

2021

ANNUAL REPORT



DACIAN
GOLD | LIMITED

CORPORATE DIRECTORY

Directors

Robert Reynolds	Non-Executive Chairman
Leigh Junk	Managing Director
Eduard Eshuys	Non-Executive Director
Mick Wilkes	Non-Executive Director

Company Secretary

Kevin Hart

Registered Office and Principal Place of Business

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Level 19
58 Mounts Bay Road
Perth WA 6000 Australia
Telephone: 08 6323 9000
Facsimile: 08 6323 9099
Website: www.daciangold.com.au
Email: info@daciangold.com.au

Auditor

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008 Australia

Share Registry

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

Stock Exchange Listing

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

ASX Code

DCN – Ordinary shares

Domicile and Country of Incorporation

Australia

ACN

154 262 978

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COMPANY HIGHLIGHTS FY2021

Consolidation of the operation and our financial position through an updated mine plan and significant debt and hedge reduction.

Operational

GOLD PRODUCTION

106,919 ounces

AISC

\$1,556 per ounce

ORE RESERVES AND MINERAL
RESOURCES UNDERPINNING THE
COMPANY'S FIVE YEAR MINE PLAN

**Ore Reserves
0.4Moz**

**Mineral Resources
2.5Moz**

Financial

CASH FLOW FROM OPERATIONS

\$55.5M

REPAID DEBT DURING THE YEAR

\$47.9M

ABSORBED SIGNIFICANT MARK-TO-MARKET
COST OF HEDGE BOOK

\$29.4M

CASH AND GOLD ON HAND

\$41.8M

REMAINING DEBT

\$16.2M

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Fellow Shareholders

On behalf of your Board of Directors I am pleased to present to you Dacian Gold Limited's 2021 Annual Report.

The 2021 financial year has been a challenging one with COVID-19 and significant changes to the Board. Foundation directors, Ian Cochrane and Barry Patterson, both stepped down during the year due to health issues. Sadly, both Ian and Barry passed away shortly after retirement from the Dacian Board and our deepest sympathies are with Ian's and Barry's families.

Work continued during the 2021 financial year to strengthen the Company's position as a gold producer in the north-eastern goldfields of Western Australia. A substantial investment in drilling programs and technical personnel was dedicated to our Mineral Resources, culminating in our 30 June 2021 Mineral Resource and Ore Reserve estimates, that provided the foundation for our expanded five-year mine plan.

This updated mine plan includes the planned recommencement of underground mining at Mt Morgans, complemented by exploration success in the extension of the Mt Marven open pit, as well as the March 2021 acquisition of the nearby Redcliffe Gold Project via a merger with NTM Gold Limited.

Following the merger with NTM the Company welcomed Eduard Eshuys to the Board, and in September 2021 also welcomed Mick Wilkes to the Board.

In the 2021 financial year the Company produced 106,919 ounces of gold at an AISC of \$1,556 per ounce, generating \$55.5 million in operating cash flow, up from \$23.0 million in the previous year. This positive result is after accounting for \$29.4 million in forgone revenue from the delivery of 57,265 ounces of gold hedging related to the original project finance debt facility.

In addition to extinguishing 68% of the hedge position during the year, the Company also repaid \$47.9 million of debt to significantly improve the Company's financial position.

During the year the Company ramped up its exploration activities as it looks to discover the next generation of deposits at Mt Morgans and Redcliffe. Dacian looks forward to building on its foundations as an established gold producer with a large processing facility and major land holding in the Leonora-Laverton gold district.

On behalf of the Board I would like to thank our executive management team and all our employees and contractors for their tremendous effort during 2021. I would also like to thank all our stakeholders, and in particular our shareholders, for their support throughout the year. We are confident that the effort put into the business in 2021 provides the platform to realise the full potential of Dacian's assets.



Robert Reynolds

Non-Executive Chairman

BOARD AND GOVERNANCE

Board of Directors



Robert Reynolds
Non-Executive Chairman



Leigh Junk
Managing Director



Eduard Eshuys
Non-Executive Director



Mick Wilkes
Non-Executive Director

Corporate Governance

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

The Board has adopted and endorses The ASX Corporate Governance Council Principles and Recommendations (4th Edition), as amended from time to time (ASX Recommendations) and has adopted the ASX Recommendations that are considered appropriate for the Company.

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

The 2021 Corporate Governance Statement, Corporate Governance Plan and policies are available on the Company's website.

Board Charter

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

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

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

BOARD AND GOVERNANCE

Audit Committee Charter

The Board has adopted an Audit Committee Charter which outlines the composition of the committee, its purpose, its responsibilities and requirements of its meetings. In summary the Audit Committee is responsible for ensuring the integrity of the Company's financial statements, the effectiveness of financial reporting and liaison with the Company's auditor.

Remuneration Committee Charter

The Board has adopted a Remuneration Committee Charter which outlines the composition of the committee, its role, its responsibilities, its authority, and requirements of its meetings. In summary, the Remuneration Committee is responsible for preparing and reviewing the Company's strategy with regard to remunerating, recruiting, incentivising, retaining and, where appropriate, terminating the Company's executives, Non-Executive Directors and employees.

Nomination Committee Charter

The Board has adopted a Nomination Committee Charter which outlines the composition of the committee, its role, its responsibilities, its authority, and requirements of its meetings. In summary, the Nomination Committee is responsible for ensuring that the Board, and its various Committees, are comprised of the required skills, experience and competencies, to induct and educate new Directors, and the evaluation of the performance of the Board and its Committees.

Code of Conduct for Directors, Senior Executives and Employees

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

Continuous Disclosure Policy

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

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

Share Trading Policy

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

Under the policy, all employees and Directors are prohibited from trading in the Company's securities, except during a 10 day trading window that opens 24 hours after the Company makes a public announcement on ASX, including, but not limited to, after a general meeting, and on disclosure of half year, full year and quarterly results.

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

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

Directors' Disclosure Obligations

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

BOARD AND GOVERNANCE

Shareholder Communications Policy

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

Risk Management Policy

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

Environment Policy

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

Diversity policy

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

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

The Company is a "relevant employer" for the purposes of the Workplace Gender Equality Act. Our recent Workplace Gender Equality Agency Report for 2021 which includes the "Gender Equality Indicators" is available on the Company's website.

OUR SUSTAINABILITY FOOTPRINT

Economic Benefit to the Community

STATE GOVERNMENT ROYALTIES

\$6.6M

PAYROLL TAX

\$1.1M

MINING TENEMENT RENTS AND TAXES

\$1.2M

MINE SAFETY LEVY

\$0.2M

Impact on Environment

WATER USED

2.5GL

REHABILITATION COMPLETED

380Ha

ENERGY USED

Dacian sought to minimise diesel use at MMGO from inception by installing a natural gas fired power station for the processing facility

GAS

847Tj

DIESEL

20ML

Safety

EMERGENCY RESPONSE TRAINING EXERCISES

46

LOST TIME FREQUENCY RATE

4.0 (2020: 1.6)

TOTAL RECORDABLE INJURY FREQUENCY RATE (TRIFR)

17.0 (2020: 23.3)

People and Diversity

TOTAL EMPLOYEES

141

SITE BASED RESIDENTIAL EMPLOYEES

4%

APPLICATIONS ADVERTISED POSITIONS

30% female

APPOINTMENTS

30% female

EMPLOYEES AGED OVER 55

16%

OUR SUSTAINABILITY FOOTPRINT

Safety

Safety of our employees, contractors, and anybody entering Dacian working locations is of the utmost importance. Prevention of injuries through improvements in workplace culture, training and supervision together with learning from incidents to prevent reoccurrence is a key consideration for the Company. We expect on-going improvement in safety performance as the business grows and matures.

The Company's rolling Total Recordable Injury Frequency Rate (TRIFR) calculated as 12 month rolling average at 30 June 2021 was 17.0 (2020: 23.3). Recordable injuries include those that result in any days lost from work or where an employee or contractor can only perform part of their normal work, as well as any injury that requires medical treatment.

COVID-19

Western Australia has largely been insulated from the health related impacts of the COVID-19 pandemic and the Company has been proactive in its response by implementing a range of measures in accordance with its COVID-19 management plan to limit exposure of personnel to potential transmission sources of the COVID-19 virus. The pandemic has, however, presented a number of challenges to the Company and the Western Australian mining industry generally, as the labour market has tightened significantly as a result of border closures that have restricted interstate travel. This has been particularly relevant to mining equipment operator and maintenance personnel.

A number of changes have been made at the operations such that site-based personnel have reduced exposure to COVID-19. In addition to social distancing requirements and improved hygiene standards, during state government enforced lockdowns site personnel have worked extended rosters. The Company is appreciative of the cooperation and manner in which its workforce has adapted and responded to these changes.

The Company has established contingency plans and in a worst-case event requiring a scaling-back of the operation, Dacian has multiple strategies that it can initiate including the processing of stockpile material totalling 5.2Mt @ 0.5g/t for 91,000 ounces (over 20 months of processing) which would provide a level of insulation for the business.

Community Engagement

Dacian's aim is to build on its engagement and develop long lasting and meaningful relationships with its local communities, respecting their culture, and collaborating in various initiatives and activities.

The development of relationships with our local communities has focused on providing employment opportunities, funding assistance and supporting school, sporting, and community events, including:

- Working collaboratively with the National Indigenous Australians Agency and the Community Development Program (CDP) provider, Wirrpanda Foundation, to provide employment opportunities for members of the Yaaliku region (incorporating Laverton and Leonora) through the Australian Government Regional Australia 1,000 Jobs Package Wage Subsidy (1,000 Jobs Package). The 1,000 Jobs Package initiative has been introduced to increase employment opportunities in remote Australia for CDP participants.
- Sponsorship of sporting and community events through the Mt Margaret Community School, Laverton School, Laverton Sports Club and Laverton-Leonora Cross Cultural Association.
- Christmas gift giving by Dacian employees to children who reside at the Mt Margaret community.



OUR SUSTAINABILITY FOOTPRINT

People

Dacian currently employs 141 direct employees across corporate, mining operations, exploration, project development and support services. In addition to the direct employees, the Company engages 365 contractors to perform specialist services, mining operations and exploration and grade control drilling. We value communication, ownership and trust, planning for and performing every job safely, and working collaboratively as part of a team.

Our recruitment, selection and engagement strategy is based on identifying, selecting and retaining the best person for the role, irrespective of age, sex and cultural background. The strong employment growth in the Western Australian resources sector has put pressure on employment conditions, and the number of qualified applicants who are seeking employment in the mining industry. This is further challenged by the lack of mining and technical graduates who are entering the workforce. The Company has taken a proactive approach by continuing to provide opportunities for current employees to develop skills which will advance their career.

We have a commitment to the development of leaders for the future which is evidenced by our leadership and supervisory development programs and future planning through the employment of graduates, internships (for university and other training institution students) and apprentices. Employment opportunities continue to be offered to people in local and regional communities, including our participation in the 1,000 Jobs Package.



REVIEW OF OPERATIONS

Overview

Dacian's Mt Morgans Gold Operation (MMGO) is located 25km west of Laverton and approximately 750km north-east of Perth in Western Australia (see Figure 1). The Company maintains significant infrastructure at MMGO through its large open pit, extensive underground investment and 2.5Mtpa processing plant.

In March 2021, the Company acquired the neighbouring Redcliffe Gold Project via a merger with NTM Gold Limited. Since acquisition, the Company has commenced project preparation works towards first production from Redcliffe, expected in mid-2022.

The Company holds a 1,300km² tenement package comprising predominantly granted mining leases within the Leonora-Laverton gold district.

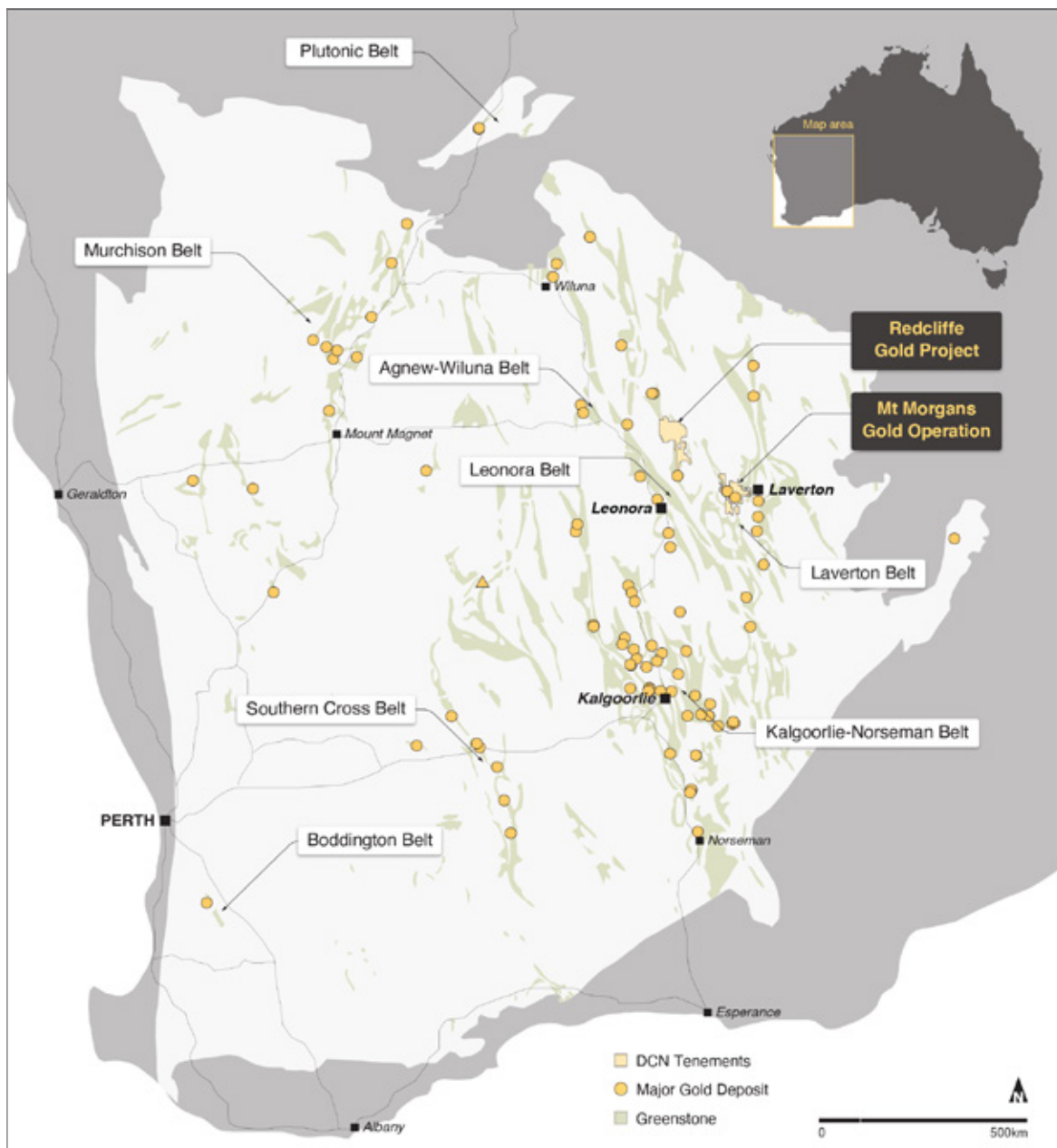


Figure 1: Location of Dacian Gold's Operations in Western Australia

REVIEW OF OPERATIONS

Five Year Mine Plan Provides Solid Platform

Dacian's five-year mine plan for its Mt Morgans operation is underpinned by a production base from the operating Jupiter open pits and development of open pits at Redcliffe, complemented by production from underground mines at the Greater Westralia Area, (see ASX announcement 31 August 2021).

The updated mine plan targets average annual gold production of 115,000oz, maintaining 115,000-125,000oz from FY2024 to FY2026. The All in Sustaining Cost (AISC) is expected to average \$1,550/oz with both AISC and capital spend declining over the five-year plan.

The Company continues to pursue opportunities to extend and grow the mine plan beyond the current profile with a number of development projects and exploration programs being advanced.

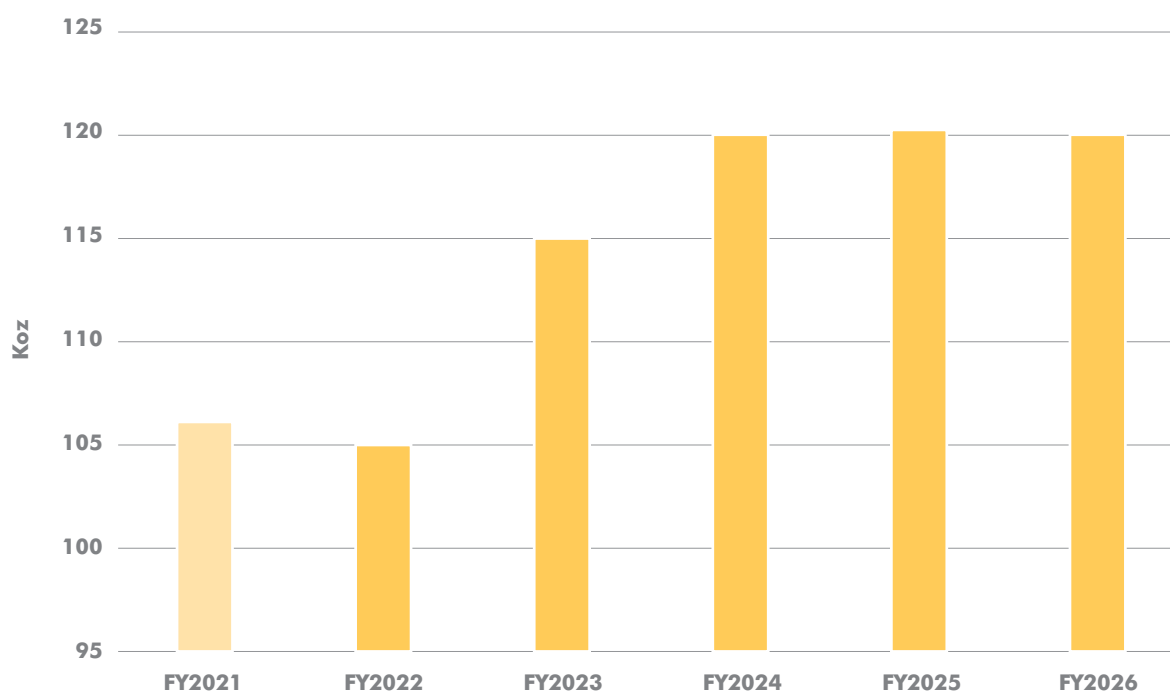


Figure 2: Five year mine plan production (midpoint)

Table 1: Summary of mine plan for Leonora-Laverton operations

Guidance Range		FY2022	FY2023	FY2024	FY2025	FY2026	Total Midpoint / Avg
Production	Koz	100-110	110-120	115-125	115-125	115-125	580/115
AISC	A\$/oz	1,550-1,700	1,550-1,700	1,500-1,650	1,525-1,675	1,275-1,425	1,550
Growth Capital	A\$M	66	40	20	15	-	141

REVIEW OF OPERATIONS

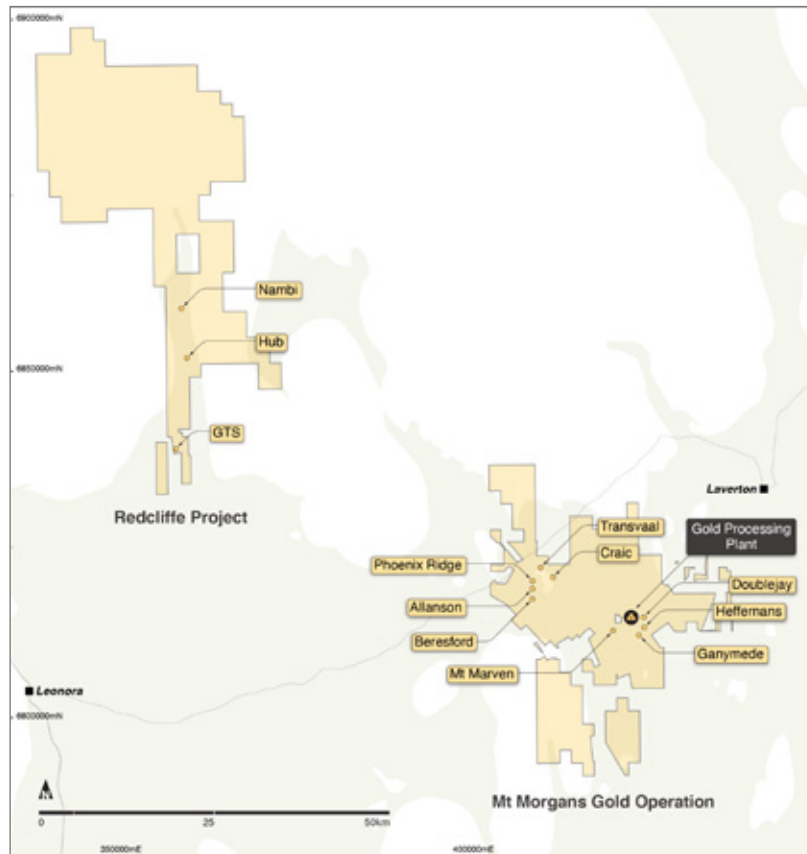


Figure 3: Five-year mine plan deposits

Figure 4 shows the mining sequence over the Company's five year mine plan.

		FY2022	FY2023	FY2024	FY2025	FY2026
Mt Morgans Open Pit	Heffernans	—				
	Doublejay	—	—	—		
	Ganymede	—				
	Mt Marven		—	—		
	Underground Beresford	—	—	—	—	—
	Allanson	—	—	—	—	—
	Craic		—			
	Transvaal				—	—
	Phoenix Ridge				—	—
Redcliffe Open Pit	Hub		—	—		
	GTS			—	—	
	Nambi				—	—

Figure 4: Mining sequence for the five year mine plan

Cautionary Statement: The mine plan is a Production Target that contains approximately 75% of Ore Reserves and Indicated Resources with the remainder in the Inferred Mineral Resource classification. There is a low level of geological confidence associated with Inferred Mineral Resource and there is no certainty that further exploration work will result in the conversion to Indicated Mineral Resource or that the Production Target itself will be realised.

REVIEW OF OPERATIONS

Financial Year 2021 Overview

Table 2: Gold Recovery and Sales

	Unit	Sept Qtr	Dec Qtr	Mar Qtr	Jun Qtr	FY2021
Gold Recovered	oz	32,799	27,162	21,400	25,558	106,919
Gold Sales	oz	34,017	25,169	24,542	24,542	108,270
Realised Average Price	A\$/oz	2,142	2,417	2,197	2,177	2,226
Gold Revenue	A\$M	72.9	60.8	53.9	53.5	241.1
Gold on Hand	Oz	1,108	3,935	1,798	2,507	2,507

Full year production for FY2021 totalled 106,919 ounces (2020: 138,814 ounces) at an AISC of \$1,556/oz (2020: \$1,619/oz), just below the bottom end of the 110,000-120,000 ounces production guidance and just above the top end of the \$1,400 - \$1,550/oz AISC guidance.

During the financial year, the Company reduced its original project finance debt related out of the money hedging commitments by 68%. At 30 June 2021 the remaining hedge position was 27,324 ounces (2020: 84,589 ounces) at an average price of \$2,238/oz (2020: \$2,055/oz).



REVIEW OF OPERATIONS

Mining

Table 3: Mining

	Unit	Sept Qtr	Dec Qtr	Mar Qtr	Jun Qtr	FY2021
Open Pit Mining						
Ore Mined to ROM	t	692,848	758,444	597,705	588,511	2,637,508
Mined Ore Grade	g/t	1.4	1.2	1.0	1.2	1.2
Contained Gold Mined	oz	31,821	30,077	18,983	22,478	103,359
Ore Mined to Low Grade Stockpile	t	327,150	230,721	265,394	393,790	1,217,055
Mined Ore Grade	g/t	0.6	0.6	0.5	0.5	0.6
Contained Gold Mined	oz	6,247	4,322	4,533	6,698	21,800
Total Ore Mined	t	1,019,998	989,165	863,099	982,301	3,854,563
Mined Ore Grade	g/t	1.2	1.1	0.8	0.9	1.0
Contained Gold Mined	oz	38,068	34,399	23,516	29,176	125,159
Waste Mined	t	6,179,341	6,079,505	5,812,812	4,996,239	23,067,897
Total Material Mined	bcm	2,794,195	2,682,595	2,495,071	2,314,120	10,285,981
Underground Mining						
Ore Mined to ROM	t	60,317	-	-	2,436	62,753
Mined Ore Grade	g/t	4.5	-	-	5.1	4.6
Contained Gold Mined	oz	8,782	-	-	400	9,182



REVIEW OF OPERATIONS

A total of 3,854,563t @ 1.0g/t containing 125,159 ounces of gold was mined from the Jupiter open pits (Heffernans, Doublejay, Ganymede) and the Mt Marven open pit during the financial year. Underground mining at Westralia contributed 62,753 tonnes at 4.6 g/t for 9,182 contained ounces of gold prior to being placed on care and maintenance in August 2020. Following completion of mining, a technical review commenced which included additional drilling to inform an updated Mineral Resource estimate for the Greater Westralia area. Subsequent mining studies have resulted in the recommencement of underground mining in the first half of financial year 2022.

Mining of the Doublejay pit focussed on ore production from an initial stage located at the southern end of the pit, as well as pre-stripping of the two subsequent stages, one of which targets the high-grade Cornwall Shear Zone and will be a substantial ore source in the second half of financial year 2022. Preparations for mining of the final stage commenced late in the financial year.

Processing

The processing plant continued to perform consistently above nameplate capacity of 2.5Mtpa, with a total of 2.95 million tonnes of ore milled for the year, producing 106,919 ounces at a recovery of 91.5%. Gold sales totalling 108,270 ounces realised gold revenue of \$241 million for the year.

The MMGO processing plant is a key piece of infrastructure in the region. The recommencement of underground mining at the Greater Westralia Area along with the near-term development of open pits at Redcliffe, will provide future diversification in the Company's ore blend, complementing that mined from the Jupiter open pits.

Table 4: Processing

	Unit	Sept Qtr	Dec Qtr	Mar Qtr	Jun Qtr	FY2021
Ore Milled	t	707,041	719,733	755,970	764,480	2,947,224
Processed Grade	g/t	1.6	1.3	1.0	1.1	1.2
Contained Gold	oz	35,582	29,402	23,761	28,085	116,830
Gold Recovery	%	92.2%	92.4%	90.1%	91.0%	91.5%
Gold Recovered	oz	32,799	27,162	21,400	25,558	106,919



EXPLORATION AND GROWTH

Greater Westralia Mining Area

During the 2021 financial year, the Company released a technical and Mineral Resource update for the Greater Westralia Area. A total of 12 deposits were re-evaluated with seven deposits contributing to a total Mineral Resource estimate of 6.8Mt @ 4.3g/t Au for 935,000 ounces (see ASX announcement 11 May 2021). Beresford, Allanson, Transvaal, Craic and Phoenix Ridge were the initial deposits included within the Company's updated mine plan.

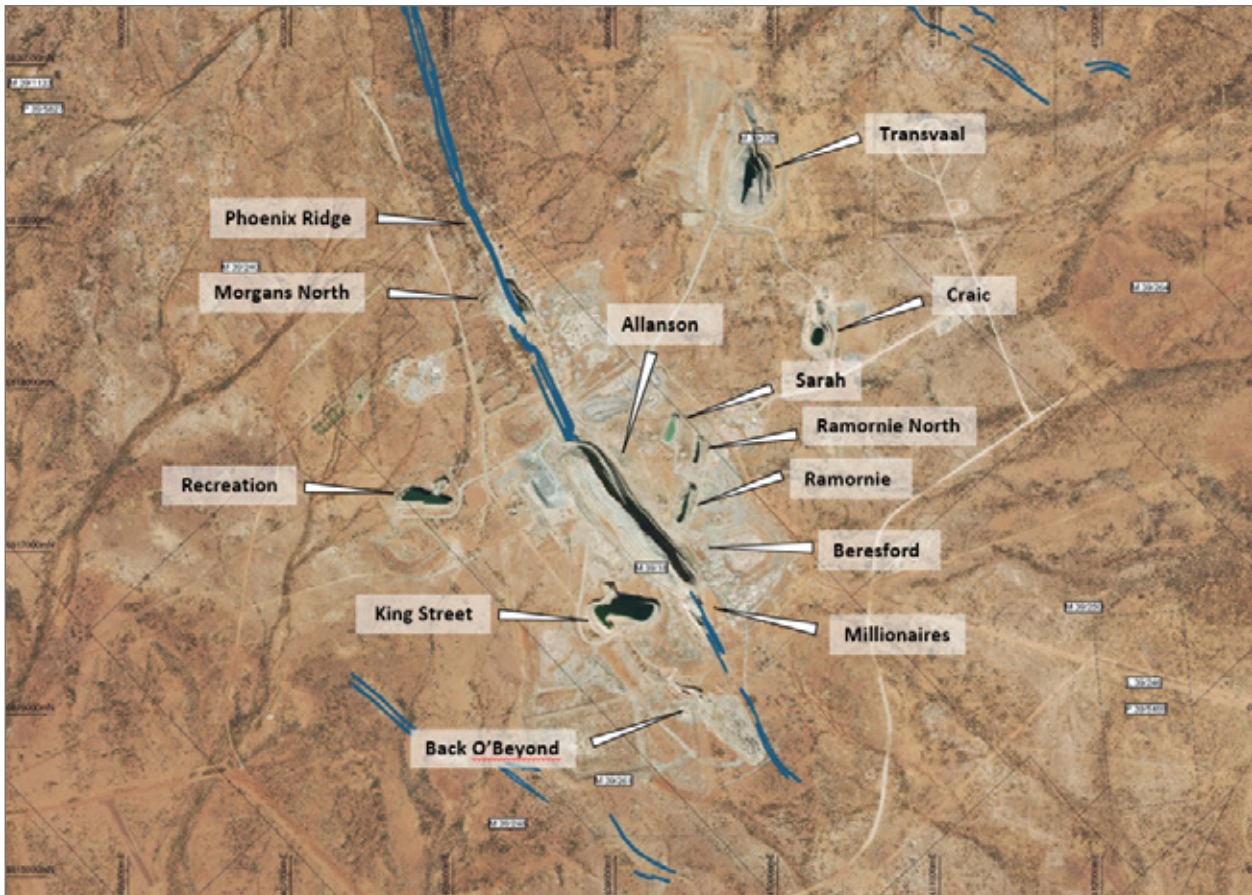


Figure 5: Greater Westralia Area

EXPLORATION AND GROWTH

Mt Marven Extension

Successful extensional and resource definition drilling programs were completed along the southern strike of the Mt Marven open pit during FY2021, resulting in a Mineral Resource upgrade to 1.86Mt at 1.26g/t for 75,600 ounces of gold after depletion (see ASX announcement 31 August 2021). Additional drilling programs are planned during FY22 to also test the northern strike extent at Mt Marven.

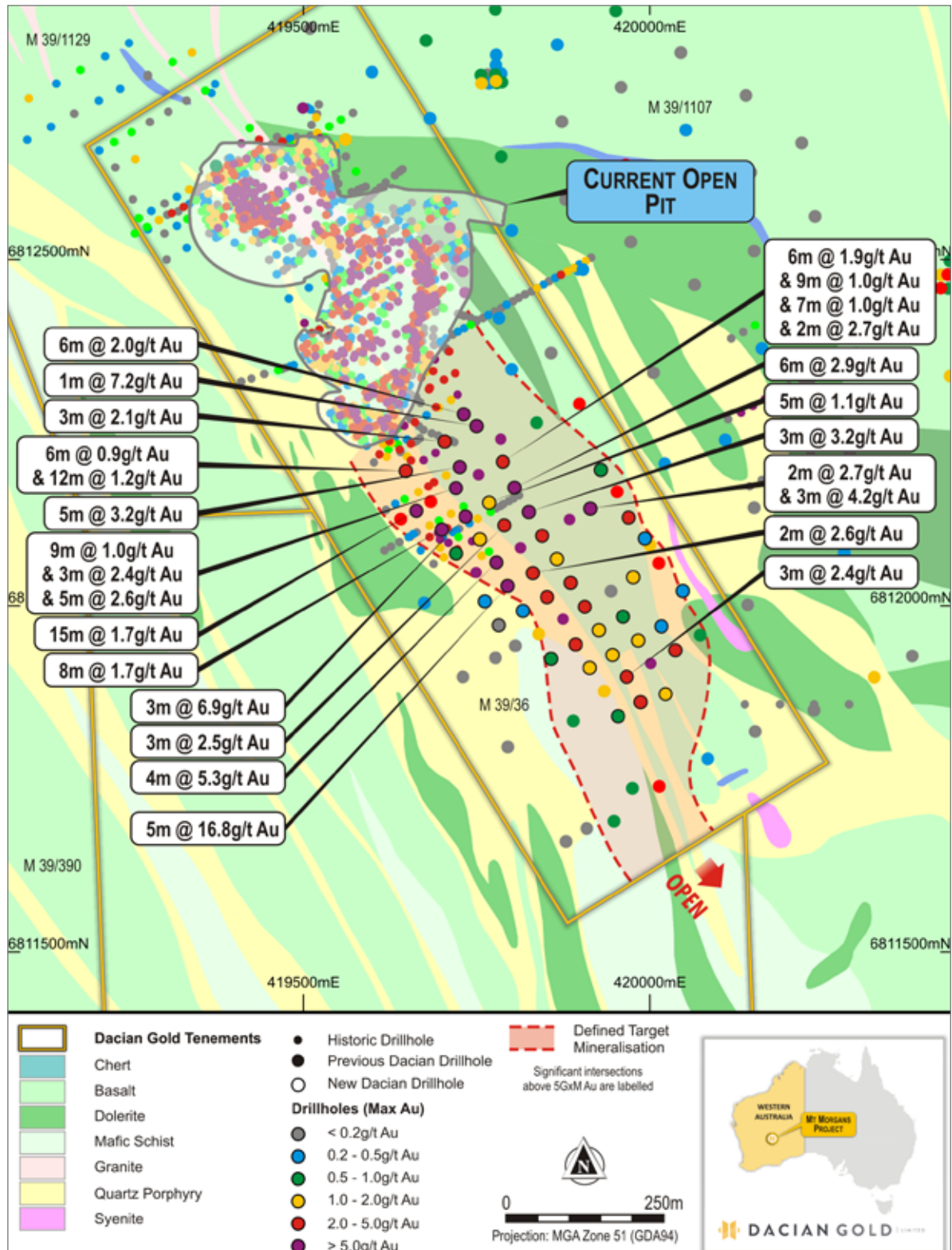


Figure 6: Mt Marven area showing the infill RC holes along strike to the south of the open pit

EXPLORATION AND GROWTH

Redcliffe Mine Development

The Redcliffe Project was targeted for Mineral Resource development opportunities during FY2021, with drilling programs designed to improve geological confidence and advance deposits through to mining studies with the Hub, GTS and Nambi deposits subsequently included in the updated mine plan. Infill drilling at Hub during the financial year returned exceptional grades and continuity.

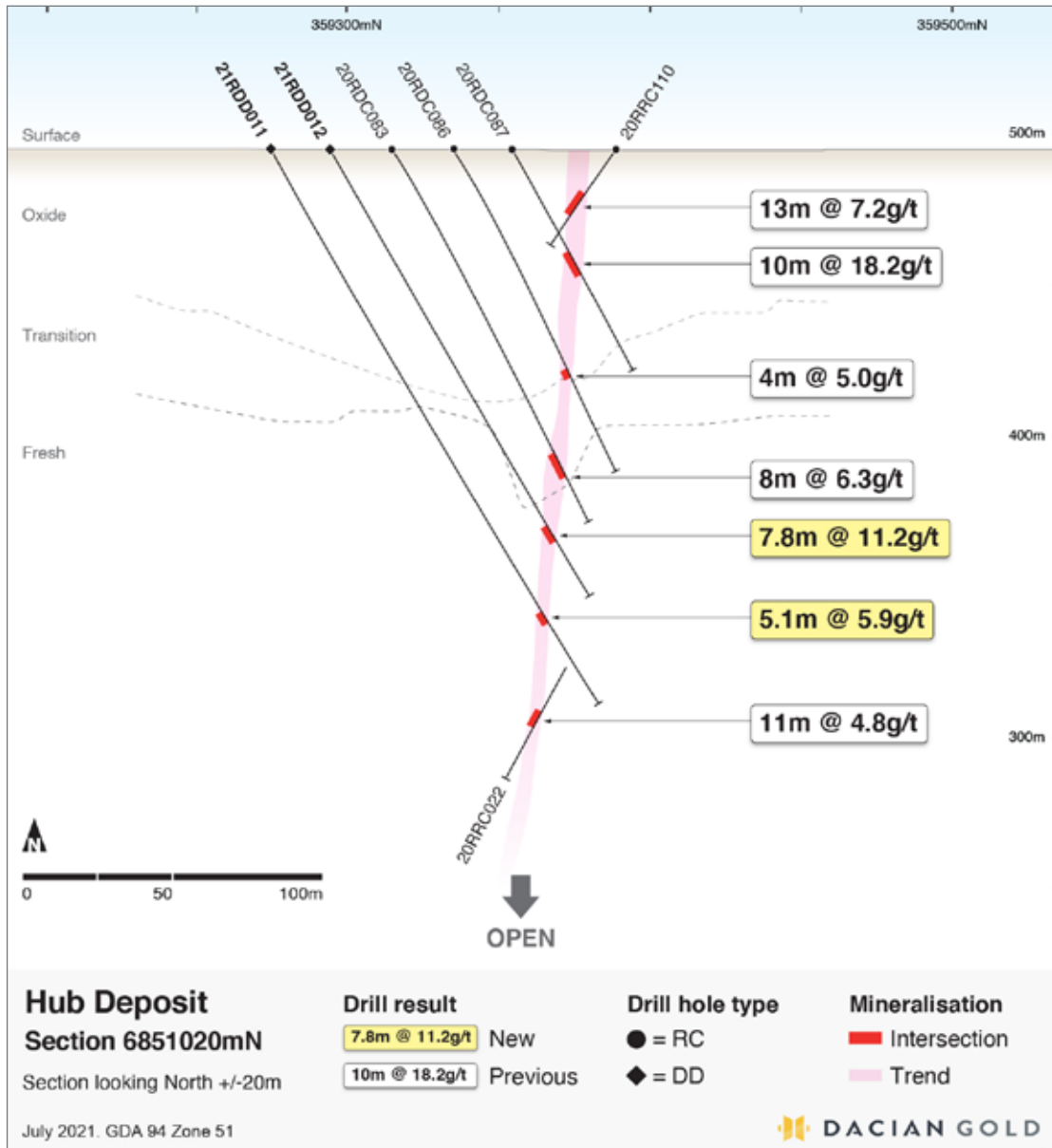


Figure 7: Cross Section of Hub Deposit facing North at 6851020mN

EXPLORATION AND GROWTH

Resource definition, geotechnical, hydrological and sterilisation drilling programs are planned during FY2022 to advance open pit development of the Hub, GTS and Nambi deposits and assess the potential for underground extraction at Hub and Nambi. These advanced stage projects have strong potential to develop into underground mines with continued systematic drilling, resource growth and further mining studies.

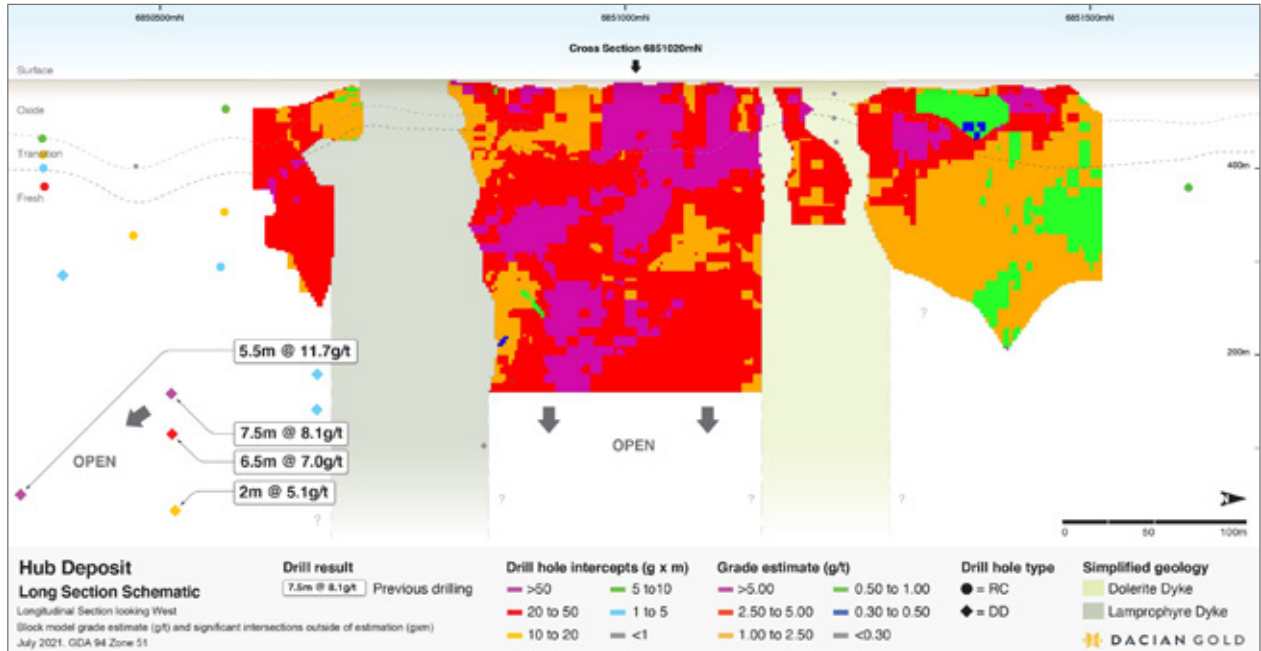


Figure 8: Long Section of the Hub Deposits Mineral Resource Block Model coloured by grade (g/t)

Future resource definition drilling programs at Bindy and Kelly will be aimed at improving definition of the existing Mineral Resource and potential expansion of the deposits.



EXPLORATION AND GROWTH

Cameron Well

Targeting and generative studies over the Cameron Well Area continued, and included geochronological age dating, geophysical data reprocessing, and structural and geomechanical modelling. Data interrogated and interpretation resulted in a refined suite of targets in the Cameron Well area, planned to be drill tested during FY2022.

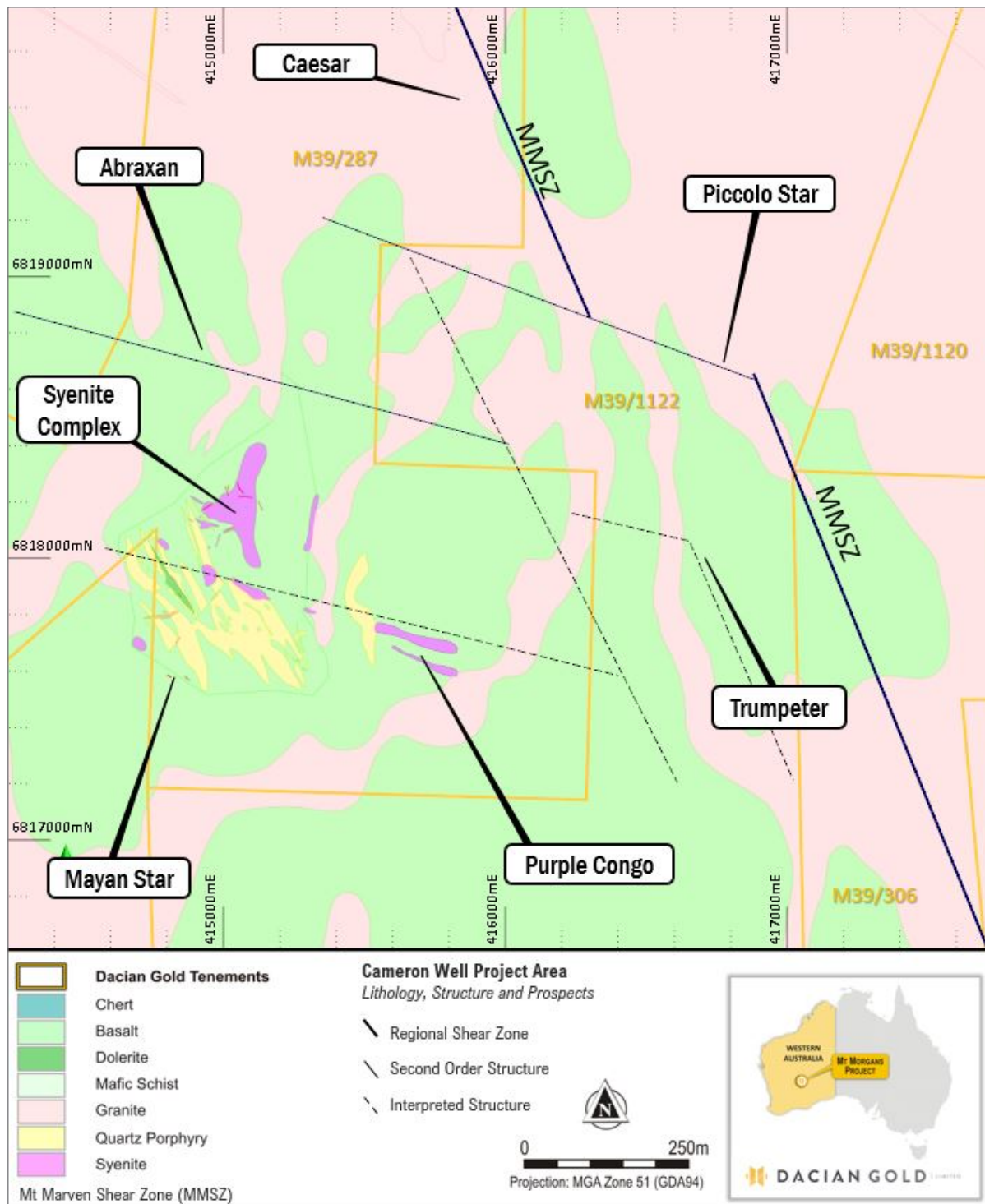


Figure 9: Cameron Well Project Area

EXPLORATION AND GROWTH

Brownfield Exploration Leveraging Updated Geophysical Surveys

The Company has applied a Mineral Systems approach to base load production targeting, underpinned by updated higher resolution aeromagnetic surveys conducted during the year as well as geomechanical modelling, UltraFine soil surveys and geochronological age dating. Drilling of highly ranked and previously untested base load targets are set to commence during FY2022.

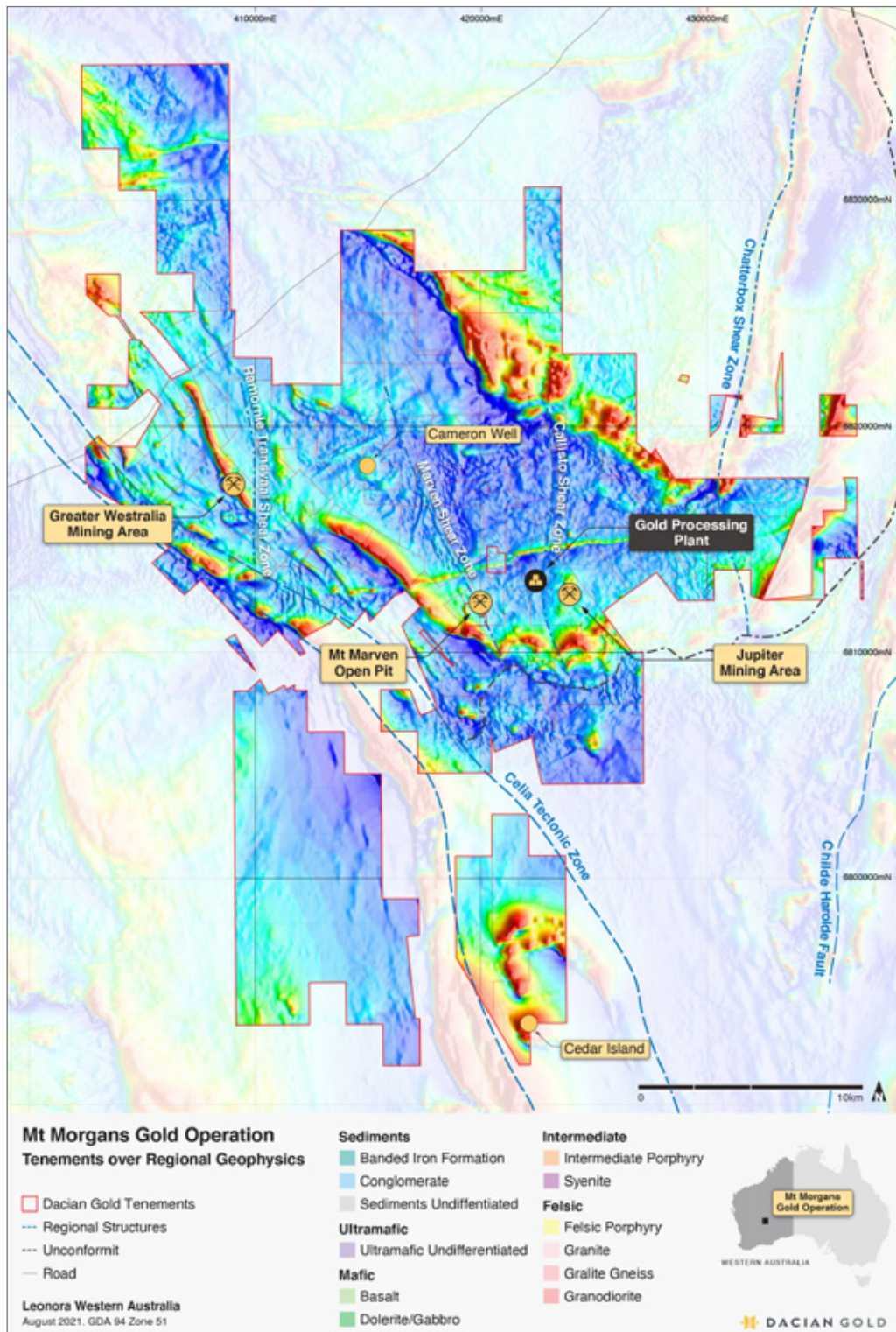


Figure 10: Geophysics of regional targets

EXPLORATION AND GROWTH

Resource Conversion and Brownfield Exploration Key Pillars to Growth

The Company has planned an aggressive exploration program for FY2022 to further bolster and extend its mine plan through ongoing Mineral Resource estimate upgrades, extensional drilling programs and exploration campaigns across its large, underexplored tenement package.

Specifically, the Company is focussed on the following opportunities:

- **Extensional Programs:** Existing mine operations such as at Greater Westralia, Jupiter and Mt Marven, will be targeted for extensions
- **Mine Development:** Continue to progress the pipeline from development to production, with initial opportunities including:
 - Hub and Nambi underground deposits
 - Bindi, Mesa West, Redcliffe and Kelly open pit deposits
 - Ramornie, McKenzie Well and Maxwell Bore open pit deposits
- **Exploration:** Disciplined exploration across large tenement package with aircore, reverse circulation and diamond drilling programs planned:
 - Drill testing known Syenites at Cameron Well and Cedar Island following renewed Mineral Systems approach to these targets
 - Aircore coverage over large, regional shear zones across the Mt Morgans tenements that include the Transvaal-Ramornie, Marven, Calisto and Chatterbox shear zones, and coverage over the Southern Tenements where recent aeromagnetic data has been acquired



MINERAL RESOURCES AND ORE RESERVES

Mineral Resources and Ore Reserves

Dacian released its annual update of Mineral Resource and Ore Reserve estimates on the ASX on 31 August 2021. Shareholders should refer to that announcement for full details including JORC 2012 appendices.

Mineral Resources

The Company's total Mineral Resources estimate as at 30 June 2021 is shown in Table 5 below.

Table 5: Mineral Resources estimate as at 30 June 2021

MINING CENTRE	Deposit/Area	Deposit/Prospect	Cut-off grade (Au g/t)	Measured		Indicated		Inferred		Total Mineral Resource			Reporting date			
				Tonnes (kt)	Au g/t	Au Oz	Tonnes (kt)	Au g/t	Au Oz	Tonnes (kt)	Au g/t	Au Oz				
WESTRALIA MINE CORRIDOR	Beresford		2.0	160	4.72	24,000	1,940	4.02	251,000	3.01	144,000	3,590	3.63	419,000	11/5/21	
	Allanson		2.0	70	4.18	9,000	570	4.50	82,000	3.94	114,000	1,530	4.16	205,000	11/5/21	
	Morgans North - Phoenix Ridge		2.0							6.66	72,000	330	6.66	72,000	11/5/21	
	Transvaal		2.0				650	3.76	79,000	3.54	126,000	1,760	3.62	205,000	30/6/21	
	Craic		2.0				30	8.27	9,000	5.93	13,000	100	6.67	22,000	30/6/21	
	Ramomie OP & UG		0.5 >290RL OR 2.0 & <290RL								2.53	59,000	730	2.53	59,000	30/6/21
GREATER WESTRALIA MINING AREA	McKenzie Well		0.5							1.10	34,000	950	1.10	34,000	16/2/21	
	SUBTOTAL			220	4.56	33,000	3,190	4.10	421,000	3.14	562,000	8,990	3.51	1,015,000		
	Heffernans*		0.5				1,610	1.16	60,000	-		1,610	1.16	60,000	30/6/21	
	Doublejay*		0.5	3,620	1.46	170,000	3,440	1.02	112,000	340	0.92	7,400	1.23	292,000	30/6/21	
	Ganymede*		0.5				2,450	0.95	75,000	250	0.99	8,000	0.95	83,000	30/6/21	
JUPITER MINING AREA	Mt Marven*		0.5				1,250	1.22	49,000	580	1.42	27,000	1.26	76,000	30/6/21	
	Jupiter UG**		2.0	10	2.45	1,000	110	2.42	8,000	910	2.69	79,000	1,030	2.66	88,000	30/6/21
	SUBTOTAL			3,630	1.46	171,000	8,850	1.07	304,000	2,090	1.84	14,600	1.28	599,000		
	Cameron Well		0.5				2,510	1.10	89,000	370	1.30	16,000	2,880	1.10	105,000	31/12/19
CAMERON WELL PROJECT AREA	Maxwells		0.5				170	0.90	5,000	500	0.79	12,000	660	0.79	17,000	30/6/21
	SUBTOTAL					2,680	1.09	94,000	870	0.99	28,000	3,550	1.04	119,000		
	Mine Stockpiles		0	110	1.03	4,000					110	1.03	4,000		30/6/21	
MINE STOCKPILES	LG Stockpiles		0	1,680	0.62	34,000					1,680	0.62	34,000		30/6/21	
	Jupiter LG Stockpiles (Dump Leach)		0	3,490	0.51	57,000					3,490	0.51	57,000		30/6/21	
	SUBTOTAL			5,280	0.56	95,000	9,130	1.01	298,000	8,530	2.60	713,000	5,280	0.56	95,000	
SOUTHERN ZONE OP & UG	TOTAL MMGO			9,130	1.01	298,000	14,720	1.73	819,000	8,530	2.60	32,410	1.75	1,827,000		
	GTS		0.5 & >300RL OR 2.0 & <300RL				840	2.00	54,000	1,220	1.20	2,060	1.53	101,000	30/6/21	
	Hub		0.5 & >300RL OR 2.0 & <300RL				530	4.7	80,000					140,000	30/6/21	
	Bindy		0.5 & >300RL OR 2.0 & <300RL							3,080	1.30	3,080	1.30	129,000	30/6/21	
	Kelly		0.5 & >300RL OR 2.0 & <300RL							2,350	0.89	2,350	0.89	67,000	30/6/21	
	SUBTOTAL						1,370	3.04	134,000	7,220	1.30	303,000	1.58	437,000		
CENTRAL ZONE OP & UG	Nambi		0.5 & >300RL OR 2.0 & <300RL				190	3.30	20,000	1,350	2.70	117,000	1,530	2.77	137,000	30/6/21
	Redcliffe		0.5 & >300RL OR 2.0 & <300RL							930	1.19	35,000	930	1.19	35,000	30/6/21
	Mesc / Westlode		0.5 & >300RL OR 2.0 & <300RL							850	1.04	28,000	850	1.04	28,000	30/6/21
	SUBTOTAL						190	3.30	20,000	3,130	1.80	181,000	3,320	1.88	201,000	
TOTAL REDCLIFFE						1,560	3.07	154,000	10,350	1.45	484,000	11,910	1.67	638,000		
TOTAL						9,130	1.01	298,000	16,280	1.86	1,197,000	44,320	1.73	2,465,000		

* reported with a \$2,400 RPEEE pit shell ** reported below a \$2,400 RPEEE pit shell

MINERAL RESOURCES AND ORE RESERVES

Key changes in the updated Mineral Resource estimate compared to the December 2019 Mineral Resource is detailed below:

- Updated geological interpretation, estimation parameters, classification, and reporting constraints have been applied to all updated Mineral Resources with the exception of Cameron Well
- Total Mineral Resources increased from 2.1Moz to 2.5Moz
- Total Measured and Indicated (M&I) Mineral Resources reduced from 1.5Moz to 1.3Moz
- Total Inferred Mineral Resources increased from 0.6Moz to 1.2Moz
- Mining depletion of 304Koz

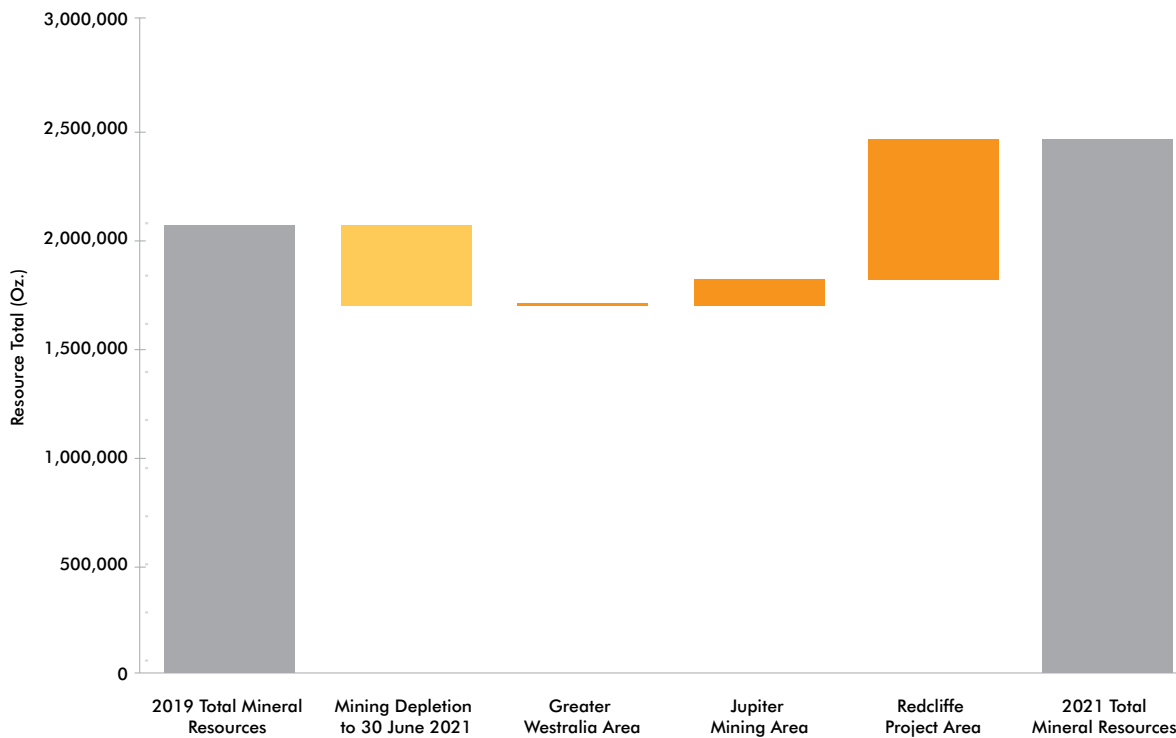


Figure 11: Waterfall chart of variances in Mineral Resources from 31 December 2019 to 30 June 2021

MINERAL RESOURCES AND ORE RESERVES

Ore Reserves

The Company's total Ore Reserve estimate as at 30 June 2021, after mining depletion is shown in Table 6 below.

Table 6: Total Ore Reserve estimate as at 30 June 2021

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
Jupiter OP	0.5	2,710,000	1.4	124,000	2,848,000	1.0	92,000	5,558,000	1.2	216,000
Westralia UG	*0.4/2.4	40,000	5.8	7,000	453,000	4.6	66,000	492,000	4.7	74,000
Mine Stockpiles	0.5	107,000	1.0	4,000	-	-	-	107,000	1.0	4,000
LG Stockpiles	0.5	5,173,000	0.5	91,000	-	-	-	5,173,000	0.5	91,000
TOTAL ORE RESERVE		8,030,000	0.9	226,000	3,301,000	1.5	158,000	11,330,000	1.1	385,000

*Development and stoping grades respectively. Rounding errors will occur

Key changes in the updated Ore Reserve estimate compared to the January 2020 Ore Reserve is detailed below:

- Mining depletion from January 2020 to June 2021 totals 208,000oz
- Reduction in Ore Reserves for the Westralia underground totalling 91,000oz
- Removal of Transvaal underground from the Ore Reserve estimate totals 65,000oz

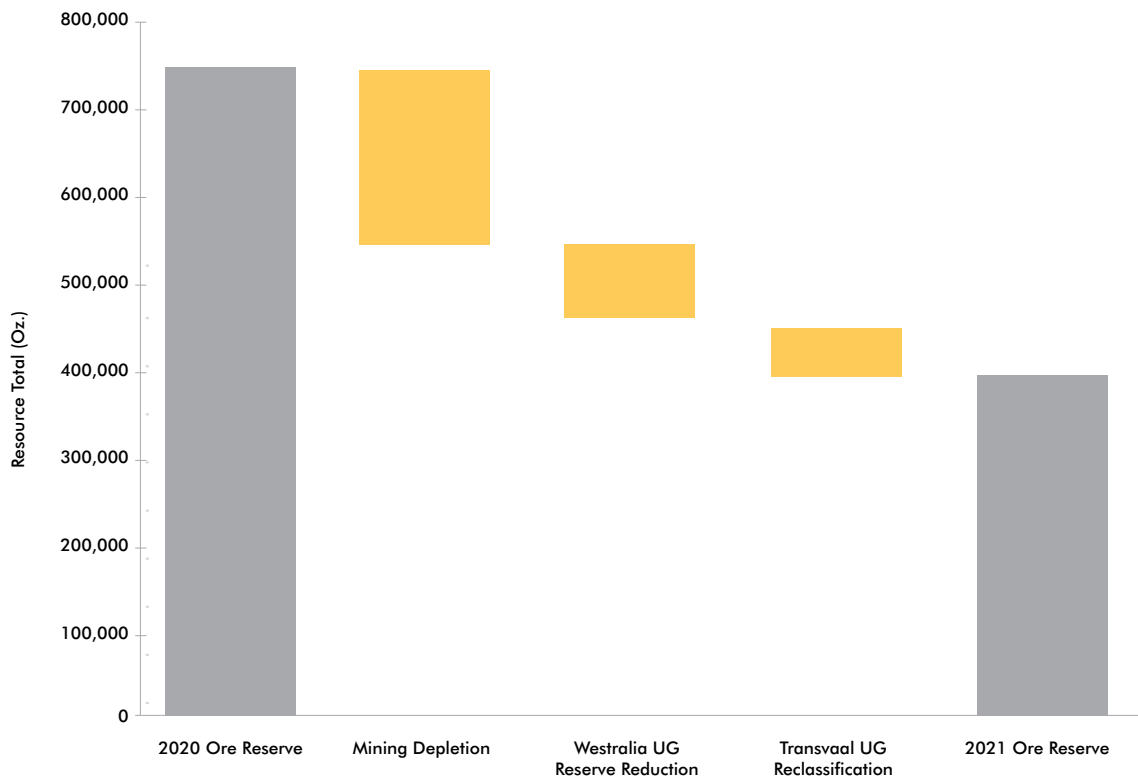


Figure 12: Key variances between 1 January 2020 and 30 June 2021 Ore Reserve estimate

MINERAL RESOURCES AND ORE RESERVES

Governance

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

Dacian 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, 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 geologists. Diamond core is oriented and photographed. Dacian employs field QC procedures, including addition of standards, blanks and duplicates ahead of assaying which is undertaken using industry standards including fire assay at accredited laboratories.

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 in-house geologists and reported in accordance with 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.

Competent person statement

Mineral Resources

The information in this report that relates to Mineral Resources is based on information compiled by Mr Alex Wishaw, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy. Mr Wishaw is a full-time employee of Dacian Gold Ltd. Mr Wishaw has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012). Mr Wishaw 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 including Cameron Well dated 27 February 2020 and Hub dated 21 July 2021), 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 the Mineral Resources and Ore Reserves were prepared and disclosed under the JORC Code 2012.

MINERAL RESOURCES AND ORE RESERVES

Ore Reserves

The information in this report that relates to the Jupiter open pit Ore Reserve is based on information compiled or reviewed by Mr Ross Cheyne. Mr Cheyne has 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 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. Mr Cheyne is a Fellow of the Australasian Institute of Mining and Metallurgy and an employee of Orelogy Consulting Pty Ltd. He consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to the Westralia underground Ore Reserve is based on information compiled or reviewed by Mr Andrew Cooper. Mr Cooper has 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 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. Mr Cooper is a Member of the Australasian Institute of Mining and Metallurgy and an employee of Orelogy Consulting Pty Ltd. He consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.





DACIAN GOLD LIMITED

ABN 61 154 262 978

Annual Financial Statements
for the
Year Ended 30 June 2021

ANNUAL FINANCIAL STATEMENTS



DACIAN GOLD LIMITED

ABN 61 154 262 978

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

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CORPORATE DIRECTORY

Directors

Robert Reynolds (Non-Executive Chairman)
Leigh Junk (Managing Director & CEO)
Eduard Eshuys (Non-Executive Director)

Company Secretary

Kevin Hart

Registered Office and Principal Place of Business

Level 2, 1 Preston Street
Como WA 6152
Telephone: 08 6323 9000
Web site: www.daciangold.com.au
Email: info@daciangold.com.au

Auditor

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Share Registry

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

Stock Exchange Listing

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

ASX Code

DCN – Ordinary shares

Company Information

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

The Company is domiciled in Australia.

Corporate Governance

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



DIRECTORS' REPORT

The Directors present the financial statements of Dacian Gold Limited ("the Company") and its controlled subsidiaries ("the Group") for the year ended 30 June 2021. In order to comply with the provisions of the Corporations Act 2001, the Directors' Report is as follows:

Directors

The Directors of the Company in office since 1 July 2020 and up to the date of this report are:

Robert Reynolds MAusIMM

(Non-Executive Chairman – previously a Non-Executive Director until his appointment as Chairman on 10 May 2021)

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

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

Mr Reynolds was a long-term Director of Delta Gold Limited and was a Director of Extorre Gold Mines Limited when it was acquired by Yamana Gold for CAD\$414 million on 22 August 2012. Mr Reynolds was also previously a Director of Canadian company Exeter Resource Corporation when it was acquired by Goldcorp Inc. on 2 August 2017 for CAD\$184 million. Mr Reynolds currently holds a Directorship with Canadian company Rugby Mining Limited.

Other than as stated above, Mr Reynolds has not served as a Director of any other listed companies in the three years immediately before the end of the 2021 financial year.

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

(Managing Director & CEO)

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

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

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

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

Other than as stated above, Mr Junk has not served as a Director of any other listed companies in the three years immediately before the end of the 2021 financial year.

Eduard Eshuys

(Non-Executive Director – appointed 16 March 2021)

Mr Eshuys is a geologist with several decades of exploration experience in Western Australia. His successes as Director of Resources for the Great Central Mines Group are well known. In the late 1980s and 1990s he led the teams that discovered the Plutonic, Bronzewing and Jundee gold deposits, and the Cawse Laterite Nickel Deposit. He led the subsequent development and gold production at Bronzewing and Jundee and nickel at Cawse. He has also led the discovery of nickel sulphides at Maggie Hays south of Southern Cross and Mariners nickel at Widgiemooltha WA in the 1970s. Mr Eshuys was Managing Director and CEO of St Barbara Mines Limited, from July 2004 to March 2009. He developed St Barbara into a substantial gold producer with the redevelopment of the Sons of Gwalia underground mine which subsequently produced in excess of 2 million ounces. On 15 July 2010, Mr Eshuys joined DGO Gold Limited as Executive Chairman with responsibility for corporate governance, discovery and investments focused on gold and copper, administration, board conduct and leadership.

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



DIRECTORS' REPORT

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

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

Other than as stated above, Mr Eshuys has not served as a Director of any other listed companies in the three years immediately before the end of the 2021 financial year.

Ian Cochrane BCom LLB

(Non-Executive Chairman – resigned 10 May 2021)

Mr Cochrane was 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 was the Chairman of diversified ASX-listed mining services group Perenti Global Limited (ASX: PRN) until his retirement on 8 May 2021.

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

Barry Patterson ASMM, MAusIMM, FAICD

(Non-Executive Director – resigned 30 November 2020)

Mr Patterson was a mining engineer with over 50 years of experience in the mining industry and was 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 Director of Sonic Healthcare Limited for 8 years and Chairman 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 his retirement from the Board.

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 35 years' experience in accounting and the management and administration of public listed entities in the mining and exploration industry.

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

ANNUAL FINANCIAL STATEMENTS



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 2021, and the number of meetings attended by each Director were:

Director	Board Meetings		Remuneration & Nomination Committee		Audit Committee	
	A	B	A	B	A	B
Robert Reynolds	15	14	1	1	2	2
Leigh Junk	15	15	-	-	-	-
Eduard Eshuys ⁽ⁱ⁾	5	5	-	-	-	-
Ian Cochrane ⁽ⁱⁱ⁾	13	13	1	1	2	2
Barry Patterson ⁽ⁱⁱⁱ⁾	7	3	1	-	2	-

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

B = the number of meetings the Director attended

⁽ⁱ⁾ Mr Eshuys was appointed Non-Executive Director with effect from 16 March 2021

⁽ⁱⁱ⁾ Mr Cochrane resigned with effect from 10 May 2021

⁽ⁱⁱⁱ⁾ Mr Patterson resigned with effect from 30 November 2020

Directors' interests

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

Director	Number of fully paid ordinary shares	Number of options vested and exercisable	Number of rights over ordinary shares
Robert Reynolds	3,063,888	-	-
Leigh Junk	2,066,219	-	8,333,334
Eduard Eshuys ⁽ⁱ⁾	-	-	-

⁽ⁱ⁾ Mr Eshuys is Executive Chairman of public company DGO Gold Limited, which holds 64,058,548 shares and 22,222,222 options expiring 31 March 2022, exercisable into shares in the Company at \$0.27 per option

Securities

Options

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

Number of options	Exercise price	Expiry date
22,222,222	\$0.27	31 March 2022

During or since the end of the financial year, the Company has not issued any ordinary shares as a result of the exercise of options. 1,250,000 options expired during the year.



DIRECTORS' REPORT

Performance Rights

On 2 November 2020 the Company issued 5,325,482 performance rights to two groups of employees. These performance rights are subject to performance conditions. One group of employees received a total of 2,457,612 performance rights with a performance date of 30 June 2022 and the second group of employees received 2,867,870 performance rights with a performance date of 30 June 2023.

Shares issued on exercise of performance rights during the year are detailed in the following table:

Date performance rights granted	Performance rights value	Number of shares issued ⁽ⁱ⁾
20 April 2018	\$152,648	51,921

⁽ⁱ⁾ At 30 June 2021 there were no rights that had vested during the year and were unissued at year end.

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

	Number of Rights
Rights outstanding at 30 June 2020	9,548,346
Rights issued during the year	5,325,482
Rights vested during the year	(51,921)
Rights forfeited during the year	(2,239,322)
Rights outstanding at 30 June 2021 and at the date of this report	12,582,585

Dividends

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

Nature of Operations and Principal Activities

Dacian Gold Limited is an Australian gold producer with its corporate office in Perth, Western Australia. The Company operates the Mt Morgans Gold Operation ("MMGO") near Laverton, Western Australia. The operation comprises a 2.5Mtpa CIL treatment plant, the Jupiter open pits and Westralia underground mining areas.

The principal activities of the Group during the period were gold mining, processing and exploration at its 100% owned MMGO. During the year, Dacian merged with ASX listed NTM Gold Limited to expand the Company's area of operations in the Leonora-Laverton region. This transaction introduced the Redcliffe Gold Project to the Company's development pipeline of projects to be incorporated into the updated life of mine plan.

ANNUAL FINANCIAL STATEMENTS



DIRECTORS' REPORT

Operating and Financial Review

Consolidated net loss after tax for the year was \$7.5 million (30 June 2020: Net loss \$116.5 million).

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

Key Financial Data	2021 \$'000	2020 \$'000	Change \$'000	Change %
<i>Financial Performance</i>				
Sales revenue	241,623	270,047	(28,424)	(11)
Costs of sales (excluding D&A) ⁽ⁱ⁾	(153,006)	(210,785)	57,779	27
Exploration costs expensed and written off	(19,381)	(9,148)	(10,233)	(112)
Corporate, admin and other costs	(10,387)	(11,346)	959	8
Adjusted EBITDA ⁽ⁱ⁾	58,849	38,768	20,081	52
Impairment losses on assets	-	(68,537)	68,537	100
Losses on derivative instruments	(45)	(6,808)	6,763	99
Depreciation & amortisation (D&A)	(64,373)	(54,646)	(9,727)	(18)
Net interest expense	(1,932)	(4,864)	2,932	60
Loss before tax	(7,501)	(96,087)	88,586	92
Income tax (expense)	-	(20,377)	20,377	100
Reported (loss) after tax	(7,501)	(116,464)	108,963	94
<i>Financial Position</i>				
Cash flow from operating activities	55,479	22,959	32,520	142
Cash flow from investing activities	(46,669)	(46,033)	(636)	(1)
Cash and cash equivalents	35,942	51,976	(16,034)	(31)
Net assets	277,037	162,642	114,395	70
Basic earnings per share (cents per share)	(1.2)	(40.6)	39.4	97
Diluted earnings per share (cents per share)	(1.2)	(40.6)	39.4	97

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

ANNUAL FINANCIAL STATEMENTS



DIRECTORS' REPORT

Operating and Financial Review (continued)

Mt Morgans Gold Operation (MMGO)

The MMGO achieved full year production of 106,919 ounces of gold at an All-In Sustaining Cost ("AISC") of \$1,556 per ounce (30 June 2020: 138,814 ounces of gold produced at an MMGO AISC of \$1,619 per ounce). The processing plant milled 2.95 million tonnes for the year at a head grade of 1.2 g/t Au and recovery of 91.5% (30 June 2020: 2.96 million tonnes for the year at a head grade of 1.6 g/t Au and recovery of 92.7%).

Gold sales revenue of \$241.1 million (30 June 2020: \$269.5 million) was generated from the sale of 108,270 ounces of gold at an average price of \$2,226 per ounce (30 June 2020: 140,946 ounces at an average price of \$1,912 per ounce). Total cost of goods sold inclusive of amortisation and depreciation was \$216.9 million (30 June 2020: \$265.0 million).

The dominant source of ore feed to the processing plant during the year was from the Heffernans pit at Jupiter and the Mt Marven pit. Pre-commercial stripping development at Doublejay pit continued throughout the year. An opportunity was taken to undertake a cutback on the historic Jenny pit in the Doublejay mine area to secure early access to the ore body. This cut back designated "DBJ15" produced ore in the final quarter of the financial year and associated costs charged to operating expense rather than to pre-production capital. "DBJ15" will continue to produce ore during the early months in financial year 2022, to be complemented by the recommencement of underground ore sources. A second Doublejay cutback, designated "DBJ7" will transition into commercial production in the second half of the financial year producing the main ore source for the processing plant. Preparations for mining of the final "DBJ14" stage commenced late in the financial year and is expected to commence commercial production in financial year 2023.

Underground production at Westralia was suspended in the first quarter, with some remnant mining completed in the year, in total contributing 62,753 tonnes at 4.6 g/t for 9,182 contained ounces of gold. Drilling and technical studies were advanced to optimise Westralia underground resources along with the Greater Westralia Mining Area with plans progressed towards recommencing underground mining in the first half of financial year 2022.

The following table summarises the production results for the year ended 30 June 2021.

	UOM	2021	2020	Change	Change %
<i>Open Pit Operations</i>					
Ore Mined	Kt	3,855	2,060	1,795	87
Mined Ore Grade	g/t	1.0	1.1	(0.1)	(9)
Contained Gold	oz	125,159	71,937	53,222	74
Waste Mined	Kbcm	8,757	6,708	2,049	31
<i>Underground Operations</i>					
Stope Ore Mined	Kt	63	499	(436)	(87)
Development Ore Mined	Kt	-	258	(258)	(100)
Mined Ore Grade	g/t	4.6	2.8	1.8	64
Contained Gold	oz	9,182	68,758	(59,576)	(87)
<i>Processing</i>					
Ore Milled	Kt	2,947	2,964	(17)	(1)
Head Grade	g/t	1.2	1.6	(0.4)	(25)
Recovery ⁽ⁱ⁾	%	91.5%	92.7%	(1.2)	(1)
Gold recovered	oz	106,919	138,814	(31,895)	(23)
Gold Sold	oz	108,270	140,946	(32,676)	(23)
Realised average gold price	A\$/oz	2,226	1,912	314	16
Gold on Hand	oz	2,507	2,980	(473)	(16)
MMGO AISC ⁽ⁱⁱ⁾	A\$/oz	1,556	1,619	(63)	(4)



DIRECTORS' REPORT

Operating and Financial Review (continued)

Mt Morgans Gold Operation (MMGO) (continued)

COVID-19 Response

The COVID-19 pandemic has presented a number of challenges to the industry and the Company has been proactive in its response by implementing a range of protective and preventative measures. MMGO, through its COVID-19 management plan is continuing to operate unimpeded by the pandemic, however, a number of changes have been made at the operations such that persons employed at the site have reduced exposure to potential sources of COVID-19, are able to abide by social distancing requirements and improved hygiene standards. During lockdowns experienced during the year, site personnel have been required to extend rosters to remain at site until flights recommenced to facilitate normal workforce roster rotation.

The Company has established contingency plans and in a worst-case event, requiring a scaling-back of the operation, Dacian has multiple strategies that it can initiate including the processing of stockpile material totalling 5.2Mt @ 0.5g/t for 91,000 ounces (over 20 months of processing material) which would provide a level of insulation for the business.

Exploration

During the year, the Group's exploration program was focussed on Mineral Resource replenishment and growth opportunities. Three priorities were established as follows:

- Mineral Resource replenishment focussed on potential targets around existing open pits with a focus on advancing near term production targets;
- Greater Westralia mining area exploration and technical studies to provide potential additional ore source from both existing underground and open pit methods; and
- Greenfields exploration programs to identify potential large base load opportunities to extend mine life.

With the first two objectives above substantially complete, the Exploration team's focus during financial year 2022, has been directed towards identifying longer term, base load opportunities to further extend MMGO mine life.

In addition, the completion of the merger with NTM Gold Limited during the year expanded the exploration portfolio as well as the pipeline of development projects for potential inclusion into the Group's mine plan as technical work streams are advanced.

Financial Position

The Group held cash on hand as at 30 June 2021 of \$35.9 million (30 June 2020: \$52.0 million). As at 30 June 2021, the Group has a working capital surplus of \$13.0 million (30 June 2020: \$18.3 million surplus).

At 30 June 2021, the Group's net asset position increased to \$277.0 million (30 June 2020: \$162.6 million), reflecting the acquisition in March 2021 of the Redcliffe Gold Project.

During the year the operation delivered 57,265 ounces of gold production into project finance related hedging realising a hedge decrement of \$29.4 million. This significantly reduced the out of the money hedge position from \$44.4 million at 30 June 2020 down to \$2.7 million at 30 June 2021, but weighed on the full year operating result. At 30 June 2021, committed remaining hedging totalled 27,324 ounces at a weighted average delivery price of A\$2,238 per ounce on hedge contracts for delivery over the period to 31 December 2021 (30 June 2020: 84,589 ounces at a weighted average delivery price of A\$2,055 per ounce).

In addition, the Group made \$47.9 million in Project Debt Facility repayments during the year reducing these borrowings at 30 June 2021 to \$16.2 million (30 June 2020: \$64.1 million).



DIRECTORS' REPORT

Operating and Financial Review (continued)

Corporate

On 5 March 2021, the Supreme Court of Western Australia approved the proposed acquisition by Dacian of NTM Gold Limited (NTM now named Redcliffe Project Pty Ltd). NTM Non-Executive Director Mr Eduard Eshuys was welcomed to the Dacian Board, and the Redcliffe Gold Project has been integrated into Dacian's operations. The Redcliffe Gold Project expands the Group's compelling pipeline of exploration and development projects offering the potential to extend the Group's mine life, diversify production sources and bolster future annual production.

On 26 May 2021, the Company announced a \$40M two-tranche placement and \$3.7M share purchase plan with the proceeds from the placement to be used to:

- Accelerate a significant drill program across Mt Morgans and Redcliffe, predominantly targeting new, base load opportunities
- Advance the high-grade Redcliffe deposits into production
- Re-starting underground production from the Greater Westralia Mining Area
- Fund general working capital

The second tranche was approved by shareholders at an extraordinary general meeting on 9 July 2021 with proceeds from the second tranche now received.

Significant Changes in the State of Affairs

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

Events Subsequent to the Reporting Date

Subsequent to year end, in July 2021 the Company completed and received funds from the \$3.7 million Share Purchase Plan and the second tranche of the share placement \$12.2M (before costs). In August 2021, the Company released its 2021 Mineral Resources and Reserve update and Five year mine plan.

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

Likely Developments and Expected Results

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

Environmental Regulation and Performance

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

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

Officer's Indemnities and Insurance

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

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

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



DIRECTORS' REPORT

Proceedings on behalf of the Company

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

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

Non-audit services

During the year BDO (WA) Pty Ltd, the Group auditor, provided no non-audit services. Where non-audit services are sought from the Group auditor the directors seek assurance that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. During the prior year ended 30 June 2020 previous auditor (KPMG) provided non-audit services relating to Investigating Accountant services for the capital raising in May 2020.

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

Rounding off

The Company is of a kind referred to in ASIC Instrument 2016/191 dated 24 March 2016 and in accordance with that instrument, amounts in the Financial Statements and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise stated.



DIRECTORS' REPORT

Remuneration Report (Audited)

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

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

Key Management Personnel

Details of the Key Management Personnel ("KMP") of the Company and their movements during the year ended 30 June 2021 are set out below:

Mr Robert Reynolds	Non-Executive Director – appointed Non-Executive Chairman 10 May 2021
Mr Leigh Junk	Managing Director & CEO
Mr Eduard Eshuys	Non-Executive Director – appointed 16 March 2021
Mr James Howard ⁽ⁱ⁾	Chief Operating Officer
Mr Derek Humphry	Chief Financial Officer – appointed 12 October 2020
Mr Ian Cochrane ⁽ⁱⁱ⁾	Non-Executive Chairman – resigned 10 May 2021
Mr Barry Patterson	Non-Executive Director – resigned 30 November 2020
Mr Grant Dyker	Chief Financial Officer – resigned 15 July 2020

⁽ⁱ⁾ James Howard was appointed Chief Operating Officer from 1 March 2020 coinciding with his appointment as KMP. Mr Howard previously held the role of Project Manager

⁽ⁱⁱ⁾ Ian Cochrane was a Non-Executive Director until his appointment as Chairman on 6 January 2020, and resigned 10 May 2021

Remuneration and Nomination Committee

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

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

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

Non-Executive Remuneration

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

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

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; and
3. Non-Executive superannuation contributions are limited to statutory superannuation entitlements.

Participation in equity-based remuneration schemes by Non-Executive Directors is subject to consideration and approval by the Company's shareholders.

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



DIRECTORS' REPORT

Remuneration Report Audited (Continued)

Executive Director and Other Key Management Personnel Remuneration

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

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

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

Use of Remuneration Consultants

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

Incentive Plans

The Board, acting in remuneration matters:

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

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

Engagement of Non-Executive Directors

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

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

In consideration of the services provided as Non-Executive Directors, the Company will pay the Director \$85,000 plus statutory superannuation per annum.

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

Additional fees will be paid to Non-Executive Board members who are appointed to the Chair role of a Board subcommittee.

Non-Executive Directors are also entitled to fees for other amounts as the Board determines where they perform special duties or otherwise perform extra services or make special exertions on behalf of the Company.

During the financial year ended 30 June 2021, the Company incurred no additional fees in respect of additional services provided by Non-Executive Directors.



DIRECTORS' REPORT

Remuneration Report Audited (continued)

Shareholding Qualifications

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

Engagement of Executive Directors

Mr Leigh Junk

The terms of Mr Leigh Junk's Executive Services Agreement governing his role as Managing Director and CEO are summarised below.

In respect of his engagement as Managing Director and CEO, Mr Junk will receive a salary of \$583,000 per annum plus 10% superannuation (Total Fixed Remuneration). Any increase in salary is subject to the discretion of the Board.

Mr Junk is eligible to participate in the Company's short-term incentive program, with the reward in the form of a cash bonus up to 40% of Base Salary. The reward of short-term incentives is associated with operational key performance indicators (KPIs) as determined by the Board. Accordingly, 100% of the short-term incentive is at risk.

Mr Junk may participate in the Company's long-term incentive program. To align Mr Junk's interest with the Company and Shareholders, Mr Junk was granted Performance Rights in the prior year, issued over three tranches. The performance period for the three tranches are Tranche 1: 2020-2023, Tranche 2: 2020-2024 and Tranche 3: 2020-2025. Shareholder approval was granted for the award of the Performance Rights at the Extraordinary General Meeting held on 16 June 2020. Performance Rights issued are subject to measurement against performance criteria. Accordingly, 100% of the long-term incentive is at risk.

Mr Junk's Executive Services Agreement included an issue of 191,856 shares contingent to his continuing employment 6 months after his commencement date, these shares were issued on 1 September 2020.

The Company or Mr Junk 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. Mr Junk may be required to serve out all or part of this notice period or be paid in lieu of notice at the Board's election.

Engagement of Executives

Mr James Howard

In respect of his engagement as Chief Operating Officer, Mr Howard will receive a salary of \$378,000 per annum plus 10% superannuation (Total Fixed Remuneration).

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

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

Mr Derek Humphry

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

In respect of his engagement as Chief Financial Officer, Mr Humphry will receive a salary of \$378,000 per annum plus 10% superannuation (Total Fixed Remuneration).

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

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

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DIRECTORS' REPORT

Remuneration Report Audited (continued)

Voting and comments made at the Company's 2020 Annual General Meeting ("AGM")

At the last Annual General Meeting 83.5% of the shareholders voted to adopt the remuneration report for the year ended 30 June 2020. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Consequences of Company Performance on Shareholder Wealth

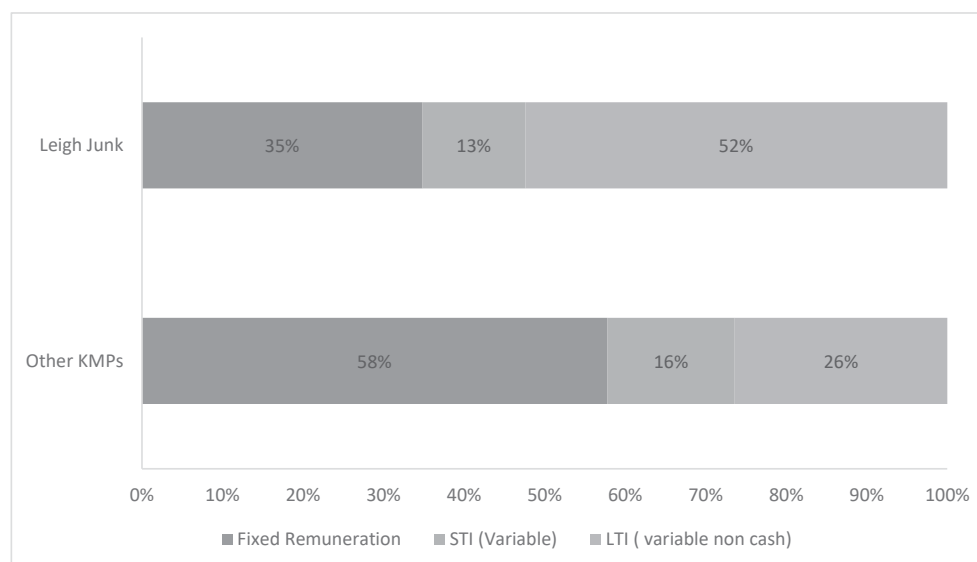
The Company aims to align executive remuneration to strategic and business objectives and the creation of shareholder wealth. The table below outlines indicators of Company performance over the last five years as required by the Corporations Act 2001.

	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
Revenue	241,623	270,047	132,821	-	-
Net profit/(loss) after tax	(7,501)	(116,464)	3,018	(5,402)	(18,858)
Net assets	277,037	162,642	184,875	132,866	134,313
Market Capitalisation	236,763	244,756	119,628	586,658	399,430
	2021 \$/share	2020 \$/share	2019 \$/share	2018 \$/share	2017 \$/share
Share Price	0.26	0.44	0.53	2.85	1.98

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

In accordance with the Company's objective to ensure that executive remuneration is competitive and performance focused, a portion of Executives' remuneration is placed "at risk". The relative proportion of target FY21 and actual FY21 total remuneration packages split between fixed and variable remuneration is shown below.

Target Remuneration Mix



The allocation of shares on commencement of employment which were awarded to Leigh Junk have been excluded from the remuneration analysis above.

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DIRECTORS' REPORT

Remuneration Report Audited (continued)

Short-Term Incentives

The Remuneration and Nomination Committee may, at its sole discretion, set the Key Performance Indicators ("KPIs") for the Executive Directors or other Executive Officers. The KPIs are chosen to align the reward of the individual Executives to the strategy and performance of the Company. The KPIs, which may be financial or non-financial, or a combination of both, are determined by the Board. No short-term incentives are payable to Executives where it is considered by the Board that the individual performance standard has fallen below the minimum requirement.

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

All Executive KMP are eligible to participate in the STI plan. Awards are capped at 100% of the target opportunity. The target opportunity for the Managing Director is 40% of base salary and 30% of base salary for other Executive KMP. A summary of the KPI targets which are assessed on an annual basis for FY21 and their respective weightings is as follows:

STI FY2021

KPI	Weighting	Measure
1. Safety & Environment	20%	Safety indicators targets are to reduce Total Recordable Injury Rate (TRIFR) below FY21 levels and no Environment regulatory non-compliance
2. Production	40%	Gold Production for the Performance Period is within (or exceeds) the Gold Production Target Range established in market guidance
3. Costs	40%	AISC for the Performance Period is within (or is less than) the AISC Target Range established in market guidance

Based on an assessment, STI payments for financial year 2021 to Executives were as follows:

Name	Position	Maximum STI opportunity	% of STI Achieved	Awarded STI
Leigh Junk	Managing Director & CEO	40% of Base Salary	50%	\$110,000
James Howard	Chief Operating Officer	30% of Base Salary	50%	\$52,500
Derek Humphry ⁽ⁱ⁾	Chief Financial Officer	30% of Base Salary	50%	\$35,000
Grant Dyker ⁽ⁱⁱ⁾	Chief Financial Officer	30% of Base Salary	N/A	Nil

(i) Mr Humphry was appointed 12 October 2020

(ii) Mr Dyker resigned 15 July 2020

Options over Unissued Shares

No remuneration related options were granted during the 2020 or 2021 financial years. 1,250,000 options lapsed during the 2021 financial year. The table below outlines movements in options during 2021 and the balance held by each KMP at 30 June 2021.

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

Name	Grant date	Number of options held at 1 July 2020	Fair value of options	Exercise price	Vesting date	Expiry date	Number vested & Exercisable	Number expired unexercised during the year	Balance at the end of the year
Ian Cochrane ⁽ⁱ⁾	26/02/2016	300,000	\$173,695	\$1.44	26/02/2016	28/02/2021	300,000	(300,000)	-
Total		300,000					300,000	(300,000)	-

(i) Mr Cochrane resigned 10 May 2021

All options were granted for nil consideration. Options lapse if the KMP ceases employment with the Company. 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.



DIRECTORS' REPORT

Remuneration Report Audited (continued)

Exercise of Options Granted as Compensation

During the year, no shares were issued on cashless exercise of options previously granted as compensation, pursuant to the cashless exercise provision of the Dacian Gold Limited Employee Option Plan.

Long-Term Incentives

Under the Dacian Gold Limited Employee Securities Incentive Plan, performance rights are offered to executives to align remuneration with the creation of shareholder wealth. Historically options were also issued to KMP under the same plan.

Performance Rights Granted under the Long-Term Incentive Scheme

Performance rights were issued to KMP during the 2021 financial years pursuant to the Dacian Gold Limited Employee Securities Incentive Plan.

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

During the year the Company issued 977,273 Performance Rights (2020: 8,428,962) to KMP in respect of the LTI component of their financial year 2021 remuneration.

Name	Maximum LTI Opportunity	Number of Performance Rights granted during FY21	Fair Value of Performance Rights
James Howard	50% of Base Salary	553,600	\$0.26
Derek Humphry	50% of Base Salary	423,673	\$0.26

During the year the Company issued 5,325,482 Performance Rights (FY20: 9,934,353) to employees (including 977,273 Performance Rights to KMP) in respect of the LTI component of their FY21 remuneration. During the year 51,921 performance rights vested (30,958 relating to KMP). The table below outlines the movements in performance rights during the 2021 financial year and the balance held by each Executive at 30 June 2021.

Name	Balance at 1 July 2020	Granted in FY21	Vested	Lapsed	Balance at 30 June 2021	Maximum value to expense
Leigh Junk	8,333,334	-	-	-	8,333,334	2,161,613
James Howard	111,107	553,600	(15,479)	(95,628)	553,600	108,007
Derek Humphry	-	423,673	-	-	423,673	82,659
Grant Dyker ⁽ⁱ⁾	111,107	-	(15,479)	(95,628)	-	-
Total	8,555,548	977,273	(30,958)	(191,256)	9,310,607	2,352,279

(i) Mr Dyker resigned effective 15 July 2020

(ii) The balance of performance rights at 30 June 2021 have not yet vested. The accounting expense is spread over life of the right. The maximum remaining value of the unvested deferred shares has been determined as the amount of the grant date fair value of the rights that is yet to be expensed. The minimum value of deferred shares yet to vest is nil, as the shares will be forfeited if the vesting conditions are not met.

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

ANNUAL FINANCIAL STATEMENTS



DIRECTORS' REPORT

Remuneration Report Audited (continued)

The tables below detail the terms and conditions of the grant and the assumptions used in estimating fair value for performance rights issued to KMP during the 2021 financial year.

Item		
Grant date	30 October 2020	30 October 2020
KMP	J Howard	D Humphry
Number of rights	553,600	423,673
Value of underlying security at grant date	\$0.355	\$0.355
Fair value	\$0.26	\$0.26
Dividend yield	0%	0%
Risk free rate	0.13%	0.13%
Volatility	60%	60%
Performance period (years)	3	3
Assessment date	30 June 2023	30 June 2023
Remaining performance period (years)	2	2

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

Tranche	Amount	Weighting	Performance Conditions
James Howard	369,067	67% of the Performance Rights	TSR performance to peers ⁽ⁱ⁾ above 50 th percentile (measured over a 3 year period 1 July 20 to 30 June 23)
	184,533	33% of the Performance Rights	Reserve Growth ⁽ⁱⁱ⁾ (measured over a 3 year period 1 July 20 to 30 June 23)
Derek Humphry	282,449	67% of the Performance Rights	TSR performance to peers ⁽ⁱ⁾ above 50 th percentile (measured over a 3 year period 1 July 20 to 30 June 23)
	141,224	33% of the Performance Rights	Reserve Growth ⁽ⁱⁱ⁾ (measured over a 3 year period 1 July 20 to 30 June 20)

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

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

TSR Vesting conditions

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

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

Reserve Growth (Ore Reserve change) is measured through comparison of the Annual JORC compliant Reserves & Resource Statement and assessed over the Performance Period applicable to each Tranche. Reserve growth can be derived from organic growth or through acquisition.

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

Shares Granted as Remuneration

During the financial year the Company issued Mr Junk 191,856 shares following employment of 6 months after commencement date, as disclosed and recorded in the 30 June 2020 financial report. The terms of the share issue and fair value were as follows, 191,856 shares (fair value of \$314,417 using a 5-day VWAP prior to the date of award), issued on 1 September 2020.

ANNUAL FINANCIAL STATEMENTS



DIRECTORS' REPORT

Remuneration Report Audited (continued)

Remuneration Disclosures

The details of the remuneration of each Director and member of KMP of the Company for the years ending 30 June 2021 and 2020 are as follows:

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

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

⁽ⁱⁱ⁾ Cash bonus paid is inclusive of superannuation. Short term bonus paid in July 2021 relating to the June 2021 financial year are included

⁽ⁱⁱⁱ⁾ Share based payment expense is non-cash and represents an estimate of potential value if vesting were to occur in future. The fair value of 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.

^(iv) Mr Reynolds was a Non-Executive Director until his appointment as Chairman on 10 May 2021

^(v) Mr Eshuys was appointed Non-Executive Director on 16 March 2021

^(vi) Mr Cochrane resigned 10 May 2021

^(vii) Mr Patterson resigned 30 November 2020

^(viii) Mr Humphry was appointed 12 October 2020

^(ix) Mr Dyker resigned 15 July 2020

2020	Short-term		Post employment	Termination benefits	Long-term	Share-based payment	Total	Performance Related
	Cash Salary	Cash Bonus	Super-annuation		Long Service Leave	Share rights ⁽ⁱⁱⁱ⁾		
	\$	\$	\$		\$	\$		
L Junk ⁽ⁱ⁾	295,492	-	25,790	-	246	1,060,277	1,381,805	76.7%
R Williams ⁽ⁱⁱ⁾	311,712	57,500	13,340	314,813	(63,973)	-	633,392	9.1%
I Cochrane	110,981	-	6,981	-	-	-	117,962	-
B Patterson	80,000	-	7,600	-	-	-	87,600	-
R Reynolds	80,000	-	7,600	-	-	-	87,600	-
G Dyker	377,894	201,250	18,523	-	8,749	84,466	690,882	41.4%
J Howard ⁽ⁱⁱⁱ⁾	134,949	-	3,124	-	4,049	29,052	171,174	17.0%
Total	1,391,028	258,750	82,958	314,813	(50,929)	1,173,795	3,170,415	45.2%

⁽ⁱ⁾ Mr Junk was appointed Managing Director and CEO on 6 January 2020

⁽ⁱⁱ⁾ Mr Williams was the CEO and Executive Chairman until his retirement on 6 January 2020

⁽ⁱⁱⁱ⁾ Mr Howard was appointed Chief Operating Officer on 1 March 2020

ANNUAL FINANCIAL STATEMENTS



DIRECTORS' REPORT

Remuneration Report Audited (continued)

Shareholdings

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

Name	Balance at start of the year	Vested and issued as remuneration	On Market purchases/(sales)	Balance at the end of the year
Robert Reynolds	3,063,888	-	-	3,063,888
Leigh Junk	767,220	191,856	1,000,000	1,959,076
Eduard Eshuys ⁽ⁱ⁾	-	-	-	-
Ian Cochrane	530,590	-	139,900	N/A ⁽ⁱⁱ⁾
Barry Patterson	19,915,307	-	-	N/A ⁽ⁱⁱⁱ⁾
James Howard	-	15,479	100,000	115,479
Derek Humphry	-	-	200,000	200,000
Grant Dyker	460,298	15,479	-	N/A ^(iv)

⁽ⁱ⁾ Mr Eshuys is Executive Chairman of public company DGO Gold Limited, which holds 64,058,548 shares and 22,222,222 options expiring 31 March 2022, exercisable into shares in the Company at \$0.27 per option

⁽ⁱⁱ⁾ Mr Cochrane resigned 10 May 2021

⁽ⁱⁱⁱ⁾ Mr Patterson resigned 30 November 2020

^(iv) Mr Dyker resigned 15 July 2020

Loans made to Key Management Personnel

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

Other Transactions with Key Management Personnel

For the year ended 30 June 2021, services totalling \$1,783,030 (30 June 2020: \$74,523) were provided on normal commercial terms to the Group by Perenti Global and its subsidiaries, of which Mr Cochrane was Non-Executive Chairman. The services provided related to open pit grade control drilling and mineral analysis. Mr Cochrane was not party to any contract negotiations for either party.

Other than the above, there have been no other transactions with, and no amounts are owing to or owed by KMP.

End of Remuneration Report



DIRECTORS' REPORT

Auditor's Independence Declaration

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

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

DATED at Perth this 31st day of August 2021

A handwritten signature in black ink, appearing to read 'LJ'.

Leigh Junk
Managing Director & CEO



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

As lead auditor of Dacian Gold Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

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

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

A handwritten signature in black ink, appearing to read 'Glyn O'Brien', is written over a light grey horizontal line.

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 31 August 2021

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

ANNUAL FINANCIAL STATEMENTS



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	Note	Consolidated	
		30 June 2021 \$'000	30 June 2020 \$'000
Revenue	2	241,623	270,047
Cost of goods sold	3	(216,920)	(264,996)
Gross Profit		24,703	5,051
Corporate employee expenses	3	(3,880)	(3,985)
Share-based employee expense	20	(1,294)	(1,712)
Borrowing and finance costs	3	(2,575)	(6,644)
Exploration costs expensed and written off	11	(20,318)	(9,148)
Losses on derivative instruments		(45)	(6,808)
Other expenses	3	(4,092)	(4,304)
Impairment loss on assets		-	(68,537)
(Loss) before income tax		(7,501)	(96,087)
Income tax (expense)	4	-	(20,377)
Net (loss) for the year attributable to the members of the parent entity		(7,501)	(116,464)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive (loss) for the year attributable to the members of the parent entity	18	(7,501)	(116,464)
(Loss) per share			
Basic (loss) per share attributable to ordinary equity holders of the parent (cents per share)	5	(1.2)	(40.6)
Diluted (loss) per share attributable to ordinary equity holders of the parent (cents per share)	5	(1.2)	(40.6)

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

ANNUAL FINANCIAL STATEMENTS



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	Consolidated	
		30 June 2021 \$'000	30 June 2020 \$'000
Current assets			
Cash and cash equivalents	7	35,942	51,976
Receivables	8	3,906	3,179
Inventories	9	19,431	20,382
Derivative financial instruments		-	45
Total current assets		59,279	75,582
Non-current assets			
Property, plant and equipment	10	89,544	107,205
Exploration and evaluation assets	11	103,504	4,072
Mine properties	12	95,606	84,486
Deferred tax assets	19	13,070	13,374
Total non-current assets		301,724	209,137
Total assets		361,003	284,719
Current liabilities			
Trade and other payables	14	26,228	21,016
Provisions	15	1,343	1,420
Borrowings	16	18,713	34,585
Other financial liabilities		-	261
Total current liabilities		46,284	57,282
Non-current liabilities			
Provisions	15	28,771	21,195
Borrowings	16	8,911	43,600
Total non-current liabilities		37,682	64,795
Total liabilities		83,966	122,077
Net assets		277,037	162,642
Equity			
Issued capital	18	457,099	338,904
Share-based payments reserve	18	5,346	2,250
Accumulated losses	18	(185,408)	(178,512)
Total equity		277,037	162,642

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

ANNUAL FINANCIAL STATEMENTS



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Note	Consolidated			Attributable to owners of the parent \$'000
		Issued capital \$'000	Share reserve \$'000	Accumulated losses \$'000	
Balance at 1 July 2019		244,513	3,007	(62,645)	184,875
Reported profit for the year		-	-	(116,464)	(116,464)
Other comprehensive income		-	-	-	-
Total comprehensive profit for the year		-	-	(116,464)	(116,464)
Shares issued		98,351	-	-	98,351
Share issue transaction costs		(7,011)	-	-	(7,011)
Deferred tax on share issue costs		1,179	-	-	1,179
Options exercised (non-cash)		761	(761)	-	-
Performance rights exercised		796	(796)	-	-
Performance rights forfeited		-	(597)	597	-
Share-based payments expense		315	1,397	-	1,712
Balance at 30 June 2020	18	338,904	2,250	(178,512)	162,642
Reported loss for the year		-	-	(7,501)	(7,501)
Other comprehensive income		-	-	-	-
Total comprehensive profit for the year		-	-	(7,501)	(7,501)
Shares issued		119,543	-	-	119,543
Share issue transaction costs		(1,510)	-	-	(1,510)
Deferred tax on share issue costs		(304)	-	-	(304)
Performance rights exercised		153	(153)	-	-
Performance rights forfeited		-	(605)	605	-
Options issued		-	2,873	-	2,873
Share-based payments expense		313	981	-	1,294
Balance at 30 June 2021	18	457,099	5,346	(185,408)	277,037

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

ANNUAL FINANCIAL STATEMENTS



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	Consolidated	
		30 June 2021 \$'000	30 June 2020 \$'000
Cash flows from operating activities			
Gold sales		241,053	269,489
Interest received		143	330
Other income		570	557
Interest paid		(1,643)	(5,263)
Payments for exploration and evaluation		(19,622)	(8,820)
Payments to suppliers and employees		(165,022)	(233,334)
Net cash from operating activities	7	55,479	22,959
Cash flows from investing activities			
Payments for mine properties' expenditure		(42,654)	(43,085)
Payments for plant and equipment		(3,595)	(2,993)
Payments to acquire exploration assets		(420)	-
Proceeds from sale of assets		-	45
Net cash used in investing activities		(46,669)	(46,033)
Cash flows from financing activities			
Proceeds from issue of share capital		27,793	98,351
Share issue transaction costs		(1,536)	(6,954)
Repayment of borrowings		(47,904)	(41,400)
Transaction costs associated with borrowings		(519)	(1,269)
Repayment of lease liabilities		(2,413)	(2,481)
Premiums paid on put options		(265)	(6,712)
Net cash from / (used in) financing activities		(24,844)	39,535
Net increase/(decrease) in cash and cash equivalents		(16,034)	16,461
Cash and cash equivalents at the beginning of the year	7	51,976	35,515
Cash and cash equivalents at the end of the year	7	35,942	51,976

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Basis of Preparation

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

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

The financial statements were authorised for issue in accordance with a resolution of the Directors on 31 August 2021.

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

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

Historical cost convention

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

Critical accounting estimates

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

Currency

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

Rounding of amounts

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

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

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

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

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

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

New or amended Accounting Standards and Interpretations adopted

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

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

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2021. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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.

The going concern basis of preparation is considered to be appropriate based on forecast cash flows. The cash flow forecast is dependent on the operations achieving forecast targets for gold production, gold revenue, mining operations and processing activities that are in accordance with schedules, budgets, and forecast gold price assumptions to enable the cash flow forecast to be achieved.

Should the Group not successfully achieve some or all of these forecast targets and assumptions, the Group may require funding support which may include rescheduling of debt repayments, obtaining waivers of certain covenants in the Project Debt Facility or accessing the capital markets.

Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Group. A list of controlled entities (subsidiaries) at year end is contained in Note 22.

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

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

Other Accounting Policies

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

Coronavirus (COVID-19) pandemic

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The Notes to the Financial Statements

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

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

The notes are organised into the following sections:

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

A brief explanation is included under each section.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Performance for the Year

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

Note 1 Segment Information

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

Reportable segments disclosed are based on one operating segment. The Group's sole activity is mineral production, exploration and development of mineral interests through the gold processing facility at the Mt Morgans Gold Operation ("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 2 Revenue

Accounting Policies

Gold Sales

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

	30 June 2021 \$'000	30 June 2020 \$'000
<i>Revenue from contracts with customers</i>		
Gold Sales	241,053	269,489
Silver Sales	570	558
	241,623	270,047

Gold forward contracts delivery commitments

The Group enters into gold forward sale contracts and put options to manage the gold price of a proportion of gold sales. At 30 June 2021 there were no put options in place. The treatment of forward sale contracts is discussed further below.

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

Gold forward contracts outstanding at 30 June 2021 are summarised in the table below.

	Gold for physical delivery oz	Average contract sale price A\$/oz	Value of committed sales \$'000
Due within 1 year	27,324	2,238	61,152
Due after 1 year but not more than 5 years	-	-	-
	27,324	2,238	61,152



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 3 Expenses

Accounting Policies

Costs of production

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

	30 June 2021 \$'000	30 June 2020 \$'000
<i>Cost of goods sold</i>		
Costs of production	146,369	202,646
Royalties	6,637	8,139
Depreciation of mine plant and equipment	21,032	19,239
Amortisation of mine properties	42,882	34,972
	216,920	264,996

Depreciation & Amortisation

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

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

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

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

	30 June 2021 \$'000	30 June 2020 \$'000
<i>Depreciation and Amortisation</i>		
Depreciation expense – recognised in cost of goods sold	21,032	19,239
Depreciation expense – other	459	435
Amortisation expense	42,882	34,972
	64,373	54,646

Key estimates and assumptions

Unit-of-production method of depreciation/amortisation

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 3 Expenses (continued)

Borrowings and finance costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their use or sale. Other borrowing costs are expensed in the period in which they are incurred. In the prior year, prior to the commencement of commercial production on 1 January 2019, borrowing costs attributable to the MMGO have been capitalised and are amortised over the life of the qualifying asset.

	30 June 2021 \$'000	30 June 2020 \$'000
Unwind of rehabilitation and restoration provision	78	248
Transaction costs	641	1,780
Interest expense on lease liabilities	479	578
Interest expense on borrowings	1,520	4,346
Interest (income)	(143)	(308)
	2,575	6,644

Employee expenses

	30 June 2021 \$'000	30 June 2020 \$'000
<i>Corporate Employee expenses</i>		
Salaries and wages	3,017	3,113
Director fees and consulting expenses	263	271
Defined contribution superannuation	288	317
Other employment expenses	312	284
	3,880	3,985

Other expenses

	30 June 2021 \$'000	30 June 2020 \$'000
<i>Other expenses</i>		
Administration & corporate	3,633	3,869
Non-production depreciation	459	435
	4,092	4,304

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 4 Income Tax

Accounting Policy

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

(a) Income Statement

	30 June 2021 \$'000	30 June 2020 \$'000
<i>Current income tax:</i>		
Current income tax benefit	-	-
<i>Deferred income tax:</i>		
Tax losses brought to account for the first time	-	-
Relating to origination and reversal of timing differences	57	(14,477)
Tax losses derecognised	-	34,138
Adjustment in respect of prior years	(57)	716
Income tax expense / (benefit) reported in the Statement of Profit or Loss and Other Comprehensive Income	-	20,377

At 30 June 2021 the value of tax losses (on a gross basis not tax effected) was made up of unrecognised operating tax losses of \$196.3 million and recognised tax losses of \$65.0 million (30 June 2020: \$163.0 million and \$58.9 million that was recognised as a deferred tax asset), and unrecognised capital tax losses totalling \$1.5 million (30 June 2020: \$nil). Utilisation will be subject to relevant tax legislation associated with recoupment including the same business test and continuity of ownership test. The Group has a reasonable expectation that these losses can be carried forward to future years for income tax purposes.

(b) Statement of Changes in Equity

	30 June 2021 \$'000	30 June 2020 \$'000
<i>Deferred income tax:</i>		
Capital Raising Costs	304	(1,179)

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

	30 June 2021 \$'000	30 June 2020 \$'000
Accounting profit/(loss) from continuing operations before income tax expense	(7,501)	(96,087)
Tax at the Australian rate of 30% (2020: 30%)	(2,250)	(28,826)
Non-deductible expenses	399	516
Capital raising costs claimed	(964)	(924)
Temporary differences brought to account	3,132	-
Tax losses derecognised as deferred tax assets	-	34,138
Recognition of prior year tax losses	(260)	-
Current year tax losses not recognised	-	14,757
Adjustment in respect of previous year ⁽ⁱ⁾	(57)	716
Income tax expense / (benefit) reported in Profit or Loss and Other Comprehensive Income	-	20,377

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 5 Earnings per Share

Accounting Policy

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

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

	30 June 2021	30 June 2020
<i>a) Basic earnings per share</i>	Cents	Cents
Profit/(Loss) attributable to ordinary equity holders of the Company	(1.2)	(40.6)
<i>b) Diluted earnings per share</i>		
Profit/(Loss) attributable to ordinary equity holders of the Company	(1.2)	(40.6)
<i>c) Profit/(Loss) used in calculation of basic and diluted loss per share</i>	\$'000	\$'000
(Loss) / profit after tax from continuing operations	(7,501)	(116,464)
<i>d) Weighted average number of shares</i>	No.	No.
Issued Ordinary shares at 1 July	556,264,777	225,713,403
Effect of shares issued	81,989,477	60,920,249
Weighted average number of ordinary shares at 30 June	638,254,254	286,633,652
<i>Effect of dilution:</i>		
Share options ⁽ⁱ⁾	-	-
Performance rights ⁽ⁱ⁾	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	638,254,254	286,633,652

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

Note 6 Dividends

No dividends were paid or proposed during the financial year ended 30 June 2021 (30 June 2020: nil).

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Operating Assets and Liabilities

This section of the notes shows cash generation, the assets used to generate the Group's trading performance and the liabilities incurred as a result. Liabilities relating to the Group's financing activities are addressed in the Capital Structure, Financial Instruments and Risk section (refer to note 16).

Note 7 Cash and Cash Equivalents

Accounting Policy

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash at bank earns interest at floating rates based on daily deposit rates.

	30 June 2021 \$'000	30 June 2020 \$'000
Cash at bank	35,942	51,976
	35,942	51,976

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

	30 June 2021 \$'000	30 June 2020 \$'000
(Loss) / profit from ordinary activities after income tax	(7,501)	(116,464)
Depreciation and amortisation	64,373	54,646
Net gain on sale of assets	-	(28)
Impairment losses on assets	-	68,537
Bank facility fees	519	1,269
Premiums on put options	265	6,712
Share-based payments expense	1,294	1,712
Derivative financial instruments mark to market	(216)	216
Unwind of rehabilitation interest	78	248
Inventory NRV adjustment	88	3,902
<i>Movement in assets and liabilities:</i>		
(Increase)/decrease in receivables	(489)	1,996
(Increase)/decrease in inventories	807	(3,612)
(Increase)/decrease in deferred tax assets	-	20,377
Increase/(decrease) in employee leave provisions	(63)	350
Increase/(decrease) in trade and other payables	(3,676)	(16,902)
Net cash flow from operating activities	55,479	22,959

Non-Cash investing and financing activities

During the year ended 30 June 2021 the Company completed the acquisition of Redcliffe Gold Project (refer note 13). The transaction included the issue of securities. The \$94,621,000 non-cash component was charged to exploration and evaluation assets (refer note 11) and is not reflected in investment activities in the cash flow statement.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 8 Receivables

Accounting Policy

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

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

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

	30 June 2021 \$'000	30 June 2020 \$'000
Current receivables		
GST receivable	2,059	1,837
Prepayments	787	622
Other receivables	1,060	720
	3,906	3,179

Note 9 Inventories

Accounting Policy

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

Consumable stores are valued at the lower of cost and net realisable value. The cost of consumable stores is measured on a first-in first-out basis. Inventories expected to be sold (or consumed in the case of stores) within 12 months after the 30 June 2021 balance sheet date are classified as current assets, all other inventories are classified as non-current.

	30 June 2021 \$'000	30 June 2020 \$'000
ROM inventory	3,277	3,780
Crushed ore	1,471	1,824
Gold in circuit	5,332	5,773
Gold dore	5,557	5,295
Mine spares and stores – at cost	3,794	3,710
	19,431	20,382

- (i) At 30 June 2021 gold in circuit is carried at NRV hedged price, all other inventory is carried at cost
(ii) At 30 June 2020 ROM inventory, crushed ore, gold in circuit and gold dore were valued at NRV

Key Estimates and Assumptions

Inventories

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 10 Property, Plant and Equipment

Accounting Policy

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

Derecognition and Disposal

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

Impairment

The carrying values are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

Right-of-use assets

The Group has lease contracts for various items of laboratory equipment and power infrastructure used in its operations as well as the corporate head office premises. These leases have lease terms up to 5 years. The net book value of leased assets at 30 June 2021 is \$10.5 million (30 June 2020: \$13.1 million). Further information about the leases for which the Group is a lessee is presented in the table below.

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

	Office Equip & Fixtures \$'000	Computer Equip. & Software \$'000	Motor Vehicles \$'000	Plant & Equipment \$'000	Leased Equipment \$'000	Capital WIP \$'000	Total \$'000
Year ended 30 June 2021							
Cost	407	2,063	2,450	128,488	18,625	643	152,676
Accumulated depreciation	(252)	(1,682)	(2,287)	(50,808)	(8,103)	-	(63,132)
Net Book Value	155	381	163	77,680	10,522	643	89,544
<i>Movements</i>							
Opening net book value	93	301	446	93,033	13,090	242	107,205
Additions	111	294	83	2,732	82	642	3,944
Disposals	-	-	-	-	(117)	-	(117)
Transfers	2	11	-	228	-	(241)	-
Depreciation expense	(51)	(225)	(365)	(18,313)	(2,534)	-	(21,488)
Closing net book value	155	381	163	77,680	10,522	643	89,544
Year ended 30 June 2020							
Cost	284	1,757	2,326	125,439	18,644	242	148,692
Accumulated depreciation	(191)	(1,456)	(1,880)	(32,406)	(5,554)	-	(41,487)
Net Book Value	93	301	446	93,033	13,090	242	107,205
<i>Movements</i>							
Opening net book value	114	659	1,020	113,734	15,145	186	130,858
Additions	21	177	142	1,447	471	766	3,024
Disposals	-	(1)	(16)	-	-	-	(17)
Impairment	-	(6)	(30)	(6,311)	-	(639)	(6,986)
Transfers	-	-	-	71	-	(71)	-
Depreciation expense	(42)	(528)	(670)	(15,908)	(2,526)	-	(19,674)
Closing net book value	93	301	446	93,033	13,090	242	107,205



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 11 Exploration and Evaluation Assets

Accounting Policy

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

Capitalised exploration and evaluation expenditures in relation to specific areas of interest continue to be recognised as an exploration and evaluation asset where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

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

	30 June 2021 \$'000	30 June 2020 \$'000
Deferred exploration costs at the start of the financial year	4,072	4,072
Redcliffe Project acquisition (see note 13)	99,432	-
Exploration and evaluation costs incurred	20,318	9,148
Exploration and evaluation costs expensed and written off	(20,318)	(9,148)
	103,504	4,072

Impairment

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

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

No impairment loss (30 June 2020: \$nil) in relation to exploration and evaluation assets have been recognised during the period.

Key Estimates and Assumptions

Impairment of exploration and evaluation assets

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

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

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 11 Exploration and Evaluation Assets (continued)

Exploration commitments

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

Note 12 Mine Properties

Accounting Policies

Mine Properties Under Development

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

Mine Properties in Production

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

Other mine properties are amortised on a unit-of-production basis over the economically recoverable reserve of the mine concerned. The unit of account is tonnes of ore mined. From 1 January 2020 amortisation has been calculated based on the published Reserve which forms the basis of the current 3 year mine plan.

Deferred Stripping

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

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

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

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

Impairment

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 12 Mine Properties (continued)

Impairment (continued)

In assessing the fair value less cost of disposal, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the cash generating unit.

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

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

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

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

At 30 June 2021 the market capitalisation of the Company was less than the Net Assets reported on the Consolidated Statement of Financial Position for the Group. Consequently, the Group undertook an impairment test utilising the update life of mine plan for Mt Morgans existing and planned mine developments. The spot gold price prevailing at 30 June 2021 of \$2,345/ounce was employed in the assessment. The assessment concluded no impairment was required.

	30 June 2021 \$'000	30 June 2020 \$'000
Mine Properties		
Cost	184,105	130,103
Accumulated amortisation	(88,499)	(45,617)
Net book value	95,606	84,486
<i>Movements</i>		
Opening carrying amount	84,486	142,763
Additions	46,420	35,921
Impairment	-	(61,551)
Change in rehabilitation provision	7,582	2,325
Amortisation expense	(42,882)	(34,972)
Closing net book value	95,606	84,486



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 12 Mine Properties (continued)

Key Estimates and Assumptions

Production Stripping Costs

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

Determination of mineral resources and reserves

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

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

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

Note 13 Asset Acquisition

On 16 November 2020 Dacian announced a merger by way of Scheme of Arrangement, with ASX listed gold explorer, NTM Gold Limited (NTM) which holds the Redcliffe gold project exploration interest. On 5 March 2021 following NTM shareholder approval, the Supreme Court of Western Australia made orders approving the Scheme and Dacian acquired all the issued capital of NTM and its wholly owned subsidiaries.

In accordance with accounting standards the Company has treated the acquisition of NTM as an asset acquisition.

Following the merger, the name of NTM was changed to Redcliffe Project Pty Ltd.

Where an acquisition does not meet the definition of a business combination the transaction is accounted for as an asset acquisition. The consideration for the acquisition of an asset has been recorded based on accounting standards and acquisition related cost are also capitalized. Assets acquired and liabilities assumed in the acquisition are measured at their relative fair value at the acquisition date.

NTM shareholders received 1 Dacian share for each 2.7 NTM shares held. NTM options outstanding were, subject to an ASX waiver, exchanged for approximately 22.2 million new Dacian options at the 2.7 exchange ratio and on equivalent terms including an exercise price of \$0.27 per share and the same maturity date of March 2022.

The total cost of the asset acquisition was \$100.7 million and comprised an issue of equity instruments and costs directly attributable to the combination, as follows:

Description	\$'000
254,855,297 ordinary shares	91,748
22,222,222 new Dacian options	2,873
Transaction costs ⁽ⁱ⁾	6,066
Total costs	100,687

(i) Transaction costs include costs directly attributable to the transaction including a provision for WA stamp duty

(ii) Net cash outflow to 30 June 2021 in relation to the transaction was \$1,533,000 and is included in investing activities in the 30 June 2021 cashflow statement offset by acquired cash

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Note 13 Asset Acquisition (continued)

Net assets acquired	\$'000
Cash	1,113
Receivables	121
Plant and equipment	354
Exploration & Evaluation Asset ⁽ⁱ⁾	99,432
Creditors	(214)
Provisions	(36)
Other financial liabilities	(83)
Total Net Assets	100,687

(i) includes transaction and other costs associated with the acquisition

Note 14 Trade and Other Payables

Accounting Policy

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

	30 June 2021 \$'000	30 June 2020 \$'000
Current liabilities		
Trade and other payables	4,643	4,012
Accrued expenses	21,585	17,004
	26,228	21,016

Note 15 Provisions

Accounting Policy

Rehabilitation and Restoration

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

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

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 15 Provisions (continued)

Employee Benefits

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

Short-term obligations

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

Long service leave

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

	30 June 2021 \$'000	30 June 2020 \$'000
Current:		
Employee leave liabilities	1,343	1,420
	1,343	1,420
Non-current:		
Employee leave liabilities	308	294
Rehabilitation provision	28,463	20,901
	28,771	21,195

Provision for rehabilitation

Balance at the start of the financial year	20,901	18,395
Rehabilitation costs incurred during the year	(98)	(67)
Provisions recognised during the year	7,582	2,325
Unwinding of discount	78	248
Balance at the end of the financial year	28,463	20,901

Key Estimates and Assumptions

Rehabilitation Obligations

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Capital Structure, Financial Instruments and Risk

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

Note 16 Borrowings and Finance Costs

Accounting Policies

Borrowings

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

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

Finance Leases

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

Unwinding of discount on provisions

The unwinding of discount on provisions represents the cost associated with the passage of time. Rehabilitation provisions are recognised at the discounted value of the present obligation to restore, dismantle and rehabilitate each mine site with the increase in the provision due to the passage of time being recognised as a finance cost in accordance with the policy described in note 15.

	30 June 2021 \$'000	30 June 2020 \$'000
Current		
Insurance premium funding liability	172	373
Lease Liabilities	2,345	2,412
Bank Loans	16,196	31,800
	18,713	34,585
Non-Current		
Lease Liabilities	8,911	11,300
Bank Loans	-	32,300
	8,911	43,600

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Note 16 Borrowings and Financing Costs (continued)

Project Debt Facility

At 30 June 2021 the MMGO Project Debt Facility held with a syndicate of Financiers, comprising Westpac Banking Corporation, Australia and New Zealand Banking Group Limited and BNP Paribas, had an outstanding balance of \$16.2 million (30 June 2020: \$64.1 million).

During the year, debt repayments were made totalling \$47.9 million (30 June 2020: \$41.4 million). As a result, and in accordance with the loan agreement, the available debt limit was reduced by the same amount.

Repayments under the Project Debt Facility are classified as current or non-current in the financial statements with reference to the fixed repayment schedule. Fixed repayments are scheduled over the period to 31 December 2021. The information in the following table has been prepared on this basis and reflects the agreed fixed repayment schedule as at 30 June 2021.

	6 months or less \$'000	6-12 months \$'000	1-2 years \$'000
Bank Loan	16,196	-	-

The key terms of the Facility as at 30 June 2021 are:

- Fixed schedule of quarterly repayments;
- Security is provided by a general security agreement over all of assets of Dacian's operating subsidiaries, Dacian Gold Mining Pty Ltd and Mt Morgans WA Mining Pty Ltd, a specific security agreement over Dacian's bank accounts and a featherweight security agreement over all of the other assets of Dacian capped (the maximum amount recoverable under the featherweight security is \$5,000); and
- The Facility Agreement contains a number of typical financial covenants that are assessed and reported to Financiers on a quarterly basis.

The effective interest rate on the facility at 30 June 2021 is 4.1% (30 June 2020: 4.1%).

During the financial year, the Group incurred costs of \$0.4 million (30 June 2020: \$1.2 million) with respect to the various changes made to the debt repayment schedule of the Facilities Agreement.

Financing facilities

	30 June 2021 \$'000	30 June 2020 \$'000
Total Facilities		
Project Debt Facility	16,196	64,100
Bank Guarantee Facility	856	950
	17,052	65,050
Facilities used at reporting date		
Project Debt Facility	16,196	64,100
Bank Guarantee Facility	856	674
	17,052	64,774
Facilities unused at reporting date		
Project Debt Facility	-	-
Bank Guarantee Facility	-	276
	-	276

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 17 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 Group does experience through its normal course of business are short-term and the risk of non-recovery of receivables is considered to be negligible.

Other

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

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

(b) Liquidity risk

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

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

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

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2021							
Trade & other payables	26,228	26,228	21,696	4,532	-	-	-
Insurance premium funding liability	172	172	172	-	-	-	-
Lease liabilities	11,255	12,280	1,404	1,350	2,678	6,848	-
Bank Loan ⁽ⁱ⁾	16,196	16,509	16,509	-	-	-	-
Derivative instruments	-	-	-	-	-	-	-
	53,851	55,189	39,781	5,882	2,678	6,848	-
2020							
Trade & other payables	21,016	21,016	21,016	-	-	-	-
Insurance premium funding liability	373	373	373	-	-	-	-
Lease liabilities	13,712	15,095	1,444	1,445	2,728	7,734	1,744
Bank Loan ⁽ⁱ⁾	64,100	66,788	26,961	6,762	33,065	-	-
Derivative instruments	261	265	265	-	-	-	-
	99,462	103,537	50,059	8,207	35,793	7,734	1,744

⁽ⁱ⁾ 2021 Bank loan repayments are presented as per the Project Debt Facility repayment schedule presented in note 16



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 17 Financial Instruments (continued)

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

Interest rate risk

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

	Carrying amount (\$)	
	30 June 2021 \$'000	30 June 2020 \$'000
<i>Variable rate instruments</i>		
Cash and cash equivalents	35,942	51,976
Borrowings	(16,196)	(64,100)
	19,746	(12,124)

Foreign Currency/Equity risk

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

Cash flow sensitivity analysis for variable rate instruments

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

	30 June 2020 \$'000	30 June 2019 \$'000
Interest Revenue		
Increase 1.0%	359	520
Decrease 1.0%	(359)	(520)
Interest Expense		
Increase 1.0%	(162)	(641)
Decrease 1.0%	162	641

(d) Fair values

Fair values versus carrying amounts

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 18 Issued Capital and Reserves

Accounting Policy

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

	30 June 2021 No.	30 June 2020 No.	30 June 2021 \$'000	30 June 2020 \$'000
Issued share capital	910,625,572	556,264,777	457,000	338,904
<i>Share movements during the year</i>				
Balance at the start of the financial year	556,264,777	225,713,403	338,904	244,513
Share issue ⁽ⁱ⁾	354,117,018	328,029,358	119,543	98,626
Exercise of options (cash)	-	-	-	-
Exercise of options (non-cash)	-	2,227,482	-	761
Exercise of performance rights (non-cash)	51,921	294,534	153	796
Less share issue costs	-	-	(1,510)	(7,011)
Deferred tax on share issue costs	-	-	(304)	1,179
Share-based payments for the year	191,856	-	313	40
Balance at the end of the financial year	910,625,572	556,264,777	457,099	338,904

	30 June 2021		30 June 2020	
	Accumulated losses \$'000	Share-based payments reserve ⁽ⁱⁱ⁾ \$'000	Accumulated losses \$'000	Share-based payments reserve ⁽ⁱ⁾ \$'000
Balance at the beginning of the year	(178,512)	2,250	(62,645)	3,007
Profit / (Loss) profit for the year	(7,501)	-	(116,464)	-
Transfer to issued capital on exercise of options	-	-	-	(761)
Transfer to issued capital on exercise of performance rights	-	(153)	-	(796)
Transfer to accumulated losses due to market conditions not met	605	(605)	597	(597)
Options issued in relation to asset	-	2,873	-	-
Share-based payments for the year	-	981	-	1,397
Balance at the end of the year	(185,408)	5,346	(178,512)	2,250

⁽ⁱ⁾ 254,855,297 ordinary shares were issued in March 2021 in connection with the asset acquisition (note 13). In addition, 99,261,721 ordinary shares were issued in June 2021 in connection with a share placement

⁽ⁱⁱ⁾ The share-based payments reserve recognises the fair value of options over unissued shares and performance rights issued in connection with an acquisition (see note 13) or provided to employees and Key Management Personnel



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Other Disclosures

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

Note 19 Deferred Tax

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

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

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

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

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

Tax consolidation

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 19 Deferred Tax (continued)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	30 June 2021 \$'000	30 June 2020 \$'000
<i>Deferred tax assets</i>		
Trade & other payables	178	17
Provisions	9,063	6,783
Borrowings – Finance lease liabilities	3,377	4,114
Borrowing costs	234	191
Business related costs – profit & loss	1,442	2,114
Other financial liabilities	-	78
Capital raising costs – equity	2,030	2,334
Tax Losses	19,501	17,669
<i>Deferred tax liabilities</i>		
Trade & other receivables	(251)	(235)
Inventories	(249)	(230)
Derivative financial instruments	-	(13)
Property, plant and equipment	(10,804)	(10,033)
Exploration and evaluation assets	(4,833)	(985)
Mine properties	(6,618)	(8,430)
Net deferred tax assets	13,070	13,374

Movement in temporary differences during the year:

	Balance 30 June 2020 \$'000	Recognised in income \$'000	Recognised in Equity \$'000	Balance 30 June 2021 \$'000
Trade and other receivables	(235)	(16)	-	(251)
Inventories	(230)	(19)	-	(249)
Derivative financial instruments	(13)	13	-	-
Property, plant & equipment	(10,033)	(771)	-	(10,804)
Exploration & evaluation	(985)	(3,848)	-	(4,833)
Mine properties in development	(8,430)	1,812	-	(6,618)
Trade & other payables	17	161	-	178
Provisions	6,783	2,280	-	9,063
Other financial liabilities	78	(78)	-	-
Borrowings	4,114	(737)	-	3,377
Borrowing costs	191	43	-	234
Business related costs – profit & loss	2,114	(672)	-	1,442
Capital raising costs – equity	2,334	-	(304)	2,030
Tax losses	17,669	1,832	-	19,501
	13,374	-	(304)	13,070



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 19 Deferred Tax (continued)

The value of tax losses (gross basis not tax effected) available to the Group at 30 June 2021 for income tax purposes is \$262.8 million, which comprises (for accounting) \$65.0 million recognised operating tax losses and unrecognised operating tax losses totalling \$196.3 million and unrecognised capital tax losses totalling \$1.5 million (30 June 2020: operating tax losses \$221.9 million, \$58.9 million recognised, \$163.0 million unrecognised, and \$nil capital losses). Utilisation will be subject to relevant tax legislation associated with recoupment including the same business test and continuity of ownership test. The Group has a reasonable expectation that these losses can be carried forward to future years for income tax purposes.

Key Estimates and Assumptions

Recognition of deferred tax assets

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

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

Note 20 Share-Based Payments

Accounting Policy

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

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

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

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

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

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

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

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

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 20 Share-Based Payments (continued)

	30 June 2021 \$'000	30 June 2020 \$'000
<i>Recognised share-based payments expense</i>		
Employee share-based payments expense	314	638
Performance rights expense	980	1,074
Total share-based payments expense	1,294	1,712

Dacian Gold Limited Employee Option Plan

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

Options over Unissued Shares

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

During the financial year no options over unissued shares were issued pursuant to the Company's Employee Option Plan (30 June 2020: nil). Options issued have been valued and included in the financial statements over the periods that they vest.

During the year 22,222,222 options with an exercise price of \$0.27 and expiry date of 31 March 2022 were issued in connection with the merger with NTM Gold Limited (now Redcliffe Project Pty Ltd) (see note 13).

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

	30 June 2021		30 June 2020	
	No.	WAEP	No.	WAEP
Options outstanding at the start of the year	1,250,000	\$1.81	5,250,000	\$0.96
Options expired during the year	(1,250,000)	\$1.81	-	-
Options exercised during the year	-	-	(4,000,000)	\$0.70
Options issued during the year	22,222,222 ⁽ⁱ⁾	\$0.27	-	-
Options outstanding at the end of the year	22,222,222	\$0.27	1,250,000	\$1.81

(i) 22,222,222 options with an exercise price of \$0.27 and expiry date of 31 March 2022 were issued in connection with the merger with NTM Gold Limited (see note 13)

The terms of the unissued ordinary options at 30 June 2021 are as follows

Number of options	Exercise price	Expiry date
22,222,222	\$0.27	31 March 2022

b) Subsequent to the reporting date

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 20 Share-Based Payments (continued)

Options over Unissued Shares (continued)

c) Weighted average contract life

The weighted average contractual life for vested and un-exercised options is 9 months (30 June 2020: 8 months).

Performance Rights

During the financial year ended 30 June 2021, 5,325,482 performance rights (30 June 2020: 1,601,019) were issued to employees, pursuant to the terms of the Plan. These rights were issued in two tranches to two separate groups of employees as set out in the table below.

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

Tranche	Measurement Date	Date of vesting	Number of rights	Metric	Achieved LTI
1	30 June 2022	30 June 2022	2,457,612	67% - TSR performance to peers above 50th percentile (measured over the 2 year period 1 July 2020 to 30 June 2022) 33% - Reserve Growth (measured over the 2 year period 1 July 2020 to 30 June 2022)	-
2	30 June 2023	30 June 2023	2,867,870	67% - TSR performance to peers above 50th percentile (measured over the 3 year period 1 July 2020 to 30 June 2023) 33% - Reserve Growth (measured over the 3 year period 1 July 2020 to 30 June 2023)	-
Total			5,325,482		

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

Tranche	Date of grant	Measurement date	Number of rights	Date of vesting	Share price on grant date	Fair value at grant date	Expected share price volatility	Expected dividend yield	Expected risk free rate
1	30 October 2020	30 June 2022	2,457,612	30 June 2022	\$0.355	\$0.24	60%	0%	0.11%
2	30 October 2020	30 June 2023	2,867,870	30 June 2023	\$0.355	\$0.26	60%	0%	0.13%
Total			5,325,482						

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

	30 June 2021		30 June 2020	
	No.	WAFV	No.	WAFV
Rights outstanding at the start of the year	9,548,346	\$0.51	299,893	\$2.24
Rights issued during the year	5,325,482	\$0.25	9,934,353	\$0.52
Rights vested during the year ⁽ⁱ⁾	(51,921)	\$2.94	(129,534)	\$1.95
Rights forfeited during the year	(2,239,322)	\$1.04	(556,366)	\$1.30
Rights outstanding at the end of the year	12,582,585	\$0.36	9,548,346	\$0.51

⁽ⁱ⁾ At 30 June 2021 there were no rights that had vested during the year and were unissued at year end (30 June 2020: nil)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 20 Share-Based Payments (continued)

Shares

During the financial year, Mr Leigh Junk was issued the second and final tranche of the one-off on-boarding share issue as part of his Executive Services Agreement. The terms of the share issues were as follows, 191,856 shares (fair value of \$314,417 using a 5-day VWAP prior to the date of award), issued on 1 September 2020.

Key Estimates and Assumptions

Share-Based Payments

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

Note 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) Controlled Entities

	Ownership Interest	
	2021 %	2020 %
Parent Entity		
Dacian Gold Limited		
Subsidiaries		
Dacian Gold Mining Pty Ltd	100	100
Mt Morgans WA Mining Pty Ltd	100	100
Redcliffe Project Pty Ltd ⁽ⁱ⁾	100	-
Reflective Resources Limited ⁽ⁱⁱ⁾	100	-

(i) Redcliffe Project Pty Ltd (previously NTM Gold Limited) - the name NTM Gold Limited (NTM) was changed to Redcliffe Project Pty Ltd following the merger and the wholly owned dormant Australian subsidiaries of NTM were wound up

(ii) Reflective Resources Limited is a company incorporated in Papua New Guinea, and a wholly owned subsidiary of Redcliffe Project Pty Ltd. The Company is dormant, final accounts and tax returns have been lodged and a request for tax clearance has been made ahead of an application to wind up this entity

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 22 Related Party Disclosures (continued)

(b) Parent Entity

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

	Parent	
	30 June 2021 \$'000	30 June 2020 \$'000
Financial position		
Current assets	25,947	44,025
Non-current assets	185,305	183,109
Total assets	244,584	227,134
Current liabilities	5,873	945
Non-current liabilities	151	227
Total liabilities	6,024	1,172
<i>Shareholders' equity</i>		
Issued capital	457,099	338,904
Share-based payments reserve	5,346	2,250
Accumulated losses	(257,217)	(115,192)
Total equity	205,228	225,962
Financial performance		
Loss for the year	(142,025)	(110,289)
Other comprehensive (loss) / income	-	-
Total comprehensive loss	(142,025)	(110,289)

Commitments

The parent entity had lease commitments of \$0.1 million at 30 June 2021 (30 June 2020: \$0.3 million) relating to the lease of the Group's Perth office and car park. A featherweight security is in place over the assets of the Parent Entity capped to a maximum value of \$5,000 for the benefit of the project debt facility Financiers. The transaction banking accounts for the Parent Entity are secured assets. This security supports the guarantee provided by the Parent Entity to Mt Morgans WA Mining Pty Ltd.

(c) Transactions with related parties

For the year ended 30 June 2021, services totalling \$1,783,030 (30 June 2020: \$74,523) were provided on normal commercial terms to the Group by Perenti Global and its subsidiaries (previously Ausdrill Limited), of which Mr Cochrane is Non-Executive Chairman. The services provided related to open pit grade control drilling and mineral analysis. Mr Cochrane was not party to any contract negotiations for either party.

Other than transactions with parties related to Key Management Personnel mentioned above and in the remuneration report, there have been no other transactions with parties related to the consolidated entity in the financial year ended 30 June 2021.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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:

Leigh Junk	Managing Director & CEO	
Robert Reynolds	Non-Executive Director	appointed Non-Executive Chairman 10 May 2021
Eduard Eshuys	Non-Executive Director	appointed 16 March 2021
James Howard ⁽ⁱ⁾	Chief Operating Officer	
Derek Humphry	Chief Financial Officer	appointed 12 October 2020
Ian Cochrane ⁽ⁱⁱ⁾	Non-Executive Chairman	resigned 10 May 2021
Barry Patterson	Non-Executive Director	resigned 30 November 2020
Grant Dyker	Chief Financial Officer	resigned 15 July 2020

(i) James Howard was appointed Chief Operating Officer from 1 March 2020 coinciding with his appointment as KMP. Mr Howard previously held the role of Project Manager

(ii) Ian Cochrane was a Non-Executive Director until his appointment as Chairman on 6 January 2020, and resigned 10 May 2021

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

(b) Key management personnel compensation

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

	30 June 2021 \$	30 June 2020 \$
Short-term employment benefits	1,660,714	1,649,778
Share-based payments	910,840	1,173,795
Other long-term benefits	(4,541)	(50,929)
Termination benefits	196,965	314,813
Post-employment benefits	126,431	82,958
Total Key Management Personnel remuneration	2,890,409	3,170,415

Note 24 Auditors Remuneration

	30 June 2021 \$	30 June 2020 \$
<u>BDO Audit (WA) Pty Ltd</u>		
Audit and review of financial statements FY21	106,773	-
<u>Other Services</u>		
BDO – other non-audit services	-	-
<u>KPMG</u>		
Fees in respect of prior year	48,198	45,000
Audit and review of financial statements FY20	-	177,000
<u>Other Services</u>		
KPMG – other non-audit services	-	93,150
Total	154,970	315,150



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 25 Events Subsequent to the Reporting Date

Subsequent to year end, in July 2021 the Company completed and received funds from the \$3.7 million Share Purchase Plan and the second tranche of the share placement \$12.2M (before costs). In August 2021, the Company released its 2021 Mineral Resources and Reserve update and Five year mine plan.

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



DIRECTORS' DECLARATION

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

- a. The accompanying financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 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 2021.

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

DATED at Perth this 31st day of August 2021.

A handwritten signature in black ink, appearing to read 'LJ'.

Leigh Junk

Managing Director & CEO



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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 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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

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.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.



Acquisition accounting - NTM Gold Limited

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in note 13 of the financial report, the group completed the acquisition of 100% of the issued capital in NTM Gold Limited during the year.</p> <p>The Group accounted for the transition as an asset acquisition, after consideration and assessment of AASB 3 <i>Business Combinations</i> (“AASB 3”).</p> <p>The accounting for this acquisition is a key audit matter due to the significant value of the acquisition and the significant judgements and assumptions made by management, including:</p> <ul style="list-style-type: none"> • Determination of the purchase consideration for the acquisition; • Assessment of the fair value of the assets acquired and liabilities assumed; and • Determination that the acquisition did not meeting the definition of a business combination in accordance with AASB 3 and therefore constituted an asset acquisition. <p>Refer to note 13 of the financial report.</p>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • reviewing key executed transaction documents to understand the key terms and conditions of the acquisition; • evaluating management’s determination of the accounting acquirer and whether the transaction constituted a business or asset acquisition; • assessing the identification of assets and liabilities acquired for completeness; • verifying the transaction settlement date to supporting documentation; • verifying the transaction consideration to supporting documentation; and • assessing the appropriateness of the related disclosures in note 13 to the financial report.



Carrying value of Mount Morgans mining operation (CGU)

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Group's carrying value of its MMGO mining operations (CGU) is included in property, plant and equipment (note 10) and mine properties (note 12).</p> <p>The Group is required to assess the carrying value of the CGU for indicators of impairment at each reporting period. The assessment of impairment indicators requires management to make significant accounting judgements and estimates which includes discount rates, commodity price, mining cost estimates and ore reserve estimates.</p> <p>This is a key audit matter due to the quantum of the asset and the significant judgement involved in management's assessment of the carrying value of the CGU.</p>	<p>We evaluated management's impairment model for the Mount Morgans mining operations (CGU) by challenging the key estimates and assumptions used by management. Our work included but was not limited to the following:</p> <ul style="list-style-type: none"> • considering expected forecast gold prices to published views by market commentators on future prices; • assessing the scope, competency and objectivity of the Group's internal and external experts involved in the estimation process of mineral reserves; • evaluating the key assumptions underlying the discounted cash flow forecasts including forecast sales, production outputs, production costs and capital expenditure using our knowledge of the Group, their past performance and our industry experience; • challenging the appropriateness of management's discount rate used in the impairment model in conjunction with our internal valuation experts; • challenging management's sensitivity assessment by performing our own sensitivity analysis in respect of the key assumptions to indicate if there would be a significant change to the value of the CGU; and • assessing the adequacy of the related disclosures in the financial report.



Other Matter

The financial report of Dacian Gold Limited, for the year ended 30 June 2020 was audited by another auditor who expressed an unmodified opinion on that report on 30 September 2020.

Other information

The directors are responsible for the other information. The other information comprises the information contained in the Directors' Report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual Report to Shareholders, which is expected to be made available to us after that date.

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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Annual Report to Shareholders, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

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

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



Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2021.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 19 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Dacian Gold Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Glyn O'Brien', written over a faint BDO logo.

Glyn O'Brien

Director

Perth, 31 August 2021

ASX ADDITIONAL INFORMATION

Pursuant to the Listing Requirements of the Australian Securities Exchange, the shareholder information set out below was applicable as at 30 September 2021.

Distribution of Shareholders

Analysis of numbers of shareholders by size of holding:

Distribution	Number of Shareholders	Shares Held
1-1,000	1,079	485,133
1,001-5,000	2,483	6,984,622
5,001-10,000	1,327	10,453,994
10,001-100,000	2,993	105,891,532
More than 100,000	651	843,614,723
TOTALS	8,533	967,430,004

There are 2,301 shareholders holding less than a marketable parcel of ordinary shares.

Substantial Shareholders

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

Shareholder Name	Number of Shares	% of Shares
DGO Gold Limited	64,058,548	6.62
Perennial Value Management Limited	59,694,591	6.17
Franklin Resources Inc and its Affiliates	43,119,173	5.33

Twenty Largest Shareholders

	Shareholder Name	Number of Shares	% of Shares
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	187,438,264	19.37
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	80,912,835	8.36
3	CITICORP NOMINEES PTY LIMITED	72,031,858	7.45
4	DGO GOLD LIMITED	64,058,548	6.62
5	NATIONAL NOMINEES LIMITED	20,976,522	2.17
6	BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	20,838,724	2.15
7	POLLY PTY LTD <B S PATTERSON FAMILY A/C>	19,915,307	2.06
8	BNP PARIBAS NOMS PTY LTD <DRP>	16,124,430	1.67
9	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	13,489,340	1.39
10	UBS NOMINEES PTY LTD	10,402,188	1.08
11	MR EDWARD VAN HEEMST + MRS MARILYN ELAINE VAN HEEMST <LYNWARD SUPER FUND A/C>	10,000,000	1.03
12	KESLI CHEMICALS PTY LTD <RUANE S/F A/C>	9,235,574	0.95
13	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	7,566,039	0.78
14	TODTONA PTY LTD	6,887,374	0.71
15	VITESSE PTY LTD <VITESSE INVESTMENT A/C>	6,786,384	0.70
16	MR CARL ERIC HOLT + MRS LORRAINE HOLT <HOLT SUPER FUND A/C>	6,775,000	0.70
17	TYSON RESOURCES PTY LTD	6,587,384	0.68
18	SGJ INVESTMENTS PTY LTD	6,250,000	0.65
19	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	5,735,887	0.59
20	KINGARTH PTY LTD	5,280,682	0.55
		577,292,340	59.66

ASX ADDITIONAL INFORMATION

Unquoted Securities

Options:

Number of Options	Exercise Price	Expiry Date	Number of Holders
300,000	\$0.28	10 September 2026	1
22,222,222	\$0.27	31 March 2022	1

Performance Rights:

Number of Performance Rights	Expiry Date	Number of Holders
1,933,173	1 July 2022	71
2,316,079	1 July 2023	6
2,777,778	30 June 2023	1
2,777,778	30 June 2024	1
2,777,778	30 June 2025	1

Voting Rights

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

Restricted Securities

The Company has no restricted securities.

On-Market Buy Back

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



