia Exploration Activity

Over the last six years, the Company has undertaken a significant body of work to determine the key controls to the high-grade mineralisation observed at Westralia. During this period, and by using a combination of the following, the Company has confirmed its understanding of the control of high-grade gold mineralisation at Westralia:

- Careful geological documentation of the underground geology observed from mining the mineralised banded iron formation (BIF) at Beresford South;
- The results and information collected from 400 close-spaced underground diamond drill holes drilled by the Company and used for grade control ahead of mining at Beresford South;
- Historic mining records associated with the early mining at Westralia;
- Geological documentation and structural interpretation of over 125,000m of diamond drilling (296 surface drill holes) completed by Dacian Gold since 2013 targeting the infill and extensions of the Beresford South, Beresford North and Allanson Mineral Resources; and
- Using the above data, interpreting the 3-dimensional structural architecture of the large Westralia ore system.

Importantly, this new development has provided the Company with an improved understanding of the likely strike and depth extensions of the larger Westralia mineralised system into large tracts of the ore-hosting BIF stratigraphy that has never previously been drilled.

EXPLORATION, DRILLING AND MINERAL RESOURCES

Figure 11 below is a long section spanning what the Company now refers to as the 5km long Westralia Ore System. Over 3km of the Westralia ore system comprises known mines and existing Ore Reserves and Mineral Resources, including that of Beresford Underground, Westralia Pit, Allanson Underground and Morgans North Pit. The known pre-mined endowment of this 3km strike of mineralisation at Westralia is over 2.5 million ounces to an average vertical depth of only 450m.

The key geological elements to understanding the 5km long Westralia Ore System are (Refer ASX release, 25 June 2018):

- The high-grade trends of steep, south-plunging and flat, north-plunging shoots;
- The Celia Tectonic Zone (CTZ); and
- The undrilled BIF stratigraphy that is interpreted to contain the extensions of the high grade shoot trends referred above (pink areas shown in Figure 11).

By combining the recently understood importance of the major offsetting structure below Westralia (CTZ) with the confirmed high-grade shoot trends above it, the Company now has identified clear and exciting new target areas to test for extensions of the Westralia Ore System into areas not previously drilled.

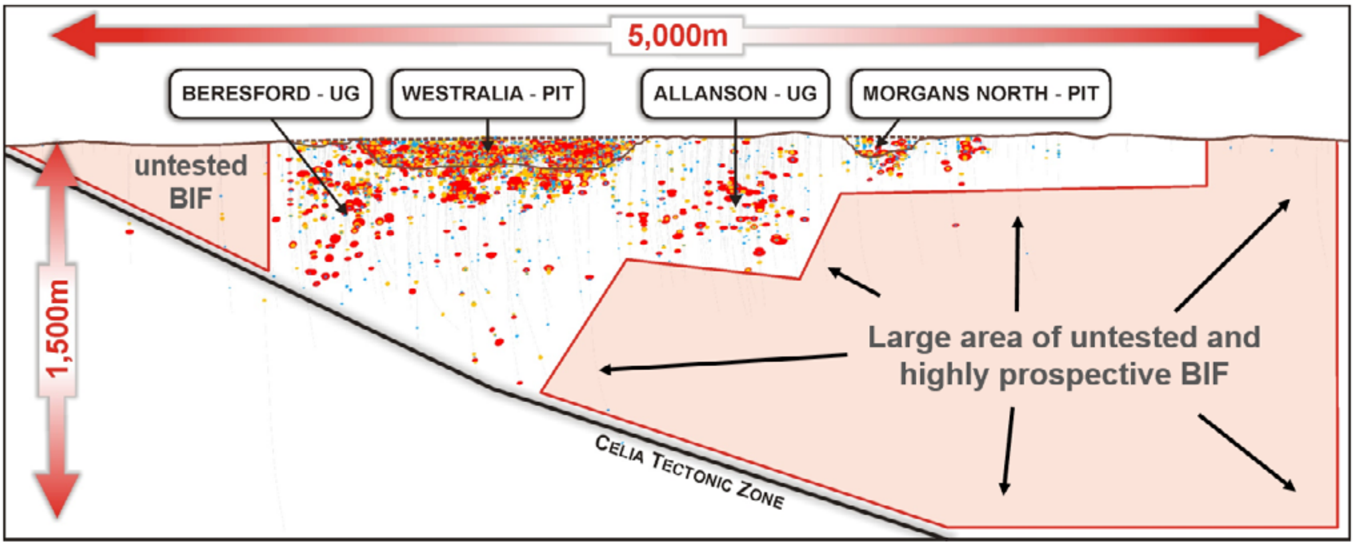

Figure 11 *The 5km long section of the mineralised Westralia Ore System. The Celia Tectonic Zone is interpreted to be the principal controlling structure above which the BIF is developed and mineralised according to steep, south- plunging and flat, north-plunging high-grade shoot domains. Shown from left to right are the known ore deposits of Beresford Underground, Westralia Pit, Allanson Underground and Morgans North Pit; all controlled by the high-grade shoots and their intersections. The areas to the south (left) of Beresford Underground and north (right) of Allanson Underground and Morgans North Pit (all shaded pink); and above the Celia Tectonic Zone, represent the large tracts of highly prospective BIF where Dacian Gold has interpreted the undrilled extensions of the Westralia Ore System lie. Red dots are drill intersection pierce-points that intersect >10g/t gold, yellow 4-lOg/t gold and blue 2-4g/t gold.*

EXPLORATION, DRILLING AND MINERAL RESOURCES

Westralia Updated Resource Estimate

The updated Westralia Mineral Resource estimate as at 31 July 2018 is shown below as Table 2.

Mine Area	Measured			Indicated			Inferred			Total		
	Tonnes t	Au g/t	Au Ounces	Tonnes t	Au g/t	Au Ounces	Tonnes t	Au g/t	Au Ounces	Tonnes t	Au g/t	Au Ounces
Beresford South	817,000	5.2	137,000	1,775,000	5.3	304,000	243,000	4.8	38,000	2,835,000	5.3	479,000
Beresford North	451,000	5.4	79,000	1,442,000	4.0	186,000	3,182,000	3.4	350,000	5,075,000	3.8	615,000
Allanson				1,181,000	6.5	248,000	439,000	7.5	105,000	1,619,000	6.8	353,000
Morgans North	36,000	4.9	6,000	265,000	3.6	30,000	154,000	7.0	35,000	455,000	4.8	71,000
Total	**1,304,000**	**5.3**	**222,000**	**4,662,000**	**5.1**	**767,000**	**4,018,000**	**4.1**	**528,000**	**9,985,000**	**4.7**	**1,518,000**

Table 2 *Westralia Mineral Resource, 31 July 2018 (2.0g/t Au Cut-off)*

Figure 12 is a long section of the Westralia gold deposit showing the classification of the 1.52 million ounce Mineral Resource. Significantly, the deposit is continuously mineralised over a near-surface strike distance of 3km, with little corresponding drill testing at depth.

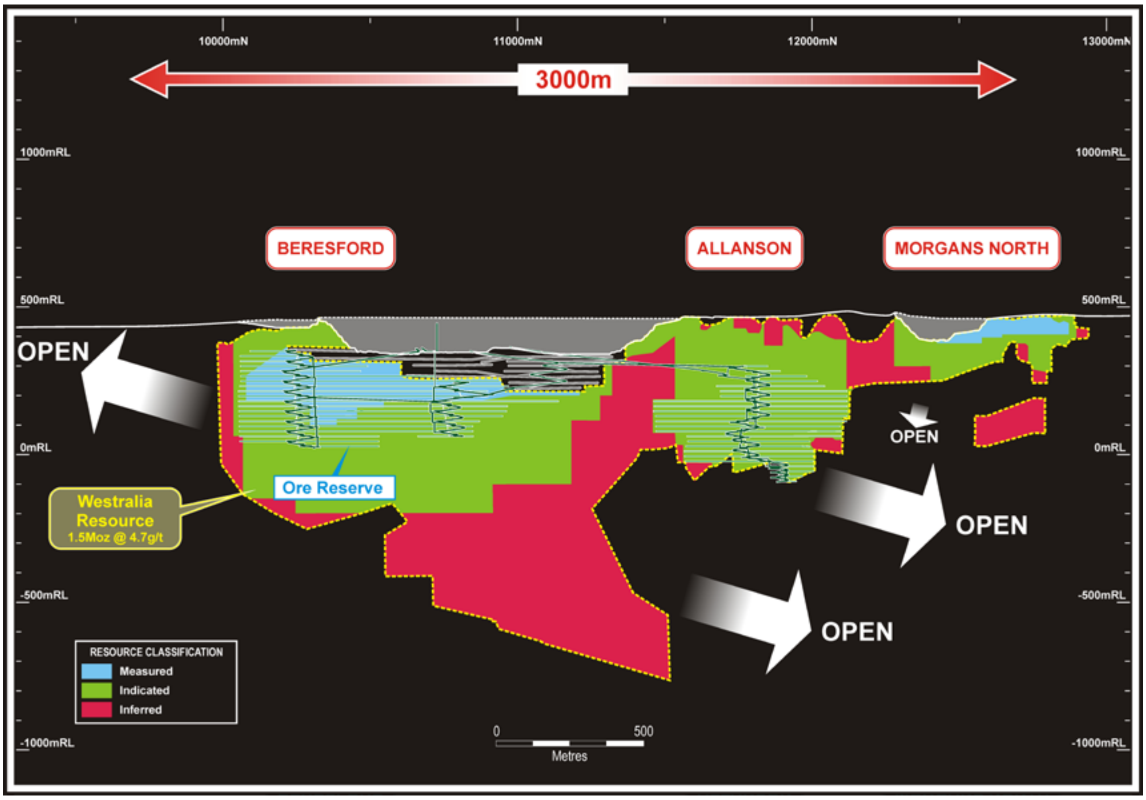

Figure 12 *Long section showing the Mineral Resource classification of the 3km of continuous mineralisation at Westralia*

2018 MINERAL RESOURCES AND ORE RESERVES STATEMENT

Deposit	Cut-off Grade	Measured			Indicated			Inferred			Total Mineral Resource		
	Au g/t	Tonnes t	Au g/t	Au Oz	Tonnes t	Au g/t	Au Oz	Tonnes t	Au g/t	Au Oz	Tonnes t	Au g/t	Au Oz
Westralia	2.0	1,304,000	5.3	222,000	4,662,000	5.1	767,000	4,018,000	4.1	528,000	9,985,000	4.7	1,518,000
Jupiter	0.5	2,363,000	1.3	101,000	21,979,000	1.3	954,000	5,353,000	1.1	188,000	29,695,000	1.3	1,242,000
Jupiter UG	1.5	-	-	-	-	-	-	525,000	2.0	34,000	525,000	2.0	34,000
Jupiter LG Stockpile	0.5	3,494,000	0.5	58,000	-	-	-	-	-	-	3,494,000	0.5	58,000
Cameron Well	0.4	-	-	-	3,465,000	1.1	117,000	2,808,000	1.4	127,000	6,273,000	1.2	245,000
Transvaal	2.0	367,000	5.8	68,000	404,000	5.3	69,000	482,000	4.7	73,000	1,253,000	5.2	210,000
Ramornie	2.0	-	-	-	160,000	4.1	21,000	422,000	4.0	55,000	582,000	4.1	76,000
Maxwells	0.5	-	-	-	413,000	1.2	16,000	309,000	0.9	9,000	722,000	1.1	25,000
Craic*	2.0	-	-	-	69,000	8.2	18,000	120,000	7.1	27,000	189,000	7.5	46,000
King St*	0.5	-	-	-	-	-	-	532,000	2.0	33,000	532,000	2.0	33,000
Low Grade Stockpiles	0.5	-	-	-	1,276,000	0.7	30,000	-	-	-	1,276,000	0.7	30,000
Mine Stockpiles	0.5	151,000	0.9	4,000	-	-	-	-	-	-	151,000	0.9	4,000
Total		**7,678,000**	**1.8**	**453,000**		**1.9**	**1,992,000**		**2.3**	**1,075,000**		**2.0**	**3,520,000**

***JORC (2004)**

Table 3 *Mt Morgans Gold Operation Mineral Resources as at 31 July 2018*

Total Mineral Resources stated in the 2017 Mineral Resources and Ore Reserves Statement (MROR) for MMGO was 44,688,000 tonnes at 2.3 g/t Au for 3,315,000 ounces (refer 2017 Annual Report).

The changes between the 2017 and 2018 MROR statement were due to revised Mineral Resource estimates occurring at the Company's 100% owned Westralia, Jupiter and Ramornie; and the maiden Mineral Resource estimates for Cameron Well, Maxwells, Mine and Low Grade stockpiles.

The Westralia Mineral Resource was updated from 8,626,000t at 5.8 g/t Au for 1,621,000 ounces, to 9,985,000t at 4.7 g/t Au for 1,518,000 ounces (Refer ASX release, 6 August 2018).

The Jupiter Mineral Resource was updated from 29,623,000t at 1.3g/t Au for 1,257,000 ounces, to 29,695,000t at 1.3 g/t Au for 1,242,000 ounces (open pit) and 530,000t at 2.0 g/t Au for 34,000 ounces to 525,000t at 2.0 g/t Au for 34,000 ounces (underground). This Mineral Resource for Jupiter includes a split of open pit and underground resources reported (Refer ASX release, 6 August 2018).

The Ramornie Mineral Resource increased from 442,000t at 4.0 g/t Au for 57,000 ounces, to 582,000t at 4.1 g/t Au for 76,000 ounces (Refer ASX release, 6 August 2018).

The maiden Cameron Well Mineral Resource was estimated at 6,273,000t at 1.2 g/t Au for 245,000 ounces (Refer ASX release, 6 August 2018).

The maiden Maxwells Mineral Resource was estimated at 722,000t at 1.1 g/t Au for 25,000 ounces (Refer ASX release, 6 August 2018).

The MROR includes the addition of Mineral Resources for Low Grade stockpiles of 1,276,000t at 0.7 g/t Au for 30,000 ounces and Mine Stockpiles of 151,000t at 0.9 g/t Au for 4,000 ounces (Refer ASX release, 6 August 2018).

There is no change to the previously reported Mineral Resources for the King Street, Craic, Jupiter LG stockpile and Transvaal deposits.

Since 30 June 2018, the Mineral Resource estimates for MMGO have increased from 44,688,000 tonnes at 2.3 g/t Au for 3,315,000 ounces to 54,676,000 tonnes at 2.0 g/t Au for 3,520,000 ounces (Table 3) due to revisions of Mineral Resource estimates occurring at the Company's 100% owned Westralia, Jupiter and Ramornie; and the maiden Mineral Resource estimates for Cameron Well, Maxwells, Mine and Low Grade stockpiles (Refer ASX release, 6 August 2018).

Total Mineral Resources stated in the 2018 MROR for MMGO was 54,700,000 tonnes at 2.0 g/t Au for 3,520,000 ounces (Refer ASX release, 6 August 2018).

2018 MINERAL RESOURCES AND ORE RESERVES STATEMENT

There has been no change to the previously reported Ore Reserve (Table 4) for MMGO since the 2017 MROR Statement.

The Company expects to update the MMGO Ore Reserve in late 2018.

Deposit	Cut off Grade	Proved			Probable			Total		
	Au g/t	Tonnes t	Au g/t	Au oz	Tonnes t	Au g/t	Au oz	Tonnes t	Au g/t	Au oz
Beresford UG	2.0	50,000	4.9	8,000	2,383,000	4.2	323,000	2,433,000	4.2	331,000
Allanson UG	2.0	-	-	-	882,000	5.7	162,000	882,000	5.7	162,000
Transvaal UG	2.0	193,000	4.7	29,000	325,000	3.4	36,000	518,000	3.9	65,000
Jupiter OP	0.5	867,000	1.7	48,000	13,884,000	1.3	595,000	14,751,000	1.4	643,000
Initial Ore Reserve		**1,110,000**	**2.4**	**85,000**	**17,475,000**	**2.0**	**1,115,000**	**18,585,000**	**2.0**	**1,200,000**

Table 4 *Mt Morgans Gold Operation Ore Reserves as at 30 June 2017*

Governance

Dacian Gold maintains strong governance and internal controls in respect of its estimates of Mineral Resources and Ore Reserves and the estimation process.

Dacian Gold ensures its sampling techniques, data collection, data veracity and the application of the collected data is at a high level of industry standard. Contract RC and diamond drilling with QA/QC controls approved by Dacian Gold, are used routinely. All completed holes are subject to downhole gyro or EMS surveys and collar coordinates surveyed with DGPS. All drill holes are logged by Dacian Gold geologists. Diamond core is oriented and photographed. Dacian Gold employs field QC procedures, including addition of standards, blanks and duplicates ahead of assaying which is undertaken using industry standards including fire assay at Intertek and Bureau Veritas laboratories in Perth and Kalgoorlie.

Assay data is continually validated and stored in DataShed. Geological models and wireframes are built using careful geological documentation and interpretations, all of which are validated by peer review. Resource estimation is undertaken by independent consultants and reported under JORC 2012. Estimation techniques are industry standard and include block modelling using Ordinary Kriging. Application of other parameters including cut off grades, top cuts and classification are all dependent on the style and nature of mineralisation being assessed.

Ore Reserve estimation is overseen by in-house mining engineers using third party consultants to complete feasibility studies in mining, metallurgical, geotechnical, environmental and social matters. Results are verified by independent third party ore reserve specialist consultancies.

2018 MINERAL RESOURCES AND ORE RESERVES STATEMENT

Competent Person Statement

Exploration

The information in this report that relates to Exploration Results is based on information compiled by Mr Rohan Williams who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Williams holds shares and options in, and is a director and full time employee of, Dacian Gold Limited. Mr Williams has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Williams consents to the inclusion in the report of the matters based on the information compiled by him, in the form and context in which it appears.

Mineral Resources

The information in this report that relates to Mineral Resources for Westralia, Jupiter, Cameron Well, Ramornie, Mine and Low Grade Stockpiles (Refer ASX release, 6 August 2018), and Transvaal (Refer ASX release, 16 September 2015) is based on information compiled by Mr Shaun Searle who is a Member of the Australian Institute of Geoscientists and a full-time employee of Ashmore Advisory. Mr Searle has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Searle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources for Craic and King Street is based on information compiled by Mr Rohan Williams, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Williams holds shares and options in, and is a Director and full time employee of Dacian Gold Ltd. Mr Williams has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Williams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Where the Company refers to the Mineral Resources and Ore Reserves in this report (referencing previous releases made to the ASX), it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the Mineral Resource estimate and Ore Reserve estimate with that announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not materially changed from the original announcement.

All information relating to Mineral Resources and Ore Reserves (other than the King Street and Craic) were prepared and disclosed under the JORC Code 2012. The JORC Code 2004 King Street and Craic Mineral Resource has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last updated.

2018 MINERAL RESOURCES AND ORE RESERVES STATEMENT

Ore Reserves

The information in this report that relates to Ore Reserves for the Westralia Mining Area and Transvaal Mining Area (Refer ASX release, 21 November 2016) is based on information compiled or reviewed by Mr Matthew Keenan and Mr Shane McLeay. Messrs Keenan and McLeay have confirmed that they have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition). They are Competent Persons as defined by the JORC Code 2012 Edition, having more than five years' experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which they are accepting responsibility. Messrs Keenan and McLeay are both Members of The Australasian Institute of Mining and Metallurgy and full time employees of Entech Pty Ltd and consent to the inclusion in the report of the matters based on information in the form and context in which it appears.

The information in this report that relates to Ore Reserves for the Jupiter Mining Area (Refer ASX release, 21 November 2016) is based on information compiled or reviewed by Mr Ross Cheyne. Mr Cheyne confirmed that he has read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition). He is a Competent Person as defined by the JORC Code 2012 Edition, having more than five years of experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is accepting responsibility. Mr Cheyne is a Fellow of The Australasian Institute of Mining and Metallurgy and a full-time employee of Orelogy Consulting Pty Ltd and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

DIRECTORS' REPORT

The Directors present the financial statements of Dacian Gold Limited ("the Company") and its controlled subsidiaries ("the Group") for the year ended 30 June 2018. In order to comply with the provisions of the Corporations Act 2001, the Directors' Report is as follows:

DIRECTORS

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

Rohan Williams BSc (Hons), MAusIMM
(Executive Chairman & CEO)

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

Serving as the merged group's Chief Strategic Officer until the end of 2011, Mr Williams resigned as a Non-Executive Director of Alacer Gold Corp on 10 September 2013.

Prior to his time with Avoca Resources Ltd, Mr Williams worked with WMC Resources Limited where he held Chief Geologist positions at St Ives Gold Mines and the Norseman Gold Operation. He has 30 years of experience, including over 19 years in the world class Kalgoorlie-Norseman gold belt.

Mr Williams also serves on the Board of the Telethon Kids Institute.

On 14 March 2014, Mr Williams became Executive Chairman of the Company. Prior to this date, Mr Williams undertook the Chairman's role on a Non-Executive basis.

Other than as stated above, Mr Williams has not served as a Director of any other listed companies in the three years immediately before the end of 2018 financial year.

Robert Reynolds MAICD, MAusIMM
(Non-Executive Director)

Mr Reynolds was the Non-Executive Chairman of Avoca Resources Ltd from 2002 until it merged with Anatolia Minerals to form Alacer Gold Corp in 2011. Mr Reynolds was Non-Executive Chairman of Alacer Gold Corp until 23 August 2011.

With over 40 years' commercial experience in the mining sector, Mr Reynolds has worked on mining projects in a number of locations including Australia, Africa and across the Oceania region and has extensive experience in mineral exploration, development and mining operations.

Mr Reynolds was a long term Director of Delta Gold Limited and was a Director of Extorre Gold Mines Limited when it was acquired by Yamana Gold for CAD$414 million on 22 August 2012. Mr Reynolds was also previously a Director of Canadian company Exeter Resource Corporation when it was acquired by Goldcorp Inc. on 2 August 2017 for CAD$184 million. Mr Reynolds currently holds a Directorship with Canadian company Rugby Mining Limited. Mr Reynolds was previously a Director of ASX listed companies Chesser Resources, Convergent Minerals Limited and Global Geoscience Limited.

Other than as stated above, Mr Reynolds has not served as a Director of any other listed companies in the three years immediately before the end of 2018 financial year.

DIRECTORS

Barry Patterson ASMM, MAusIMM, FAICD
(Non-Executive Director)

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

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

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

Other than as stated above, Mr Patterson has not served as a Director of any other listed companies in the three years immediately before the end of 2018 financial year.

Ian Cochrane BCom LLB
(Non-Executive Director)

Mr Cochrane is a corporate lawyer and was widely regarded as one of Australia's leading M&A lawyers until his retirement from the practice of law in December 2013.

Educated in South Africa where he completed degrees in Commerce and Law, he immigrated to Australia in 1986 and joined national law firm Corrs Chambers Westgarth and then Mallesons Stephen Jaques, specialising in Mergers & Acquisitions.

In 2006, Mr Cochrane co-established boutique law firm Cochrane Lishman, which was eventually acquired by the global law firm Clifford Chance in early 2011.

Mr Cochrane is currently the Chairman of VOC Group Limited and Chairman of diversified ASX-listed mining services group Ausdrill Limited. He is also a Director of Wright Prospecting Pty Ltd and Ardross Estates Pty Ltd.

He was previously Chairman of Little World Beverages Limited, which produced the Little Creatures beers and was taken over by Lion Nathan in 2012. He was also previously a Director of Rugby WA and the West Australian Ballet.

Other than as stated above, Mr Cochrane has not served as a Director of any other listed companies in the three years immediately before the end of the 2018 financial year.

Kevin Hart B.Comm, FCA
Company Secretary

Mr Hart is a Chartered Accountant and was appointed to the position of Company Secretary on 27 November 2012. He has over 25 years of experience in accounting and the management and administration of public listed entities in the mining and exploration industry.

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

Interests in the Shares and Options of the Company

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

Director	Number of fully paid ordinary shares	Number of options over ordinary shares
Rohan Williams	8,317,851	2,000,000
Robert Reynolds	2,730,555	-
Barry Patterson	6,954,987	-
Ian Cochrane	265,295	300,000

The Directors' interests in options over ordinary shares as at the date of this report include the following options that are currently vested and exercisable:

Director	Number of options vested and exercisable
Rohan Williams	2,000,000
Ian Cochrane	300,000

Further details of the vesting conditions applicable to these options are disclosed in the remuneration report section of this Directors' Report.

Meetings of Directors

The number of meetings of the Company's Board of Directors and each Board Committee held during the year ended 30 June 2018, and the number of meetings attended by each Director were:

Director	Board Meetings		Remuneration Committee		Audit Committee	
	A	B	A	B	A	B
Rohan Williams	8	8	-	-	-	-
Robert Reynolds	8	8	1	1	2	2
Barry Patterson	8	6	1	-	2	2
Ian Cochrane	8	8	1	1	2	2

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

Securities

Shares

During or since the end of the financial year, the Company issued ordinary shares as a result of the exercise of options and performance rights as follows (there were no amounts unpaid on the shares issued):

Date options granted	Exercise price of options	Number of shares issued
9 October 2012	$0.77	3,792,659
28 February 2014	$0.50	250,000

Date performance rights granted	Performance right value	Number of shares issued
17 October 2016	$3.30	170,000
17 October 2016	$2.67	100,000
7 April 2018	$0.47	20,250

Securities (continued)

Options

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

Number of options	Exercise price	Expiry date
1,000,000	$0.58	24 September 2019
2,000,000	$0.39	17 November 2019
1,500,000	$1.15	30 September 2020
1,650,000	$1.16	31 January 2021
300,000	$1.99	28 February 2021
500,000	$3.66	30 June 2021

Performance Rights

On 30 August 2017 the Company issued 165,156 performance rights to employees. These performance rights are subject to performance conditions and expire on 30 June 2024.

On 20 April 2018 the Company issued 226,526 performance rights to employees. These performance rights are subject to performance conditions and expire on 30 June 2025.

Dividends

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

Principal Activities

The principal continuing activities of the Group consisted of mineral exploration and development at its 100% owned Mt Morgans Gold Operation ("MMGO").

During the period, the company announced it had completed construction and commenced gold production at MMGO. It is anticipated that the commercial production milestone will be achieved during the quarter ending December 2018.

Significant Changes in the State of Affairs

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

Review of Operations

Operating results and financial position

The net loss after income tax for the financial year was $5,402,182 (30 June 2017: $18,857,914). Included in this loss for the financial year is an amount of $27,444,013 (30 June 2017: $14,957,356) relating to exploration and evaluation costs immediately expensed, offset by an income tax benefit of $27,473,135. The income tax benefit primarily resulted from the initial recognition of the Groups carry forward tax losses at 30 June 2018.

At the end of the financial year the Group had $62,866,140 (30 June 2017: $90,163,337) in cash and had drawn A$150 million under the syndicated debt facility.

Summary of Activities

During the period, the Group completed construction on time and on budget and achieved its first gold production milestone at its planned +200,000ozpa MMGO, located near Laverton in Western Australia. The operation comprises a 2.5Mtpa CIL treatment plant, the Westralia underground and the Jupiter open pit mining areas.

The mine produced 34,155 ounces in the June quarter, in line with the stated guidance of 30,000-40,000 ounces, and in line with key performance benchmark expectations. MMGO remains on course to complete its ramp-up and achieve its commercial production milestone during the 2019 financial year.

Review of Operations (continued)

Summary of Activities (continued)

During the construction period, the Group maintained an aggressive exploration strategy which it expects will potentially continue to yield new gold discoveries and increase mine life and production levels.

The strategy culminated in the announcement of an 11% increase in measured and indicated mineral resources at MMGO on 6 August 2018. The increase included the maiden 245,000 ounce mineral resource at the Cameron Well prospect midway between the Westralia underground and Jupiter open pit mining areas. It is located 9km to the north-west of the CIL treatment plant.

Further details of the Company's activities including significant drill results returned for the 2018 financial year are included in the Review of Operations in the Annual Report.

Events Subsequent to the Reporting Date

On 11 July 2018 the Group announced an Institutional Placement of approximately A$37 million, with the ability to take oversubscriptions to raise up to an additional A$3 million, to fund accelerated exploration programs at Westralia and Cameron Well and terminate a Jupiter life of mine royalty obligation. This institutional placement was completed on 13 July 2018 with A$40 million raised at A$2.70 per new share.

The Institutional Placement was accompanied by a Share Purchase Plan to raise a further A$5 million at $2.70 per new share. On 2 August 2018, the Group announced it had amended the terms of the share purchase plan to allow and subsequently accept over subscriptions of A$3.3 million. Together with the Institutional Placement the Group raised a total of approximately $48 million before costs.

Other than the matters noted above, there has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Likely Developments and Expected Results

The Group intends to continue to undertake appropriate exploration and evaluation activities sufficient to maintain tenure of its prospective mineral properties, until such time that informed decisions can be made in order to commercially exploit or relinquish such properties.

Environmental Regulation and Performance

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

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

Officer's Indemnities and Insurance

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

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

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

Proceedings on behalf of the Company

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

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

Non-audit Services

During the period, the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2018 **$**	**2017** **$**
Total remuneration paid to auditors during the financial year:		
Audit and review of the Company's consolidated financial statements	**60,316**	44,594
Other services	**10,000**	-
Total	**70,316**	44,594

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

- all non-audit services are reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they do not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Remuneration Report (Audited)

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

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

Remuneration Committee

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

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

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

Non-Executive Remuneration

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

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

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

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

Executive Director and Other Key Management Personnel Remuneration

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

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

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

Use of Remuneration Consultants

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

Remuneration Report Audited (Continued)

Incentive Plans

The Company provides long-term incentives to Directors and Employees pursuant to the Dacian Gold Limited Employee Option Plan, which was last approved by shareholders on 16 November 2015.

The Board, acting in remuneration matters:

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

Engagement of Non-Executive Directors

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

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

In consideration of the services provided by Mr Robert Reynolds, Mr Barry Patterson and Mr Ian Cochrane as Non-Executive Directors, the Company will pay them $80,000 plus statutory superannuation per annum.

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

During the financial year ended 30 June 2018, the Company incurred no costs in respect of additional services provided by Directors.

Engagement of Executive Directors

The terms of Mr Rohan Williams Executive Services Agreement governing his role as Executive Chairman are summarised below.

In respect of his engagement as Executive Chairman, Mr Williams will receive a salary of $629,625 per annum inclusive of statutory superannuation (Total Fixed Remuneration, TFR). Any increase in salary is subject to the discretion of the Board.

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

Mr Williams may also receive a short-term performance based reward in the form of a cash bonus up to 40% of the TFR. The performance criteria, assessment and timing of which are determined at the discretion of the Board.

Mr Williams may participate in the Dacian Gold Limited Employee Option Plan and other long-term incentive plans adopted by the Board.

Engagement of Executives

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

In respect of his engagement as Chief Financial Officer, Mr Dyker will receive a salary of $383,250 per annum inclusive of statutory superannuation (Total Fixed Remuneration, TFR).

Remuneration Report Audited (Continued)

Engagement of Executives (continued)

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

Mr Dyker may be invited to participate in incentive schemes. The performance criteria, assessment and timing of which are determined at the discretion of the Board.

Mr Dyker may participate in the Dacian Gold Limited Employee Option Plan and other long-term incentive plans adopted by the Board.

Voting and comments made at the Company's 2017 Annual General Meeting ("AGM")

At the last AGM 85.9% of the shareholders voted to adopt the remuneration report for the year ended 30 June 2017. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Short-Term Incentive Payments

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

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

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

Following a performance evaluation process in respect of the 12-month period ended 31 December 2017, short-term incentive payments were made to Executives.

The Executive Chairman sets the KPI's for other members of staff, monitors actual performance and may recommend payment of short-term bonuses to certain employees to the Board for approval.

Shareholding Qualifications

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

Consequences of Company Performance on Shareholder Wealth

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

	2018	2017	2016	2015	2014
Loss for the year attributable to shareholders	$5,402,182	$18,857,914	$21,832,884	$8,048,428	$5,620,640
Closing share price at 30 June	$2.85	$1.98	$2.90	$0.43	$0.35

As a gold producer with its major asset brought into production in March 2018, the Board does not consider the loss attributable to shareholders as one of the performance indicators when implementing short-term Incentive payments. The Board considers the following as more appropriate performance indicators to assess the performance of management:

(a) Construction of the new MMGO on time and on budget;

(b) Meeting production guidance for the MMGO at the start of its ramp up in respect of throughput, recoveries, grade, mining rates and gold production;

(c) Exploration success to increase production and mine life of MMGO;

(d) Safety and environmental performance; and

(e) The responsible management of cash resources and the Company's other assets.

Remuneration Report Audited (Continued)

Remuneration Disclosures

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

Mr Rohan Williams	Executive Chairman & CEO
Mr Ian Cochrane	Non-Executive Director
Mr Barry Patterson	Non-Executive Director
Mr Robert Reynolds	Non-Executive Director
Mr Grant Dyker	Chief Financial Officer

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

		Cash			Non-cash			
		Short-term employee benefits		Post-employment benefits	Long-term benefits	Share-based payments		
		Base salary and consulting fees $	Cash Bonus $	Super-annuation contributions $	Long service leave $	Share rights (ii) & options (i) $	Total $	Value of equity as proportion of remuneration %
Rohan Williams	**2018**	626,475	230,000	25,000	12,559	722,845	1,616,879	44.7%
	2017	482,844	160,000	35,000	19,386	944,273	1,641,503	57.5%
Ian Cochrane	**2018**	80,000	-	7,600	-	-	87,600	0.0%
	2017	60,000	-	5,700	-	-	65,700	0.0%
Barry Patterson	**2018**	80,000	-	7,600	-	-	87,600	0.0%
	2017	60,000	-	5,700	-	-	65,700	0.0%
Robert Reynolds	**2018**	80,000	-	7,600	-	-	87,600	0.0%
	2017	60,000	-	5,700	-	-	65,700	0.0%
Grant Dyker	**2018**	371,514	87,500	20,049	4,226	203,926	687,215	29.7%
	2017	334,380	75,000	24,058	2,561	208,547	644,546	32.4%
Total	**2018**	**1,237,989**	**317,500**	**67,849**	**16,785**	**926,771**	**2,566,894**	**36.1%**
Total	2017	997,224	235,000	76,158	21,947	1,152,820	2,483,149	46.4%

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

(ii) The fair value of share performance rights is calculated at the date of grant using a Monte Carlo simulation, a review of historical share price volatility and correlation of the share price of the Company to its Peer Group. The fair value is allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed in the above table is the portion of the fair value of the performance rights recognised in the reporting period.

Remuneration Report Audited (Continued)

Details of Performance Related Remuneration

Total short-term incentives paid to Directors or Key Management Personnel of the Company during the period ended 30 June 2018 was $317,500 (30 June 2017: $235,000). The remuneration committee awards discretionary cash bonuses based on company performance. These awards are not formally detailed in employee agreements and therefore do not represent a defined percentage of salary.

Options Granted as Remuneration

No options over unissued shares were issued to Directors or Key Management Personnel during the financial year ended 30 June 2018 (30 June 2017:nil).

Exercise of Options Granted as Remuneration

During the financial year, the following ordinary shares were issued on the exercise of options previously granted as remuneration to Directors or Key Management Personnel of the Company. No ordinary shares were issued on exercise of options during the financial year ended 30 June 2017.

Name	Date granted	Number of options exercised	Fair value at exercise date	Exercise price	Number of shares issued
R Williams[(i)]	9 October 2012	3,000,000	$4,530,000	$0.77	1,992,659
B Patterson	9 October 2012	300,000	$369,000	$0.77	300,000
R Reynolds	9 October 2012	300,000	$369,000	$0.77	300,000

[(i)] Total shares of 1,992,659 were issued on the cashless exercise of 3,000,000 options exercisable at $0.77 each pursuant to the cashless exercise provisions of the Dacian Gold Limited Employee Option Plan.

Performance Rights Granted as Remuneration

2018

During the 2018 financial year there were 76,295 performance rights issued to the Executive Mr Grant Dyker, pursuant to the Dacian Gold Limited Employee Option Plan. Details of performance rights issued to Mr Dyker are as follows:

Grant date	Tranche	Measurement date	Number granted	Fair value at grant date	Total fair value at grant date
30 August 2017	A	30 June 2018	22,669	$2.33	$52,819
30 August 2017	A	30 June 2018	22,669	$1.56	$35,363
20 April 2018	B	30 June 2019	15,479	$2.94	$45,509
20 April 2018	B	30 June 2019	15,479	$1.98	$30,649

The performance rights will vest one year from the measurement date, subject to certain operational and market performance conditions being met. The number of performance rights that vest will be subject to the Company's relative performance for each of the performance conditions. The vesting conditions are measured in two separate tranches across a two year period.

Remuneration Report Audited (Continued)

Performance Rights Granted as Remuneration (continued)

2017

During the 2017 financial year there were 670,000 performance rights issued to the Executive Chairman Mr Rohan Williams, pursuant to the Dacian Gold Limited Employee Option Plan. Details of performance rights issued to Mr Williams are as follows:

Grant date	Tranche	Measurement date	Number granted	Fair value at grant date	Total fair value at grant date
17 October 2016	A	30 June 2017	70,000	\$2.36	\$165,340
17 October 2016	A	30 June 2017	70,000	\$3.30	\$231,000
17 October 2016	B	30 June 2018	100,000	\$2.67	\$267,400
17 October 2016	B	30 June 2018	100,000	\$3.30	\$330,000
17 October 2016	C	30 June 2019	165,000	\$2.78	\$458,370
17 October 2016	C	30 June 2019	165,000	\$3.30	\$544,500

The performance rights will vest at the measurement date, subject to certain operational and market performance conditions being met. The number of performance rights that vest will be subject to the Company's relative performance for each of the performance conditions. The vesting conditions are measured in three separate tranches across a three year period.

Reconciliation of share rights held by Key Management Personnel

2018

The table below shows the number of share rights that were granted, vested and forfeited during the year

Name	Year granted	Balance at start of the year	Granted during the year	Vested during the year[i]	Forfeited during the year	Balance at the end of the year (unvested)	Maximum value yet to vest
R Williams	2017	530,000	-	200,000	-	330,000	\$371,433
G Dyker	2018	-	76,295	-	-	76,295	\$109,404

[i] The 200,000 share rights vesting during the year were issued subsequent to period end.

Equity Instrument Disclosures Relating to Key Management Personnel

Option holdings

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

Name	Balance at start of the year	Received during the year as remuneration	Exercised during the year	Balance at the end of the year	Vested and exercisable at the end of the year
R Williams[i]	5,000,000	-	(3,000,000)	2,000,000	2,000,000
I Cochrane	300,000	-	-	300,000	300,000
B Patterson	300,000	-	(300,000)	-	-
R Reynolds	300,000	-	(300,000)	-	-
G Dyker	1,500,000	-	-	1,500,000	-

[i] Total shares of 1,992,659 were issued on the cashless exercise of 3,000,000 options exercisable at \$0.77 each pursuant to the cashless exercise provisions of the Dacian Gold Limited Employee option plan.

Remuneration Report Audited (Continued)

Equity Instrument Disclosures Relating to Key Management Personnel (continued)

Share holdings
The number of shares in the Company held during the financial year by key management personnel of the Company, including their related parties, are set out below.

Name	Balance at start of the year	Issued on exercise of options	Vested and issued as remuneration	Balance at the end of the year
R Williams[i]	6,049,637	1,992,659	70,000	8,112,296
I Cochrane	259,740	-	-	259,740
B Patterson	6,654,987	300,000	-	6,954,987
R Reynolds	2,425,000	300,000	-	2,725,000
G Dyker	137,455	-	-	137,455

[i] Total shares of 1,992,659 were issued on the cashless exercise of 3,000,000 options exercisable at $0.77 each pursuant to the cashless exercise provisions of the Dacian Gold Limited Employee option plan.

Loans Made to Key Management Personnel

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

Other Transactions with Key Management Personnel

During the financial year ended 30 June 2018 there have been no other transactions with, and no amounts are owing to or owed by Key Management Personnel.

End of Remuneration Report

Auditor's Independence Declaration

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

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

DATED at Perth this 6th day of September 2018.

Rohan Williams
Executive Chairman

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Auditor's Independence Declaration

To the Directors of Dacian Gold Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Dacian Gold Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Partner – Audit & Assurance

Perth, 6 September 2018

Grant Thornton Audit Pty Ltd ACN 130 913 594
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

		Consolidated	
	Note	**30 June 2018 $**	**30 June 2017 $**
Revenue	**3**	**1,442,734**	822,252
Total Revenue		**1,442,734**	822,252
Employee expenses	**3**	**(2,634,472)**	(1,775,505)
Share-based employee expense	**17**	**(1,368,370)**	(1,769,234)
Depreciation and amortisation expenses	**10**	**(527,939)**	(335,896)
Financing expenses		**(274,910)**	(1,038)
Exploration costs expensed and written off	**11**	**(27,444,013)**	(14,957,356)
Other expenses		**(2,068,347)**	(1,773,737)
Loss before income tax		**(32,875,317)**	(19,790,514)
Income tax benefit	**4**	**27,473,135**	932,600
Net loss for the period attributable to the members of the parent entity		**(5,402,182)**	(18,857,914)
Other comprehensive income for the period, net of tax		**-**	-
Total comprehensive loss for the period attributable to the members of the parent entity	**18**	**(5,402,182)**	(18,857,914)
Loss per share			
Basic and diluted loss per share (cents)	**5**	**(2.6)**	(11.9)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Note	Consolidated 30 June 2018 $	30 June 2017 $
Current assets			
Cash and cash equivalents	7	**62,866,140**	90,163,337
Trade and other receivables	8	**3,724,143**	3,417,086
Inventories	9	**13,095,480**	265,345
Total current assets		**79,685,763**	93,845,768
Non-current assets			
Other financial assets		**-**	36,722
Property, plant and equipment	10	**150,072,643**	1,406,018
Exploration and evaluation assets	11	**4,163,562**	4,163,562
Mine properties	12	**103,004,037**	60,959,305
Deferred tax assets	4	**28,143,381**	-
Total non-current assets		**285,383,623**	66,565,607
Total assets		**365,069,386**	160,411,375
Current liabilities			
Trade and other payables	13	**51,082,336**	16,634,856
Borrowings	14	**76,655,667**	1,513,375
Total current liabilities		**127,738,003**	18,148,231
Non-current liabilities			
Trade and other payables	13	**173,845**	104,090
Borrowings	14	**89,464,916**	-
Provisions	15	**14,827,784**	7,846,408
Total non-current liabilities		**104,466,545**	7,950,498
Total liabilities		**232,204,548**	26,098,729
Net assets		**132,864,838**	134,312,646
Equity			
Issued capital	16	**195,187,027**	191,783,216
Share-based payments reserve	18	**3,515,785**	2,965,222
Accumulated losses	18	**(65,837,974)**	(60,435,792)
Total equity		**132,864,838**	134,312,646

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Note	Consolidated			
		Issued capital $	Share reserve $	Accumulated losses $	Attributable to owners of the parent $
Balance at 1 July 2016		53,515,696	1,321,449	(41,577,878)	13,259,267
Reported loss for the period		-	-	(18,857,914)	(18,857,914)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		-	-	(18,857,914)	(18,857,914)
Capital raising		136,290,970	-	-	136,290,970
Issue of shares – royalty termination		6,000,002	-	-	6,000,002
Costs of capital raising		(5,002,913)	-	-	(5,002,913)
Options exercised		979,461	(125,461)	-	854,000
Share-based payments expense		-	1,769,234	-	1,769,234
Balance at 30 June 2017		**191,783,216**	**2,965,222**	**(60,435,792)**	**134,312,646**
Reported loss for the period		-	-	(5,402,182)	(5,402,182)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		-	-	(5,402,182)	(5,402,182)
Cost of capital raising [(i)]		1,075,004	-	-	1,075,004
Options exercised		2,097,807	(586,807)	-	1,511,000
Performance rights exercised		231,000	(231,000)	-	-
Share-based payments expense		-	1,368,370	-	1,368,370
Balance at 30 June 2018	**16**	**195,187,027**	**3,515,785**	**(65,837,974)**	**132,864,838**

[(i)] Relates to tax effect of prior period equity raising costs first brought to account at 30 June 2018. Refer note 4 for further discussion.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	Note	Consolidated 30 June 2018 $	30 June 2017 $
Cash flows from operating activities			
Interest received		**1,479,457**	819,741
Other income		**(6,728)**	-
Research & development tax concession income		**501,977**	835,381
Interest paid		**(242,742)**	(1,038)
Payments for exploration and evaluation		**(17,195,740)**	(13,501,585)
Payments to suppliers and employees		**(2,074,150)**	(4,716,749)
Net cash used in operating activities	**7**	**(17,537,926)**	(16,564,250)
Cash flows from investing activities			
Payments for development expenditure (net of pre-production revenue)		**(156,816,405)**	(31,443,454)
Payments for plant and equipment		**(194,648)**	(1,031,748)
Payments for capitalised interest during development		**(3,221,864)**	-
Net cash used in investing activities		**(160,232,917)**	(32,475,202)
Cash flows from financing activities			
Proceeds from issue of share capital		**1,511,000**	137,144,970
Share issue transaction costs		**-**	(5,010,612)
Proceeds from borrowings		**150,000,000**	-
Transaction costs associated with borrowings		**(1,037,354)**	(2,579,994)
Net cash provided by financing activities		**150,473,646**	129,554,364
Net (decrease) / increase in cash held		**(27,297,197)**	80,514,912
Cash at the beginning of the period	**7**	**90,163,337**	9,648,425
Cash at the end of the period	**7**	**62,866,140**	90,163,337

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

Note 1 Summary of Significant Accounting Policies

(a) Basis of Preparation of Financial Report

These financial statements are general purpose financial statements, which have been prepared in accordance with requirements of the Corporations Act 2001 and comply with other requirements of the law. The accounting policies below have been consistently applied to all of the years presented unless otherwise stated. Dacian Gold Limited is a for-profit entity for the purpose of preparing the financial statements.

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

The financial statements are presented in Australian dollars.

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

The financial report of the Company was authorised for issue in accordance with a resolution of Directors on 6th September 2018.

Statement of Compliance

The financial report of the Group complies with Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The Company is a for profit entity for the purpose of preparing the financial statements.

Going Concern Basis for Preparation of Financial Statements

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

As at 30 June 2018, the Group had a working capital deficiency of $48,052,240 (2017: $75,697,537 surplus). This deficit is due to:

- Current liabilities for pre-production and construction costs in relation to the Mt Morgans Gold Operation ("MMGO") capitalised to non-current assets;
- The reclassification of the syndicated project debt facility repayments from non-current borrowings to current borrowings totalling $75.0M; and
- An $11.5M accrual for the termination of the Jupiter life of mine royalty obligation.

Based on the Company's operational plans, the Company is forecasting to generate and have access to sufficient operating cash flows from MMGO to settle this amount. In addition, the Company announced on the 2nd of August 2018 that it had successfully raised $48.0M before costs to fund the Jupiter royalty termination and accelerate the exploration program at MMGO.

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

(b) Revenue

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

Revenue from pre-production gold sales has been credited against the mine properties in development.

Interest income

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

Note 1 Summary of Significant Accounting Policies (continued)

(c) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

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

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

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

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

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

Amounts receivable from the Australian Tax Office in respect of research and development tax concession claims are recognised when management have a reasonable basis to estimate claim proceeds.

(d) Other Taxes

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

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

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

(e) Borrowing Costs

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

Other borrowing costs are expensed in the period in which they are incurred.

Note 1 Summary of Significant Accounting Policies (continued)

(f) Borrowings

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

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

(g) Cash and Cash Equivalents

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

(h) Trade and Other Receivables

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

(i) Inventories

Inventories, comprising gold dore, gold in circuit and ore stockpiles, are valued at the lower of weighted average cost and net realisable value. Costs include fixed direct costs, variable direct costs and an appropriate portion of fixed overhead costs. A portion of the related depreciation and amortisation charge is included in the cost of inventory.

Inventories of consumable supplies and spare parts are valued at the lower of cost and net realisable value. Cost is assigned on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion, and the estimated costs necessary to make the sale.

The recoverable amount of surplus items is assessed regularly on an ongoing basis and written down to its net realisable value when an impairment indicator is present.

(j) Property, Plant and Equipment

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

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

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

Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. This assessment for impairment is discussed further in note 1(m).

Note 1 Summary of Significant Accounting Policies (continued)

(j) Property, Plant and Equipment (continued)

De-recognition and Disposal

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

(k) Exploration and Evaluation Expenditure

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

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

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

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

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

(b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

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

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

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

(l) Mine Properties

Mine properties represent the accumulation of all acquisition, exploration, evaluation and development expenditure incurred by or on behalf of the Group in relation to areas of interest in which mining of the mineral resource has commenced.

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. An impairment exists when the carrying value of mine properties exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount and the impairment losses are recognised in profit or loss.

Note 1 Summary of Significant Accounting Policies (continued)

(m) Impairment of Assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at re-valued amount (in which case the impairment loss is treated as a re-valuation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at the re-valued amount, in which case the reversal is treated as a re-valuation increase.

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

(n) Trade and Other Payables

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

(o) Provisions

Rehabilitation and Restoration

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

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

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

Note 1 Summary of Significant Accounting Policies (continued)

(o) Provisions (continued)

Employee Benefits

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

Short-term obligations

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

Long service leave

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

(p) Interest Bearing Liabilities

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

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

(q) Leased Assets

Finance leases

The economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards of ownership of the leased asset. Where the Group is a lessee in this type of arrangement, the related asset is recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognised as a finance lease liability. Leases of land and buildings are classified separately and are split into a land and a building element, in accordance with the relative fair values of the leasehold interests at the date the asset is recognised initially.

See note (j) for the depreciation methods and useful lives for assets held under finance lease. The corresponding finance lease liability is reduced by lease payments net of finance charges. The interest element of lease payments represents a constant proportion of the outstanding capital balance and is charged to profit or loss, as finance costs over the period of the lease.

Note 1 Summary of Significant Accounting Policies (continued)

(r) Share-Based Payments

Equity Settled Transactions:

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

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

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

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the underlying Shares to which the equity instrument relates (market conditions) if applicable. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

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

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

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

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

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

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

(s) Share Capital

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

Note 1 Summary of Significant Accounting Policies (continued)

(t) Basis of Consolidation

The financial statements consolidate those of Dacian Gold Limited and all of its subsidiaries as at 30 June 2018. The parent controls a subsidiary if it is exposed, or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between controlled entities are eliminated on consolidation, including unrealised gains and losses resulting from intra-group transactions. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with accounting policies adopted by the Company.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiaries profit or loss and net assets that is not held by the Company. The Company attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

(u) Critical Accounting Estimates and Judgements

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

Accounting for capitalised mineral exploration and evaluation expenditure

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

Mine restoration provisions estimates

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

Measurement of share-based payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate valuation model. The valuation basis and related assumptions are detailed in note 17. The accounting estimates and assumptions relating to the equity settled transactions would have no impact on the carrying value of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions (see note 4).

Note 1 Summary of Significant Accounting Policies (continued)

(u) Critical Accounting Estimates and Judgements (continued)

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Provide and probable ore reserves

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

Where the proved and probable reserve estimates need to be modified, the amortisation expense is accounted for prospectively from the date of the assessment until the end of the revised mine life (for both the current and future years).

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Pre-commencement of commercial production – Mt Morgans Gold Operation

The Group at 30 June 2018 assessed the progress of the Mt Morgans Gold Operation to determine if the commercial production stage has commenced. The criteria used to assess this is based on the unique nature of the mine including its complexity and location.

The assessment considered the following: (1) all major capital expenditures to bring the mine to the condition necessary for it to be capable of operating in the manner intended by the Company have been completed; (2) the treatment plant and other surface infrastructure has been transferred to the control of the operations team from the commissioning team; (3) the power station is capable of delivering the required electricity; (4) the treatment plant's crushing and milling circuits are capable of running at design capacity; (5) gold recoveries are at or near expected production levels; and (6) underground and open pit mining operations have achieved their required production levels and have the ability to sustain the ongoing production of ore at the required volumes. The assessment concluded that the commercial production stage had not commenced at 30 June 2018 as mining operations had not yet achieved the require production levels.

During the commissioning phase (before commencement of commercial production) expenditures of an operating nature are capitalised to mine development costs. Revenue (totalling $45.6M) from the sale of gold during the year has been treated as pre-production income and is credited to capitalised mine development costs.

Note 1 Summary of Significant Accounting Policies (continued)

(v) Adoption of New and Revised Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting period and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below

New/revised pronouncement	Nature of change	Effective Date	Likely impact on initial application
AASB 9 *Financial Instruments*	AASB introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements. Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.	1 January 2018	Based on the Group's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.
AASB 15 *Revenue from Contracts with Customers*	AASB 15 replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and some revenue-related interpretations: - Establishes a new revenue recognition model. - Changes the basis for deciding whether revenue is to be recognised over time or at a point in time. - Provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing). - Expands and improves disclosures about revenue.	1 January 2018	Based on the Group's preliminary assessment, the Standard is not expected to have a material impact on the transaction and balances recognised in the financial statements when it is first adopted for the year ended 30 June 2019.
AASB 16 *Leases*	AASB 16: - Replaces AASB 117 *Leases* and some lease-related interpretations. - Requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases. - Provides new guidance on the application of the definition of lease and on sale and lease back accounting. - Largely retains the existing lessor accounting requirements in AASB 117. - Requires new and different disclosures about leases.	1 January 2019	The estimated impact of this impending change as at 30 June 2018 can be summarised as follows: introduction of a right-of-use asset of \$0.7 million and an increase in lease liabilities of \$0.7 million.

Note 2 Segment Information

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

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

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

Note 3 Revenue and Expenses

	Year ended 30 June 2018 $	**Year ended 30 June 2017 $**
Loss for the year includes the following specific income and expenses:		
Interest income	**1,442,734**	822,252
Legal expenses	**1,265**	36,251
Insurance	**269,088**	95,617
Office rent	**209,715**	226,971
Other office occupancy expenses	**144,725**	161,889
Employee expenses:		
Salaries and wages	**12,985,850**	4,615,499
Director fees and consulting expenses	**240,000**	180,000
Defined contribution superannuation	**1,246,692**	436,643
Other employment expenses	**1,570,619**	703,998
Less: allocation to exploration & construction project costs	**(13,408,689)**	(4,160,635)
	2,634,472	1,775,505

Note 4 Income Tax

a) *Income statement*	30 June 2018 $	30 June 2017 $
Current income tax:		
Current income tax charge (benefit)	**(12,363,978)**	(5,076,889)
Current income tax not recognised	**-**	5,076,889
Research and development tax concession [(i)]	**(404,758)**	(932,600)
Deferred income tax:		
Tax losses brought to account for the first time	**(18,203,712)**	-
Relating to origination and reversal of timing differences	**3,499,313**	6,820,206
Deferred income tax benefit not recognised	**-**	(6,820,206)
Income tax expense/(benefit) reported in the Statement of Profit or Loss and Other Comprehensive Income	**(27,473,135)**	(932,600)
b) *Statement of changes in equity*		
Deferred income tax		
Capital raising costs	**(1,075,004)**	-

[(i)] The Research and Development tax concession benefit recognised in the year ended 30 June 2017 relates to applications made in respect of qualifying expenditure incurred during the 2015 and 2016 financial years and lodged with AusIndustry.

c) *Reconciliation of consolidated income tax expense to prima facie tax payable*		
Loss from continuing operations before income tax expense	**(32,875,314)**	(19,790,514)
Tax at the Australian rate of 30% (2017: 30%)	**(9,862,594)**	(5,937,154)
Tax effect of permanent differences:		
Non-deductible expenses	**413,841**	533,980
Research and development tax concession	**(404,758)**	(932,600)
Capital raising costs claimed	**(388,098)**	(467,909)
Tax effect of other differences:		
Net deferred tax asset benefit now brought to account	**(17,231,526)**	-
Net deferred tax asset benefit not recognised	**-**	5,871,083
At effective income tax rate of 83.6% (2017: 4.7%)	**(27,473,135)**	(932,600)
Income tax expense/(benefit) reported in profit or loss	**(27,473,135)**	(932,600)

Tax consolidation

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

Note 4 Income Tax (continued)

Tax effect accounting by members of the tax consolidated group

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group. Deferred taxes are allocated to members of the tax consolidated group in accordance with a group allocation approach which is consistent with the principles of *AASB 112 Income Taxes*. The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the controlled entities intercompany accounts with the tax consolidated group head company, Dacian Gold Limited.

In this regard the Company has assumed the benefit of tax losses from controlled entities of $32,364,453 (2017: $10,061,199) as of the reporting date. The nature of the tax funding agreement is such that no tax consolidation contributions by or distributions to equity participants are required.

d) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	30 June 2018 $	30 June 2017 $	30 June 2018 $	30 June 2017 $	30 June 2018 $	30 June 2017 $
Trade & other receivables	-	-	184,376	-	184,376	-
Inventories	-	-	266,815	-	266,815	-
Property, plant & equipment	-	-	1,029,412	-	1,029,412	-
Exploration & evaluation	(15,389,273)	-	12,172,147	-	(3,217,126)	-
Mine properties in development	(1,170,069)	-	11,417,095	-	10,247,026	-
Trade & other payables – Current	(259,180)	-	-	-	(259,180)	-
Trade & other payables – Non-Current	(52,154)	-	-	-	(52,154)	-
Provisions	(4,448,335)	-	-	-	(4,448,335)	-
Borrowing costs	(245,218)	-	-	-	(245,218)	-
Capital raising costs – Profit & Loss	(6,303)	-	-		(6,303)	-
Capital raising costs – Equity	(1,075,004)	-	-	-	(1,075,004)	-
Tax Losses	(30,567,690)	-	-	-	(30,567,690)	-
Tax (assets)/liabilities	(53,213,226)	-	25,069,845	-	(28,143,381)	-
Set off of tax	25,069,845	-	(25,069,845)	-	-	-
Net tax (assets)/liabilities	**(28,143,381)**	**-**	**-**	**-**	**(28,143,381)**	**-**

Note 4 Income Tax (continued)

e) Movement in temporary differences during the year

	Balance 30 June 2017	Recognised in income	Recognised in Equity	Balance 30 June 2018
Trade and other receivables	-	184,376	-	184,376
Inventories	-	266,815	-	266,815
Property, plant & equipment	-	1,029,412	-	1,029,412
Exploration & evaluation	-	(3,217,126)	-	(3,217,126)
Mine properties in development	-	10,247,026	-	10,247,026
Trade & other payables – Current	-	(259,180)	-	(259,180)
Trade & other payables – Non-Current	-	(52,154)	-	(52,154)
Provisions	-	(4,448,335)	-	(4,448,335)
Borrowing costs	-	(245,218)	-	(245,218)
Capital raising costs – Profit & Loss	-	(6,303)	-	(6,303)
Capital raising costs – Equity	-	-	(1,075,004)	(1,075,004)
Tax losses	-	(30,567,690)	-	(30,567,690)
	-	**(27,068,377)**	**(1,075,004)**	**(28,143,381)**

f) Deferred tax – Consolidated statement of Financial Position *Unrecognised deferred tax assets and liabilities:*	**30 June 2018 $**	**30 June 2017 $**
Liabilities		
Prepaid expenses	-	(30,768)
Accrued income	-	(29,166)
Inventories	-	(79,604)
Mine Development	-	(2,078,007)
	-	(2,217,545)
Assets		
Tax losses	-	18,601,101
Rehabilitation provision	-	582,910
Employee leave provisions	-	129,940
Capitalised exploration expenditure	-	874,937
Business related costs	-	1,464,950
	-	21,653,838
Net deferred tax asset/(liability)	-	19,436,293

Note 4 Income Tax (continued)

	30 June 2018 $	30 June 2017 $
g) *Deferred tax – Statement of Profit or Loss and Other Comprehensive Income*		
Movements in unrecognised deferred tax assets and liabilities		
Liabilities		
(Increase)/decrease in prepaid expenses	**30,768**	(30,768)
(Increase)/decrease in accrued income	**29,166**	(29,166)
(Increase)/decrease in inventories	**79,604**	(79,604)
(Increase)/decrease in mine development	**2,078,007**	(2,078,007)
(Increase)/decrease in capitalised exploration expenditure	**(874,937)**	2,990,394
Assets		
Increase/(decrease) in tax losses	**(18,601,101)**	4,967,272
Increase/(decrease) in rehabilitation provision	**(582,910)**	(7,093)
Increase/(decrease) in employee leave provisions	**(129,940)**	69,846
Increase/(decrease) in other financial assets	**-**	(8,874)
Increase/(decrease) in accruals	**-**	(9,069)
Increase/(decrease) in deductible equity raising costs	**(1,464,950)**	1,035,275
Deferred tax (expense)/benefit	**(19,436,293)**	6,820,206

Note 5 Earnings per Share

	30 June 2018	30 June 2017
	Cents	**Cents**
a) *Basic earnings per share*		
Loss attributable to ordinary equity holders of the Company	**(2.6)**	(11.9)
b) *Diluted earnings per share*		
Loss attributable to ordinary equity holders of the Company	**(2.6)**	(11.9)
c) *Loss used in calculation of basic and diluted loss per share*	**$**	$
Loss after tax from continuing operations	**(5,402,182)**	(18,857,914)
d) *Weighted average number of shares used as the denominator*	**No.**	No.
Weighted average number of shares used as the denominator in calculating basic and dilutive loss per share	**205,046,640**	158,264,131

At 30 June 2018, the Company has on issue 6,950,000 (2017: 12,000,000) unlisted options over ordinary shares that are not considered to be dilutive as the potential increase in shares on issue would decrease the loss per share.

Note 6 Dividends

No dividends were paid or proposed during the financial year ended 30 June 2018 (2017: Nil).

The Company has no franking credits available as at 30 June 2018 (2017: Nil).

Note 7 Cash and Cash Equivalents

	30 June 2018 $	30 June 2017 $
Cash at bank	**62,866,140**	90,163,337

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

At 30 June 2018, the Group had a A$150M syndicated project development facility and a A$10M cost overrun facility. Refer to note 14 for further discussion.

Reconciliation to the Statement of Cash Flows:

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

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

	30 June 2018 $	30 June 2017 $
Cash and cash equivalents	**62,866,140**	90,163,337

Non-cash financing and investing activities:
Finance leases entered into during the period are detailed at note 20. There have been no other non-cash financing and investing activities for the year ended 30 June 2018 (2017: Nil).

Cash balances held in reserve:
An amount of $15,000,000 (30 June 2017: $15,000,000) was reserved on deposit in respect of contingency funding for the development of MMGO. The purpose of the reserved cash is to fund future unplanned development costs and to provide funding support for debt service obligations under the syndicated project development debt facility. At 30 June 2018, the Group forecasts indicate there are no future requirements to use this reserved cash.

An amount of $281,250 (30 June 2017: nil) was reserved on deposit with Australia and New Zealand Banking Group Limited in respect of a cash backed bond facility. There were no other amounts included in cash and cash equivalents that are held in reserve as at 30 June 2018.

Note 7 Cash and Cash Equivalents (continued)

Reconciliation of loss after tax to net cash outflow from operating activities:	30 June 2018 $	30 June 2017 $
Loss from ordinary activities after income tax	**(5,402,182)**	(18,857,914)
Depreciation	**527,939**	335,896
Net loss on sale of assets	**46,818**	-
Share-based payments expense	**1,368,370**	1,769,234
Exploration expense for termination of royalty deed	**-**	6,000,002
Deferred exploration expense for tenements surrendered	**-**	84,159
Capitalised exploration expenditure	**(2,037,665)**	(2,536,174)
Movement in assets and liabilities:		
(Increase)/decrease in financial assets	**36,722**	-
(Increase)/decrease in other receivables	**(239,817)**	(1,384,828)
Increase/(decrease) in deferred tax assets	**(31,573,827)**	-
Increase/(decrease) in employee leave provisions	**82,136**	128,975
Increase/(decrease) in trade and other payables	**15,148,130**	(2,103,600)
Increase/(decrease) in deferred tax liabilities	**4,505,450**	-
Net cash flow used in operating activities	**(17,537,926)**	(16,564,250)

Note 8 Trade and Other Receivables

	30 June 2018 $	30 June 2017 $
Current assets		
R&D Concession tax benefit receivable	**-**	97,219
GST receivable	**1,944,606**	1,204,603
Prepayments	**1,109,678**	2,012,705
Other receivables	**669,859**	102,559
	3,724,143	3,417,086

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

Note 9 Inventories

	30 June 2018 $	30 June 2017 $
ROM inventory – at cost	**1,547,284**	-
Crushed ore – at cost	**648,959**	-
Gold in circuit– at cost	**2,145,259**	-
Gold dore – at cost	**6,085,373**	-
Mine spares and stores – at cost	**2,668,605**	265,345
	13,095,480	265,345

Note 10 Property, Plant and Equipment

	Office Equipment & Fixtures	Computer Equipment & Software	Motor Vehicles	Plant & Equipment	Leased Equipment	Capital WIP	Total
Year ended 30 June 2018							
Cost	232,397	1,448,158	2,237,913	132,981,629	18,172,858	603,158	155,676,113
Accumulated Depreciation	(102,787)	(319,984)	(570,102)	(3,899,776)	(710,821)	-	(5,603,470)
Net Book Value	**129,610**	**1,128,174**	**1,667,811**	**129,081,853**	**17,462,037**	**603,158**	**150,072,643**
Movements							
Opening net book value	194,505	441,669	454,016	281,129	-	34,700	1,406,019
Additions	-	61,161	414,909	90,883,887	18,172,858	603,158	110,135,973
Disposals	(17,999)	(9,745)	(4,608)	(16,283)	-	-	(48,635)
Transfers from mine development	17,009	891,427	1,200,841	41,281,564	-	(34,700)	43,356,141
Depreciation expense	(61,702)	(128,960)	(261,297)	(75,980)	-	-	(527,939)
Depreciation capitalised	(2,203)	(127,378)	(136,050)	(3,272,464)	(710,821)	-	(4,248,916)
Closing net book value	**129,610**	**1,128,174**	**1,667,811**	**129,081,853**	**17,462,037**	**603,158**	**150,072,643**
Year ended 30 June 2017							
Cost	316,862	684,417	652,931	946,542	-	34,700	2,635,452
Accumulated Depreciation	(122,357)	(242,748)	(198,915)	(665,413)	-	-	(1,229,434)
Net Book Value	**194,505**	**441,669**	**454,016**	**281,129**	**-**	**34,700**	**1,406,018**
Movements							
Opening net book value	45,933	49,301	129,227	411,703	-	111,962	748,126
Additions	201,366	365,055	-	1,120	-	-	567,541
Transfers from mine development	5,264	113,127	380,359	4,759	-	(77,262)	426,247
Depreciation expense	(58,058)	(85,814)	(55,570)	(136,454)	-	-	(335,896)
Closing net book value	**194,505**	**441,669**	**454,016**	**281,128**	**-**	**34,700**	**1,406,018**

Note 11 Exploration and Evaluation Expenditure

	30 June 2018 $	30 June 2017 $
Deferred exploration costs at the start of the financial year	**4,163,562**	8,131,847
Exploration and evaluation costs incurred	**17,961,356**	11,394,620
Royalty termination costs (i)	**11,520,322**	6,014,752
Transfers to mine properties in development	**(2,037,665)**	(6,420,301)
Exploration and evaluation costs expensed and written off (ii)	**(27,444,013)**	(14,957,356)
	4,163,562	4,163,562

(i) On 21 June 2018, the Company entered into an agreement to terminate the life of mine Jupiter royalty for $11.5 million. Transactions costs incurred in respect of preparing the Deed of Settlement and Release to terminate the Jupiter Mine Royalty Deed amounted to $20,322.

In 2017, the Company issued 1,780,416 ordinary shares to Macquarie Bank Limited ("MBL") being settlement for the termination of the MBL Royalty Deed over certain tenements held by the company. The Royalty termination costs disclosed include $14,750 in transaction costs.

(ii) Exploration and Evaluation costs expensed and written off includes no deferred write-off for tenements surrendered during the period (30 June 2017: $84,159).

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

Note 12 Mine Properties

	30 June 2018 $	30 June 2017 $
Mine properties in development		
Opening Balance	**60,959,305**	-
Additions	**74,080,226**	46,103,677
Transfers to property, plant and equipment	**(43,390,841)**	-
Transfers from exploration	**2,037,665**	6,420,301
Change in rehabilitation provision	**6,981,376**	5,903,376
Borrowing costs capitalised	**2,336,306**	2,531,951
	103,004,037	60,959,305

Note 13 Trade and Other Payables

	30 June 2018 $	30 June 2017 $
Current liabilities		
Trade and other payables	**22,282,885**	639,270
Accrued expenses (i)	**28,015,307**	15,666,542
Employee leave liabilities	**784,144**	329,044
	51,082,336	16,634,856
Non-current liabilities		
Employee leave liabilities	**173,845**	104,090

(i) Includes $11.5M for the termination of a life of mine Jupiter Royalty. Refer note 11 for further discussion.

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

Note 14 Borrowings

	30 June 2018 $	30 June 2017 $
Current		
Insurance premium funding liability	**1,020,787**	1,513,375
Lease Liabilities[(i)]	**2,011,475**	-
Bank Loans	**73,623,405**	-
	76,655,667	1,513,375
Non-Current		
Lease Liabilities[(i)]	**15,554,993**	-
Bank Loans	**73,909,923**	-
	89,464,916	-

[(i)] Further information relating to Leases entered into during the period is set out in note 20.

a) Corporate loan facility

On 21 December 2016, the Company announced entry into an $A150 million Syndicated Project Development Debt Facility Agreement ("Facility") with Westpac Banking Corporation, Australia and New Zealand Banking Group Limited and BNP Paribas. The Facility comprises A$140 million tranche for project development and working capital during the construction, commissioning and ramp up stages of the Project and a cost overrun tranche of A$10 million.

On 4 December 2017, the Company amended the above Facility agreement to incorporate an additional A$10 million working capital facility to fund drilling programmes at Westralia and Cameron Well.

The key terms of the Facility are:

- A five year tenor with a fixed schedule of repayments starting September 2018 through to December 2021;
- The Facility can be repaid early at any time without restriction or financial penalty;
- Security is provided via a fixed and floating charge over the assets of Dacian Gold's operating subsidiary, Mt Morgans WA Mining Pty Ltd; and
- The facility can be drawn down in stages when needed with interest payable only on the amounts drawn.

At 30 June 2018 the $150 million facility was fully drawn, no amounts were drawn from the $10 million cost overrun facility.

Total capitalised transaction costs to 30 June 2018 are $3,505,800 (2017: Nil). Transaction costs are accounted for under the effective interest rate method. These costs are incremental costs that are directly attributable to the loan and include loan origination fees, interest payments, commitment fees and legal fees.

b) Financing facilities

	30 June 2018 $	30 June 2017 $
Total Facilities		
Project Debt Facility	**140,000,000**	140,000,000
Cost Overrun Facility	**10,000,000**	10,000,000
Working Capital Facility	**10,000,000**	-
Bank Guarantee Facility	**150,000**	150,000
	160,150,000	150,150,000

Note 14 Borrowings (continued)

b) Financing facilities (continued)

	30 June 2018 $	30 June 2017 $
Facilities used at reporting date		
Project Debt Facility	**140,000,000**	-
Cost Overrun Facility	**-**	-
Working Capital Facility	**10,000,000**	-
Bank Guarantee Facility	**110,938**	110,938
	150,110,938	110,938
Facilities unused at reporting date		
Project Debt Facility	**-**	140,000,000
Cost Overrun Facility	**10,000,000**	10,000,000
Working Capital Facility	**-**	-
Bank Guarantee Facility	**39,062**	39,062
	10,039,062	150,039,062

In addition to the above, the Company has a cash backed bond facility of $281,250 (2017: Nil).

See note 19 for financial instrument disclosures relating to borrowings.

Note 15 Provisions

	30 June 2018 $	30 June 2017 $
Non-current liabilities		
Rehabilitation provision	**14,827,784**	7,846,408

The rehabilitation provision relates to the estimated obligations in relation to the environmental rectification works at MMGO.

Reconciliation of movements in Rehabilitation Provision:		
Balance at the start of the financial year	**7,846,408**	1,966,676
Increase in rehabilitation provision during the financial year	**6,981,376**	5,879,732
Balance at the end of the financial year	**14,827,784**	7,846,408

Note 16 Issued Capital

a) Ordinary shares

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

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

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

Note 16 Issued Capital (continued)

	2018 No.	2017 No.	2018 $	2017 $
b) Share capital				
Issued share capital	**205,844,814**	201,732,155	**195,187,027**	191,783,216

	2018 No.	2017 No.	2018 $	2017 $
c) Share movements during the year				
Balance at the start of the financial year	**201,732,155**	133,306,254	**191,783,216**	53,515,696
Share issue	**-**	67,275,901	**-**	142,290,972
Exercise of options	**4,042,659**	1,150,000	**2,097,807**	979,461
Exercise of performance rights	**70,000**	-	**231,000**	-
Less share issue costs (i)	**-**	-	**1,075,004**	(5,002,913)
Balance at the end of the financial year	**205,844,814**	201,732,155	**195,187,027**	191,783,216

(i) Relates to tax effect of prior period equity raising costs first brought to account at 30 June 2018. Refer note 4 for further discussion

d) Option plan

Information relating to the Dacian Gold Limited Employee Option Plan is set out in note 17.

Note 17 Share Based Payments

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

Dacian Gold Limited Employee Option Plan

The establishment of the Dacian Gold Limited Employee Option Plan ("the Plan") was last approved by a resolution of the shareholders of the Company on 16 November 2015. All eligible Directors, executive officers and employees of Dacian Gold Limited who have been continuously employed by the Company are eligible to participate in the Plan. The Plan allows the Company to issue free options or performance rights to eligible persons.

Options over Unissued Shares

The options can be granted free of charge and are exercisable at a fixed price in accordance with the Plan. Options issued under the Plan have vesting periods prior to exercise, except under certain circumstances whereby options may be capable of exercise prior to the expiry of the vesting period. The performance rights are granted free of charge and vest subject to certain operational and market performance conditions being met.

During the financial year no options over unissued shares were issued pursuant to the Company's Employee Share Option Plan (30 June 2017: Nil). These options have been valued and included in the financial statements over the periods that they vest. The share based payments expense for the period of $422,926 (30 June 2017: $818,302) relates to the fair value of options apportioned over their respective vesting periods.

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

	2018		2017	
	No.	WAEP	No.	WAEP
Options outstanding at the start of the year	**12,000,000**	**$0.94**	13,150,000	$0.92
Options granted during the year	**-**	**-**	-	-
Options exercised during the year	**(5,050,000)**	**$0.73**	(1,150,000)	$0.74
Options outstanding at the end of the year	**6,950,000**	**$1.07**	12,000,000	$0.94

Note 17 Share Based Payments (continued)

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

The terms of the unissued ordinary options at 30 June 2018 are as follows:

Number of options outstanding	*Exercise price*	*Expiry date*
1,000,000	$0.58	24 September 2019
2,000,000	$0.39	17 November 2019
1,500,000	$1.15	30 September 2020
1,650,000	$1.16	31 January 2021
300,000	$1.99	28 February 2021
500,000	$3.66	30 June 2021

b) Subsequent to the reporting date

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

c) Weighted average contractual life

The weighted average contractual life for un-exercised options is 24 months (2017: 23 months).

Performance Rights

During the financial year ended 30 June 2018, 391,682 performance rights (30 June 2017: 710,500) were issued to employees, pursuant to the terms of the Dacian Gold Limited Employee Share Option Plan. The share-based payments expense for the period includes $945,444 (30 June 2017: $950,932) relating to the fair value of performance rights apportioned over the respective vesting periods.

a) Reconciliation of movement of performance rights during the period including weighted average fair value (WAFV)

	2018		**2017**	
	No.	**WAFV**	**No.**	**WAFV**
Rights outstanding at the start of the year	**550,250**	**$2.98**	-	-
Rights issued during the year	**391,682**	**$2.24**	710,500	$2.88
Rights vested during the year[i]	**(220,250)**	**$2.89**	(70,000)	$3.30
Rights forfeited during the year	**(10,614)**	**$2.46**	(90,250)	$1.94
Rights outstanding at the end of the year	**711,068**	**$2.61**	550,250	$2.98

[i] Relates to rights that vested during the year and the shares were unissued at the reporting date.

b) Fair value of performance rights granted

The fair value of the performance rights granted during period were determined using Monte Carlo simulation, a review of historical share price volatility and correlation of the share price of the Company to its Peer Group. Further details of the basis of valuation appear below

During the period the Company issued 391,682 performance rights to employees of the company pursuant to the terms and conditions of the Dacian Gold Limited Employee Option Plan (30 June 2017: 710,500). Details of the performance rights issued are as follows:

Tranche	**Number of rights issued**	**Date of grant**	**Date of vesting**	**Share price on grant date**	**Fair value at grant date**	**Expected share price volatility**	**Expected dividend yield**	**Expected risk free rate**
1	82,578	30 August 2017	1 July 2019	$2.33	$2.33	51%	0%	1.84%
1	82,578	30 August 2017	1 July 2019	$2.33	$1.56	51%	0%	1.84%
2	113,263	20 April 2018	1 July 2020	$2.94	$2.94	53%	0%	2.11%
2	113,263	20 April 2018	1 July 2020	$2.94	$1.98	53%	0%	1.96%

Note 17 Share Based Payments (continued)

Performance Rights (continued)

c) Vesting conditions of performance rights issued during the period

The 391,682 performance rights issued during the period are subject to the following specific vesting conditions.

Tranche	Measurement date of performance rights	Specific vesting conditions and weighting applicable in the calculation of performance rights vesting
1	1 July 2018	50% - First gold production at MMGO on time and budget 50% - Relative Total Shareholder Return (TSR) performance to peers above 50th percentile (measured over the 1 year period to 1 July 2018)
2	1 July 2019	50% - Ore reserves at MMGO exceeding 1.2 million ounces 50% - Relative Total Shareholder Return (TSR) performance to peers above 50th percentile (measured over the 1 year period to 1 July 2019)

The shares vest one year from the performance right measurement date. On vesting, each right automatically converts to one ordinary share. If the employee ceases employment before the rights vest, the rights will be forfeited, except in limited circumstances that are approved by the board.

The Company's TSR performance for share rights issued during the current financial year will be assessed against the following 10 peer group companies.

Peer Companies		ASX Codes
1	St Barbara Limited	SBM
2	Saracen Mineral Holdings Limited	SAR
3	Resolute Mining Limited	RSG
4	Gold Road Resources Limited	GOR
5	Perseus Mining Limited	PRU
6	Beadell Resources Limited	BDR
7	Silver Lake Resources Limited	SLR
8	Doray Minerals Limited	DRM
9	Troy Resources Limited	TRY
10	Ramelius Resources Limited	RMS

Note 18 Accumulated Losses and Reserves

	2018		**2017**	
	Accumulated losses	**Share based payments reserve (i)**	**Accumulated losses**	**Share based payments reserve (i)**
	$	**$**	**$**	**$**
Balance at the beginning of the year	**(60,435,792)**	**2,965,222**	(41,577,878)	1,321,449
Loss for the period	**(5,402,182)**	**-**	(18,857,914)	-
Transfer to issued capital on exercise of options/performance rights	**-**	**(817,807)**	-	(125,461)
Share based payments for the period	**-**	**1,368,370**	-	1,769,234
Balance at the end of the year	**(65,837,974)**	**3,515,785**	(60,435,792)	2,965,222

(i) The share based payments reserve is used to recognise the fair value of options over unissued shares and performance rights.

Note 19 Financial Instruments

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

(a) Credit risk

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

Gold Bullion Sales

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

Trade and other receivables

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

Other

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

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

(b) Liquidity risk

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

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

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

Note 19 Financial Instruments (continued)

(b) ***Liquidity risk (continued)***

	Carrying amount $'000	Contractual cash flows $'000	6 months or less $'000	6-12 months $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
2018							
Trade and other payables	22,283	22,283	22,283	-	-	-	-
Insurance premium funding liability	1,021	1,021	557	464	-	-	-
Lease liabilities	17,567	20,171	1,386	1,337	2,806	7,866	6,776
Bank Loan	147,533	158,911	45,980	34,146	39,935	38,850	-
	188,404	**202,386**	**70,206**	**35,947**	**42,741**	**46,716**	**6,776**
2017							
Trade and other payables	639	639	639	-	-	-	-
	639	**639**	**639**	**-**	**-**	**-**	**-**

(c) ***Market risk***

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

Commodity Price Risk

The Groups exposure to commodity price risk arises largely from Australian dollar gold price fluctuations. The Groups exposure to movements in the gold price is managed through the use of Australian dollar gold forward contracts. The gold forward sale contracts do not meet the criteria of financial instruments for accounting purposes on the basis that they meet the normal purchase/sale exemption because physical gold will be delivered into the contract. Further information relating to these forward sale contracts is included in note 20. No sensitivity analysis is provided for these contracts as they are outside the scope of *AASB 139 Financial Instruments: Recognition and Measurement*.

Interest rate risk

The Group's exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

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

At the reporting date, the Group had the following exposure to interest rate risk on financial instruments

	Carrying amount ($)	
	30 June 2018 $	**30 June 2017 $**
Financial assets		
Cash and cash equivalents	**62,866,140**	90,163,337
Financial liabilities		
Borrowings	**147,533,328**	1,513,375

Note 19 Financial Instruments (continued)

(c) Market risk (continued)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	2018 $	2017 $
Interest Revenue		
Increase 1.0% (2017: 1.0%)	**628,661**	901,633
Decrease 1.0% (2017: 1.0%)	**(628,661)**	(901,633)
Interest Expense		
Increase 1.0% (2017: 1.0%)	**(1,500,000)**	-
Decrease 1.0% (2017: 1.0%)	**1,500,000**	-

(d) Fair values

Fair values versus carrying amounts
The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:

	2018		2017	
	Carrying amount $	Fair value $	Carrying amount $	Fair value $
Cash and cash equivalents	**62,866,140**	**62,866,140**	90,163,337	90,163,337
Trade and other receivables	**669,859**	**669,859**	1,404,381	1,404,381
Borrowings	**(166,120,583)**	**(166,120,583)**	(1,513,375)	(1,513,375)
Trade and other payables	**(22,282,885)**	**(22,282,885)**	(639,270)	(639,270)
Net financial (liabilities) / assets	**(124,867,469)**	**(124,867,469)**	89,415,073	89,415,073

(e) Impairment losses

The Directors do not consider that any of the Group's financial assets are subject to impairment at the reporting date. No impairment expense or reversal of impairment charge has occurred during the reporting period.

Note 20 Commitments

(a) Operating lease commitments

	30 June 2018 $	30 June 2017 $
Due within 1 year	**207,816**	242,657
Due after 1 year but not more than 5 years	**482,503**	690,319
	690,319	932,976

The operating lease commitment relates to the lease of the Group's Perth office and car parking for a 5 year term from 24 October 2016. The lease includes an option to extend for an additional 3 year period following expiry of the initial lease term on 24 October 2021.

Note 20 Commitments (continued)

(b) Finance lease commitments

Mt Morgans WA Mining Pty Ltd has entered into an agreement with Zenith Pacific (JPT) Pty Ltd to build and operate the power station located at MMGO and to supply electricity for a fixed term of eight years. A finance lease for the power station has been recognised over the eight year contract term.

Mt Morgans WA Mining Pty Ltd has entered into an agreement with SGS Australia Pty Ltd for the provision of laboratory services and equipment for a fixed term of five years. A finance lease for the laboratory equipment has been recognised over the five year contract term.

A summary of finance lease commitments appears in the following table:

	30 June 2018 $	30 June 2017 $
Within one year	**2,722,879**	-
Later than one year but not later than five years	**10,671,820**	-
Later than five years	**6,776,416**	-
Minimum lease payment	**20,171,115**	-
Future finance charges	**(2,604,647)**	-
Recognised as liability	**17,566,468**	-
Representing lease liabilities:	-	-
Current	**2,011,475**	-
Non-Current	**15,554,993**	-
	17,566,468	-

(c) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Mine Properties in development	**5,474,895**	103,228,720

(d) Exploration commitments

The Group has certain obligations for payment of tenement rent, shire rates and to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Group's exploration programmes and priorities. At 30 June 2018, the Group had satisfied all of its exploration commitments pursuant to the leases, which are currently approximately $4,310,420 per annum.

(e) Gold delivery commitments

	Gold for physical delivery oz	Average contract sale price A$/oz	Value of committed sales $'000
Due within 1 year	37,300	1,740	64,901
Due after 1 year but not more than 5 years	51,999	1,782	92,664
	89,299	**1,764**	**157,565**

The Group enters into gold forward contracts to manage the gold price of a proportion of anticipated gold sales. The forward contracts are settled by the physical delivery of gold as per the contract terms. The contracts are accounted for as gold sales contracts with revenue recognised once the gold has been delivered to the counterparties. The physical gold delivery contracts are considered to sell a non-financial item and therefore do not fall within the scope of AASB 139 *Financial Instruments: Recognition and Measurement.*

Note 21 Contingencies

(a) Contingent liabilities

There are no material contingent liabilities at the reporting date.

(b) Contingent assets

There are no material contingent assets at the reporting date.

Note 22 Related Party Disclosures

(a) Intercompany Loan Liability

The Parent has advanced the following funds to the 100% owned subsidiary Mt Morgans WA Mining Pty Ltd by way of intercompany loan.

	30 June 2018 $	**30 June 2017 $**
Borrowings	**116,688,819**	125,008,218
Interest	**6,903,869**	1,416,783
Intercompany Loan liability	**123,592,688**	126,425,001

The amounts outstanding are expected to be settled in cash. No guarantees have been given or received in respect of the advances. Interest on the loan has been calculated on the loans daily balance using the published BBSY rate plus a margin. Interest on the principal outstanding is calculated at the 30 day BBSY rate plus a margin.

(b) Other

Other than the key management personnel related party disclosure in the Remuneration Report and in note 23, there are no related party transactions to report.

Note 23 Key Management Personnel

(a) Directors and key management personnel

The following persons were Directors or key management personnel of the Company during the current and prior financial year:

Rohan Williams	Executive Chairman
Robert Reynolds	Non-Executive Director
Barry Patterson	Non-Executive Director
Ian Cochrane	Non-Executive Director
Grant Dyker	Chief Financial Officer

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

Note 23 Key Management Personnel (continued)

(b) Key management personnel compensation

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

	30 June 2018 $	30 June 2017 $
Short-term employment benefits	**1,555,489**	1,232,224
Share-based payments	**926,771**	1,152,820
Other long-term benefits	**16,785**	21,947
Post-employment benefits	**67,849**	76,158
Total key management personnel remuneration	**2,566,894**	2,483,149

Note 24 Events Subsequent to the Reporting Date

On 11 July 2018 the Group announced an Institutional Placement of approximately A$37 million, with the ability to take oversubscriptions to raise up to an additional A$3 million, to fund accelerated exploration programs at Westralia and Cameron Well and terminate a Jupiter life of mine royalty obligation. This institutional placement was completed on 13 July 2018 with A$40 million raised at A$2.70 per new share.

The Institutional Placement was accompanied by a Share Purchase Plan to raise a further A$5 million at $2.70 per new share. On 2 August 2018 the Group announced it had amended the terms of the share purchase plan to allow and subsequently accept over subscriptions of A$3.3 million. Together with the Institutional Placement the Group raised a total of approximately $48 million before costs.

Other than the matters noted above, there has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Note 25 Auditors Remuneration

	30 June 2018 $	30 June 2017 $
Total remuneration paid to auditors during the financial year:		
Audit and review of the Companys financial statements	**60,316**	44,594
Other services	**10,000**	-
Total	**70,316**	44,594

Note 26 Controlled Entities

	Ownership Interest 2018 %	2017 %
Parent Entity		
Dacian Gold Limited		
Subsidiaries		
Dacian Gold Mining Pty Ltd	100	100
Mt Morgans WA Mining Pty Ltd	100	100

Note 27 Parent Entity

(a) Summary financial information

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

	Parent	
	30 June 2018 $	**30 June 2017 $**
Financial position		
Current assets	**16,213,544**	23,167,171
Non-current assets	**156,930,951**	128,287,175
Total assets	**173,144,495**	151,454,346
Current liabilities	**714,016**	2,054,203
Non-current liabilities	**123,162**	92,662
Total liabilities	**837,178**	2,146,865
Shareholders' equity		
Issued capital	**195,187,027**	191,783,216
Share-based payments reserve	**3,515,785**	2,965,222
Accumulated losses	**(26,395,495)**	(45,440,957)
Total equity	**172,307,317**	149,307,481
Financial performance		
Profit/(loss) for the year	**19,045,462**	(3,863,079)
Other comprehensive income/(loss)	**-**	-
Total comprehensive profit/(loss)	**19,045,462**	(3,863,079)

(b) Commitments

The parent entity had operating lease commitments of $690,319 at 30 June 2018 (30 June 2017: $932,976) relating to the lease of the Group's Perth office and car park.

The exploration commitments of the parent entity pursuant to its exploration tenements are approximately $2,478,953 per annum.

DIRECTORS' DECLARATION

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

a. The accompanying financial statements and notes of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including:
   i. giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2018 and of its performance for the year then ended; and
   ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2018.

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

DATED at Perth this 6th day of September 2018.

Rohan Williams
Executive Chairman

Central Park, Level 43
152-158 St Georges Terrace
Perth WA 6000

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Independent Auditor's Report

To the Members of Dacian Gold Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Dacian Gold Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

a giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the year ended on that date; and

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

Basis for opinion

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

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

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Provision for rehabilitation – Note 1(o) and Note 15	
The Group held a rehabilitation provision of $14.8mill as at 30 June 2018 relating to the Mount Morgan's Gold Project (MMGP). The Group reviews its rehabilitation calculations annually or as new information becomes available. Changes in estimates and underlying assumptions are reviewed annually including changes to the mining operations, local regulations and rehabilitation requirements. The process for determining the rehabilitation provision involves significant management judgement and subjectivity with regard to the underlying assumptions in determining the expected significant increase in rehabilitation provision. The ability for the Group to determine an appropriate rehabilitation provision based on the expected life of mine is dependent on readily available information to support the estimates and judgements used within the calculation in determining the rehabilitation provision. This area is a key audit matter due to the judgemental nature of the estimates and assumptions used in the rehabilitation provision assessment.	Our procedures included, amongst others: • Obtaining an understanding of management's process for determining the rehabilitation provision; • Evaluating the reasonableness of management's estimates and judgements to available supporting documentation, including assessing estimates and judgements determined by management experts; • Assessing the competencies of management's expert in accordance with ASA 500; • Assessing the Group's legal obligations with respect to the rehabilitation requirements in accordance with the Mining Rehabilitation Fund 2012 and the associated effect on the estimated costs; • Recalculating the rehabilitation provision calculation to check for mathematical accuracy; and • Reviewing the appropriateness of the related disclosures within the financial statements.
Property, Plant and Equipment and Mineral Properties and – Note (l) and (j) Note 10 and Note 12	
At 30 June 2018, the Group had Property, Plant and Equipment of $150.0mill (2017: $1.4mill) and Mine Properties of $103.0mill (30 June 2017: $61.0mill). The Group is required to complete an impairment assessment at each reporting period, in accordance with AASB 36 "Impairment of Assets". Impairments are recognised if a CGU's carrying amount exceeds its recoverable amount. As part of their annual impairment review management prepared a value in use model to assess the recoverable amount of the Mt Morgan's Gold Operation. The basis of the valuation model was management's Life of Mine Plan, the valuation model includes a number of judgmental estimates and assumptions.	Our procedures included, amongst others: • Obtaining an understanding of management's process for calculating the Life of Mine plan; • Engaging the services of an independent expert to evaluate the Life of Mine plan and its underlying assumptions including the gold price, future sales and processing costs; • Engaging the services of a specialist to evaluate the weighted average cost of capital; • Assessing the competencies of the experts in accordance with ASA 620 Using the work of an Auditors Expert; • Assessing the competencies of the expert in accordance with ASA 500 as a managements expert; and • Reviewing the appropriateness of the related disclosures within the financial statements.

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The process for determining the Life of Mine plan involves significant management judgement and subjectivity with regard to the underlying assumptions in determining the gold price, future sales, associated processing costs and the weighted average cost of capital. This area is a key audit matter due to the key estimates and judgements used in the assessment of impairment indicators	
Income tax benefit and Deferred tax assets –Note 1 (c) and Note 4	
Group has recognised deferred tax assets, which include \$30.5mill of prior period's losses as at 30 June 2018. Management have brought to account those losses that are estimated to be probable of utilisation over the life of mine. This area is a key audit matter due to the judgement required by management in the calculation of future taxable profits	Our procedures included, amongst others: • Obtaining management's assessment of the ability to utilise tax losses in the future, including identifying and assessing the appropriateness of key assumptions utilised in the model; • Obtaining available evidence to support the key assumptions and compared against the life of mine model used for AASB 136 purposes; • Testing the mathematical accuracy of the model used as a basis for the capitalisation of deferred taxes, as well as its inputs to supporting data; • Consulting with Grant Thornton tax specialists, who reviewed the tax computations and undertook discussions with management; and • Reviewing the appropriateness of the related disclosures within the financial statements.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors' for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 23 to 29 of the Directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Dacian Gold Limited, for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Partner – Audit & Assurance

Perth, 6 September 2018

ASX ADDITIONAL INFORMATION

Pursuant to the Listing Requirements of the Australian Securities Exchange, the shareholder information set out below was applicable as at 9 October 2018.

A. DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of shareholders by size of holding:

Distribution	Number of Shareholders	Securities Held
1-1,000	808	418,054
1,001-5,000	1,029	2,844,827
5,001-10,000	400	3,041,825
10,001-100,000	625	18,305,169
More than 100,000	101	199,554,335
Total	**2,963**	**224,164,210**

There are 179 shareholders holding less than a marketable parcel of ordinary shares.

B. SUBSTANTIAL SHAREHOLDERS

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

Shareholder Name	Number of Shares	% of Shares
COMMONWEALTH BANK OF AUSTRALIA	17,267,548	7.83%

C. TWENTY LARGEST SHAREHOLDERS

	Shareholder Name	Number of Shares	% of Shares
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	54,664,962	24.39
2	J P MORGAN NOMINEES AUSTRALIA LIMITED	40,334,338	17.99
3	CITICORP NOMINEES PTY LIMITED	20,720,049	9.24
4	VITESSE PTY LTD <THE VITESSE INVESTMENT A/C>	7,362,659	3.28
5	POLLY PTY LTD <BS PATTERSON FAMILY A/C>	6,954,987	3.10
6	TODTONA PTY LTD	6,887,374	3.07
7	KINGARTH PTY LTD	5,380,682	2.40
8	SGJ INVESTMENTS PTY LTD	5,345,832	2.38
9	DALRAN PTY LTD <SMITH FAMILY A/C>	4,880,655	2.18
10	SANPOINT PTY LTD <THE FIORE FAMILY A/C>	4,800,000	2.14
11	ARIKI INVESTMENTS PTY LIMITED	3,506,360	1.56
12	REDASO PTY LTD <REDASO FAMILY A/C>	3,163,180	1.41
13	BNP PARIBAS NOMS PTY LTD <AGENCY LENDING DRP A/C>	3,037,268	1.35
14	ROGO INVESTMENTS PTY LIMITED	2,730,555	1.22
15	NATIONAL NOMINEES LIMITED	2,254,664	1.01
16	MR KENNETH JOSEPH HALL <HALL PARK A/C>	1,739,834	0.78
17	CAUTIOUS PTY LTD <THE RESERVE A/C>	1,570,000	0.70
18	UBS NOMINEES PTY LTD	1,089,000	0.49
19	CS THIRD NOMINEES PTY LTD <HSBC CUST NOM AU LTD 13 A/C>	1,022,866	0.46
20	GARY JOHNSON SUPER MANAGEMENT P/L <S/F NO 2 A/C>	931,362	0.42
	TOTALS	**178,376,627**	**79.57**

ASX ADDITIONAL INFORMATION

D. UNQUOTED SECURITIES

Options:

Number of Options	Exercise Price	Expiry Date	Number of Holders
1,000,000	$0.58	24 September 2019	1
2,000,000	$0.39	17 November 2019	1
1,300,000	$1.15	30 September 2020	4
1,650,000	$1.16	31 January 2021	5
300,000	$1.99	28 February 2021	1
500,000	$3.66	30 June 2021	1

Performance Rights:

Number of Performance Rights	Expiry Date	Number of Holders
330,000	14 October 2020	1
165,156	30 June 2024	4
226,526	30 June 2025	13

E. VOTING RIGHTS

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll, each share will have one vote.

F. RESTRICTED SECURITIES

The Company has no restricted securities.

TENEMENT SCHEDULE

AS AT 30 SEPTEMBER 2018

Tenement Type	Tenement	Status	Location	Ownership
P	38/4451	Application	Hawks Nest	Dacian Gold Ltd (100%)
E	39/1950	Granted	Lake Carey	Dacian Gold Ltd (100%)
E	39/1951	Granted	Lake Carey	Dacian Gold Ltd (100%)
E	39/1967	Granted	Lake Carey	Dacian Gold Ltd (100%)
E	39/2002	Granted	Lake Carey	Dacian Gold Ltd (100%)
E	38/2951	Granted	Mt Morgans	Dacian Gold Ltd (100%)
E	39/1310	Granted	Mt Morgans	Dacian Gold Ltd (100%)
E	39/1713	Granted	Mt Morgans	Dacian Gold Ltd (100%)
E	39/1787	Granted	Mt Morgans	Dacian Gold Ltd (100%)
E	39/2004	Granted	Mt Morgans	Dacian Gold Ltd (100%)
E	39/2017	Granted	Mt Morgans	Dacian Gold Ltd (100%)
E	39/2020	Granted	Mt Morgans	Dacian Gold Ltd (100%)
E	39/2038	Application	Mt Morgans	Dacian Gold Ltd (100%)
E	39/2057	Application	Mt Morgans	Dacian Gold Ltd (100%)
L	39/0057	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
L	39/0244	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
L	39/0245	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
L	39/0246	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	38/0395	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	38/0396	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	38/0548	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	38/0595	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	38/0848	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	39/0018	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0036	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0208	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0228	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0236	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0240	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0248	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0250	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0261	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0264	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0272	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0273	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0282	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0287	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0291	Granted	Mt Morgans	Dacian Gold Ltd (100%)

TENEMENT SCHEDULE

AS AT 30 SEPTEMBER 2018

Tenement Type	Tenement	Status	Location	Ownership
M	39/0295	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	39/0304	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0305	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0306	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	39/0333	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	39/0380	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	39/0390	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0391	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	39/0392	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	39/0393	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	39/0394	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	39/0395	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0403	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0441	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0442	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0443	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	39/0444	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	39/0497	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	39/0501	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	39/0502	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	39/0503	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	39/0504	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0513	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0745	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0746	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	39/0747	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	39/0799	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	39/0937	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	39/0938	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	39/0993	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	39/1107	Granted	Mt Morgans	Mt Morgans WA Mining Pty Ltd (100%)
M	39/1120	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	39/1122	Granted	Mt Morgans	Dacian Gold Ltd (100%)
M	39/1129	Granted	Mt Morgans	Dacian Gold Ltd (100%)
P	39/5377	Granted	Mt Morgans	Dacian Gold Ltd (100%)
P	39/5469	Granted	Mt Morgans	Dacian Gold Ltd (100%)
P	39/5498	Granted	Mt Morgans	Dacian Gold Ltd (100%)
P	39/5823	Granted	Mt Morgans	Dacian Gold Ltd (100%)

TENEMENT SCHEDULE

AS AT 30 SEPTEMBER 2018

Tenement Type	Tenement	Status	Location	Ownership
P	39/5824	Application	Mt Morgans	Dacian Gold Ltd (100%)
P	39/5825	Granted	Mt Morgans	Dacian Gold Ltd (100%)
P	39/5826	Granted	Mt Morgans	Dacian Gold Ltd (100%)
P	39/5827	Granted	Mt Morgans	Dacian Gold Ltd (100%)
P	39/5828	Granted	Mt Morgans	Dacian Gold Ltd (100%)
P	39/5829	Granted	Mt Morgans	Dacian Gold Ltd (100%)
P	39/5830	Granted	Mt Morgans	Dacian Gold Ltd (100%)
P	39/5865	Application	Mt Morgans	Dacian Gold Ltd (100%)
P	38/4466	Application	Mt Morgans	Dacian Gold Ltd (100%)


MMGP 1486
MMGP 1496

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