



**DACIAN GOLD LIMITED**

ABN 61 154 262 978

Financial Statements  
for the  
Half-Year Ended 31 December 2017

**DACIAN GOLD LIMITED**

ABN 61 154 262 978

**FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017****CONTENTS**

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## DIRECTORS' REPORT

The Directors present the financial statements of Dacian Gold Limited ("the Company") and its controlled subsidiaries ("the Group") for the half-year ended 31 December 2017. In order to comply with the provisions of the Corporations Act 2001, the Directors Report is as follows:

### Directors

The following persons were Directors of Dacian Gold Limited during the whole of the half-year and up to the date of this report, unless stated otherwise:

Rohan Williams	<i>(Executive Chairman)</i>
Robert Reynolds	<i>(Non-Executive Director)</i>
Barry Patterson	<i>(Non-Executive Director)</i>
Ian Cochrane	<i>(Non-Executive Director)</i>

### Company Secretary

Kevin Hart

### Principal Activities

The principal activity of the Company during the half-year was mineral exploration and development of the Mt Morgans Gold Project. The Company anticipates first gold production in the March quarter, 2018.

### Significant Changes in the State of Affairs

There were no significant changes to the state of affairs of the Group during or since the 6 months ended 31 December 2017, not otherwise disclosed in this report.

### Review of Operations

#### Operating results and financial position

The net loss after income tax for the half-year was \$8,821,853 (31 December 2016: \$13,832,632). Included in this loss for the half-year is an amount of \$6,665,889 (31 December 2016: \$12,429,657) relating to exploration and evaluation costs not capitalised.

At the end of the half-year the Group had \$117,259,724 (30 June 2017: \$90,163,337) in cash and an A\$160 million syndicated debt facility of which \$139.5 million has been drawn.

#### Summary of Activities

During the period, construction at the Mount Morgans Gold Project ("MMGP") 2.5Mtpa CIL treatment facility passed the 90% completion mark. The first gold pour is scheduled for late March 2018. Project construction remains on time and on budget.

At 31 December 2017, project to date development at the Beresford underground mine, located beneath the Westralia open pit, was 873m ahead of the corresponding Feasibility Study Schedule. The first stope at this mine was fired on 26 January 2018. Open pit mining at Jupiter commenced on 29 December 2017 following the award of the mining contract to Macmahon Contractors Pty Ltd in December.

The Group confirmed Cameron Well as a new and emerging gold discovery subsequent to the release of results of 542 predominantly air core drill holes (see ASX release dated 8 November 2017). The results suggest that Cameron Well may develop into the third significant gold deposit discovered by the Company at MMGP.

### Events Subsequent to the Reporting Date

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.

## 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 20<sup>th</sup> day of February 2018.



**Rohan Williams**  
Executive Chairman

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## Auditor's Independence Declaration to the Directors of Dacian Gold Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Dacian Gold Limited for the half-year ended 31 December 2017. I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



C A Becker  
Partner – Audit & Assurance

Perth, 20 February 2018

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Note	Consolidated	
		31 December 2017 \$	31 December 2016 \$
Revenue	3	800,996	61,664
<b>Total Revenue</b>		<b>800,996</b>	61,664
Employee expenses	3	(853,164)	(790,363)
Share-based employee expense		(725,812)	(616,676)
Depreciation and amortisation expenses		(282,409)	(138,689)
Exploration costs expensed and written off	6	(6,665,889)	(12,429,657)
Other expenses		(1,095,575)	(754,292)
<b>Loss before income tax</b>		<b>(8,821,853)</b>	(14,668,013)
Income tax benefit		-	835,381
<b>Net loss for the period attributable to the members of the parent entity</b>		<b>(8,821,853)</b>	(13,832,632)
Other comprehensive Income		-	-
<b>Total comprehensive loss for the period attributable to the members of the parent entity</b>		<b>(8,821,853)</b>	(13,832,632)
<b>Loss per share</b>			
Basic loss per share (cents)		(4.3)	(10.2)

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	Consolidated	
		31 December 2017 \$	30 June 2017 \$
<b>Current assets</b>			
Cash and cash equivalents	4	117,259,724	90,163,337
Trade and other receivables	5	5,210,512	3,417,086
Inventories		472,074	265,345
<b>Total current assets</b>		<b>122,942,310</b>	93,845,768
<b>Non-current assets</b>			
Other financial assets		-	36,722
Property, plant and equipment		1,607,292	1,406,018
Exploration and evaluation assets	6	4,163,562	4,163,562
Mine properties	7	195,210,161	60,959,305
<b>Total non-current assets</b>		<b>200,981,015</b>	66,565,607
<b>Total assets</b>		<b>323,923,325</b>	160,411,375
<b>Current liabilities</b>			
Trade and other payables	8	41,687,999	16,634,856
Borrowings	9	43,252,229	1,513,375
<b>Total current liabilities</b>		<b>84,940,228</b>	18,148,231
<b>Non-current liabilities</b>			
Trade and other payables	8	140,146	104,090
Borrowings	9	96,500,000	-
Provisions	10	14,615,346	7,846,408
<b>Total non-current liabilities</b>		<b>111,255,492</b>	7,950,498
<b>Total liabilities</b>		<b>196,195,720</b>	26,098,729
<b>Net assets</b>		<b>127,727,605</b>	134,312,646
<b>Equity</b>			
Issued capital	11	194,112,022	191,783,216
Share based payments reserve	12	2,873,228	2,965,222
Accumulated losses		(69,257,645)	(60,435,792)
<b>Total equity</b>		<b>127,727,605</b>	134,312,646

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Consolidated			
	Issued capital	Share reserve	Accumulated losses	Attributable to owners of the parent
	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	53,515,696	1,321,449	(41,577,878)	13,259,267
Total comprehensive loss for the half-year	-	-	(13,832,632)	(13,832,632)
Capital Raising	26,500,000	-	-	26,500,000
Options exercised	498,000	-	-	498,000
Costs of capital raising	(763,598)	-	-	(763,598)
Issue of capital in consideration for termination of Royalty	6,000,002	-	-	6,000,002
Share-based payments expense	-	616,676	-	616,676
Options exercised	41,940	(41,940)	-	-
<b>Balance at 31 December 2016</b>	<b>85,792,040</b>	<b>1,896,185</b>	<b>(55,410,510)</b>	<b>32,277,715</b>
<b>Balance at 1 July 2017</b>	191,783,216	2,965,222	(60,435,792)	134,312,646
Total comprehensive loss for the half-year	-	-	(8,821,853)	(8,821,853)
Options exercised	1,511,000	-	-	1,511,000
Performance rights exercised	231,000	(231,000)	-	-
Share-based payments expense	-	725,812	-	725,812
Options exercised	586,806	(586,806)	-	-
<b>Balance at 31 December 2017</b>	<b>194,112,022</b>	<b>2,873,228</b>	<b>(69,257,645)</b>	<b>127,727,605</b>

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



**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Consolidated	
	31 December 2017 \$	31 December 2016 \$
<b>Cash flows from operating activities</b>		
Interest received	837,718	40,183
Research & development tax concession income	97,219	835,381
Interest paid	(346)	(689)
Payments for exploration and evaluation	(7,117,201)	(7,978,763)
Payments to suppliers and employees	(2,478,331)	(1,587,591)
<b>Net cash used in operating activities</b>	<b>(8,660,941)</b>	<b>(8,691,479)</b>
<b>Cash flows from investing activities</b>		
Payments for development expenditure	(103,609,724)	-
Payments for plant and equipment	(493,403)	(384,513)
<b>Net cash used in investing activities</b>	<b>(104,103,127)</b>	<b>(384,513)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital (net of issue costs)	1,511,000	26,418,375
Proceeds from borrowings	139,500,000	-
Transaction costs associated with borrowings	(1,150,545)	(326,911)
<b>Net cash provided by financing activities</b>	<b>139,860,455</b>	<b>26,091,464</b>
<b>Net increase in cash held</b>	<b>27,096,387</b>	<b>17,015,472</b>
<b>Cash at the beginning of the period</b>	<b>90,163,337</b>	<b>9,648,425</b>
<b>Cash at the end of the period</b>	<b>117,259,724</b>	<b>26,663,897</b>

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

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

### **Note 1 Summary of Significant Accounting Policies**

#### **Basis of preparation of half-year report**

These general purpose financial statements for the half-year reporting period ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard 134: *Interim Financial Reporting* and the Corporations Act 2001. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This condensed half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of Dacian Gold Limited and its controlled entities ('the Group') as in the full financial report. Accordingly, these half-year financial statements are to be read in conjunction with the financial statements of the Group for the year ended 30 June 2017, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this half-year financial report as were applied in the most recent annual financial statements.

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

The half-year financial statements were approved by the Board of Directors on the 20th of February 2018.

#### **Adoption of new and revised accounting standards**

A number of new or amended standards became applicable for the current reporting period, however the Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards. There may be some changes in the disclosures in the 30 June 2018 annual report as a consequence of these amendments.

The Company has not elected to early adopt any new standards or amendments during the current reporting period.

#### **Estimates**

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management.

The judgements, estimates and assumptions applied in the half-year financial statements, including the key sources of estimation of uncertainty were the same as those applied in the Group's annual financial statements for the year ended 30 June 2017.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

### Note 2 Segment Information

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

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

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

<b>Note 3 Revenue and Expenses</b>	<b>31 December 2017 \$</b>	<b>31 December 2016 \$</b>
Loss for the year includes the following specific income and expenses:		
Interest income	<b>800,996</b>	61,664
Employee expenses:		
Salaries and wages	<b>4,246,063</b>	1,538,715
Director fees and consulting expenses	<b>422,312</b>	290,000
Defined contribution superannuation	<b>442,527</b>	178,541
Other employment expenses	<b>515,563</b>	335,250
Less: allocation to exploration & construction project costs	<b>(4,773,301)</b>	(1,552,143)
	<b>853,164</b>	790,363
<b>Note 4 Cash and Cash Equivalents</b>	<b>31 December 2017 \$</b>	<b>30 June 2017 \$</b>
Cash at bank	<b>117,259,724</b>	90,163,337

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

At 31 December 2017 the Group had a \$160 million syndicated project development facility (30 June 2017: \$150 million) of which \$139.5 million had been drawn (30 June 2017: \$150 million undrawn).

#### Cash balances held in reserve:

An amount of \$15 million was reserved on deposit in respect of contingency funding for the development of the Mt Morgans Gold Project. The purpose of the reserved cash is to fund future unplanned development costs and to provide funding support for debt service obligations under the syndicated project development debt facility. At 31 December 2017, the Group forecasts indicated there were no future requirements to use this reserved cash. There were no other amounts included in cash and cash equivalents that are held in reserve as at 31 December 2017.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

<b>Note 5 Trade and Other Receivables</b>	<b>31 December 2017 \$</b>	<b>30 June 2017 \$</b>
Current assets		
R&D Concession tax benefit receivable	-	97,219
GST receivable	<b>3,985,119</b>	1,204,603
Prepayments	<b>848,459</b>	2,012,705
Other receivables	<b>376,934</b>	102,559
	<b>5,210,512</b>	3,417,086

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

<b>Note 6 Deferred Exploration and Evaluation Expenditure</b>	<b>31 December 2017 \$</b>	<b>30 June 2017 \$</b>
Deferred exploration costs at the start of the period	<b>4,163,562</b>	8,131,847
Exploration and evaluation costs incurred	<b>8,703,554</b>	11,394,620
Royalty termination costs <sup>(i)</sup>	-	6,014,752
Transfers to mine properties in development	<b>(2,037,665)</b>	(6,420,301)
Exploration and evaluation costs expensed and written off	<b>(6,665,889)</b>	(14,957,356)
	<b>4,163,562</b>	4,163,562

<sup>(i)</sup> The Company issued 1,780,416 ordinary shares to Macquarie Bank Limited ('MBL') being settlement for the termination of the MBL Royalty Deed over certain tenements held by the Company. The MBL smelter return royalty was 1% of gross revenue earned on 491,617 troy ounces of gold produced from the tenements of the MMGP. The Royalty termination costs disclosed include \$14,750 in transaction costs.

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

<b>Note 7 Mine Properties</b>	<b>31 December 2017 \$</b>	<b>30 June 2017 \$</b>
Mine properties in development		
Opening balance	<b>60,959,305</b>	-
Additions	<b>123,763,289</b>	46,103,677
Transfers from exploration	<b>2,037,665</b>	6,420,301
Change in rehabilitation provision	<b>6,768,938</b>	5,903,376
Borrowing costs capitalised	<b>1,680,964</b>	2,531,951
	<b>195,210,161</b>	60,959,305

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

<b>Note 8 Trade and other payables</b>	<b>31 December 2017 \$</b>	<b>30 June 2017 \$</b>
Current liabilities		
Trade and other payables	<b>25,862,357</b>	639,270
Accrued expenses	<b>15,367,097</b>	15,666,542
Employee leave liabilities	<b>458,545</b>	329,044
	<b>41,687,999</b>	16,634,856
Non-current liabilities		
Employee leave liabilities	<b>140,146</b>	104,090

Trade payables are non-interest bearing and normally settled on 30 day terms.

<b>Note 9 Borrowings</b>	<b>31 December 2017 \$</b>	<b>30 June 2017 \$</b>
Current:		
Insurance premium funding liability	<b>252,229</b>	1,513,375
Syndicated Project Development Debt Facility <sup>(i)</sup>	<b>43,000,000</b>	-
	<b>43,252,229</b>	1,513,375
Non-current:		
Syndicated Project Development Debt Facility <sup>(i)</sup>	<b>96,500,000</b>	-

<sup>(i)</sup> Mt Morgans WA Mining Pty Ltd (a wholly owned subsidiary of Dacian Gold Limited) has a project debt facility of up to \$150 million with Westpac Banking Corporation, Australia and New Zealand Banking Group Limited and BNP Paribas. A new \$10 million working capital facility to support an increase in regional development activities for Dacian Gold Limited was entered into during the period with Westpac Banking Corporation, Australia and New Zealand Banking Group Limited and BNP Paribas.

Total capitalised transaction costs to 31 December 2017 are \$4,212,915 (30 June 2017: \$2,531,951). Transaction costs are accounted for under the effective interest rate method. These costs are incremental costs that are directly attributable to the loan and include loan origination fees, commitment fees and legal fees.

<b>Note 10 Provisions</b>	<b>31 December 2017 \$</b>	<b>30 June 2017 \$</b>
Non-current liabilities:		
Rehabilitation provision	<b>14,615,346</b>	7,846,408

The rehabilitation provision relates to the estimated obligations in relation to the environmental rectification works at the Mt Morgans Gold Project.

Reconciliation of movements in Rehabilitation Provision:		
Balance at the start of the period	<b>7,846,408</b>	1,966,676
Increase in rehabilitation provision during the period	<b>6,768,938</b>	5,879,732
Balance at the end of the period	<b>14,615,346</b>	7,846,408

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**
**Note 11 Issued Capital**

	31 December 2017 No.	30 June 2017 No.	31 December 2017 \$	30 June 2017 \$
Issued share capital	<b>205,844,814</b>	201,732,155	<b>194,112,022</b>	191,783,216
Share movements during the period				
Balance at the start of the period	<b>201,732,155</b>	133,306,254	<b>191,783,216</b>	53,515,696
Share issue	-	67,275,901	-	142,290,972
Exercise of options	<b>4,042,659</b>	1,150,000	<b>2,097,806</b>	979,461
Exercise of performance rights	<b>70,000</b>	-	<b>231,000</b>	-
Less share issue costs	-	-	-	(5,002,913)
Balance at the end of the period	<b>205,844,814</b>	201,732,155	<b>194,112,022</b>	191,783,216

**Note 12 Share Based Payments**

The Group provides benefits to employees (including Executive Directors) of the Group through share-based incentives.

**Options over Unissued Shares**

During the half-year ended 31 December 2017 no options over unissued shares were issued pursuant to the Company's Employee Share Option Plan (31 December 2016: Nil). The share-based payments expense for the period of \$276,622 (31 December 2016: \$358,867) relates to the fair value of options apportioned over their respective vesting periods.

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

	31 December 2017		31 December 2016	
	No.	WAEP	No.	WAEP
Options outstanding at the start of the year	<b>12,000,000</b>	<b>\$0.94</b>	<b>13,150,000</b>	<b>\$0.92</b>
Options granted during the year	-	-	-	-
Options exercised during the year	<b>(5,050,000)</b>	<b>\$0.76</b>	<b>(600,000)</b>	<b>\$0.84</b>
Options outstanding at the end of the year	<b>6,950,000</b>	<b>\$1.07</b>	<b>12,550,000</b>	<b>\$0.92</b>

The terms of the unissued ordinary options at 31 December 2017 are as follows:

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

*b) Subsequent to the reporting date*

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

*c) Weighted average contractual life*

The weighted average contractual life for un-exercised options is 33 months (31 December 2016: 28 months).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

### Note 12 Share Based Payments (continued)

#### Performance Rights

During the half-year ended 31 December 2017, 165,156 performance rights (31 December 2016: 670,000) were issued to employees, pursuant to the terms of the Dacian Gold Limited Employee Share Option Plan. The share-based payments expense for the period includes \$449,190 (31 December 2016: \$257,809) relating to the fair value of performance rights apportioned over the respective vesting periods.

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

	31 December 2017	
	No.	WAFV
Opening balance at beginning of the period	550,250	\$2.98
Rights issued during the period	165,156	\$2.33
Rights outstanding at the end of the period	715,406	\$2.29

*b) Fair value of performance rights granted*

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

During the period the Company issued 165,156 performance rights to employees pursuant to the terms and conditions of the Dacian Gold Limited Employee Option Plan (31 December 2016: 670,000). Details of the performance rights issued to employees are as follows:

Tranche	Number of rights issued	Date of grant	Date of vesting	Share price on grant date	Fair value at grant date	Expected share price volatility	Expected dividend yield	Expected risk free rate
A	165,156	30 August 2017	1 July 2019	\$2.33	\$2.33	51%	0%	1.84%

### Note 13 Commitments

*(a) Operating lease commitments:*

	31 December 2017	30 June 2017
	\$	\$
Due within 1 year	205,768	242,657
Due after 1 year but not more than 5 years	586,923	690,319
	792,691	932,976

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

### Note 13 Commitments (continued)

#### (b) Capital commitments:

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

	31 December 2017	30 June 2017
Mine Properties in development	20,915,701	103,228,720

#### (c) Exploration commitments

The Group has certain obligations for payment of tenement rent, shire rates and to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Group's exploration programmes and priorities. At 31 December 2017, the Group had satisfied all of its exploration commitments pursuant to the leases, which currently are approximately \$4,096,175 per annum.

#### (d) Gold delivery commitments

	Gold for physical delivery oz	Average contract sale price A\$/oz	Value of committed sales \$'000
Due within 1 year	-	-	-
Due after 1 year but not more than 5 years	51,999	1,782	92,664
	51,999	1,782	92,664

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

### Note 14 Contingencies

#### (a) Contingent liabilities

The Group had guarantees outstanding at 31 December 2017 totalling \$110,938 (30 June 2017: \$110,938) relating to the lease of the Group's head office.

#### (b) Contingent assets

There are no material contingent assets at the reporting date.

### Note 15 Events Subsequent to the Reporting Date

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.



## DIRECTORS' DECLARATION

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

- a. The accompanying financial statements and notes of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including:
  - i. give a true and fair view of the Company's and consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year then ended; and
  - ii. comply 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 half-year ended 31 December 2017.

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

DATED at Perth this 20<sup>th</sup> day of February 2018.



**Rohan Williams**  
Executive Chairman

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## Independent Auditor's Review Report to the Members of Dacian Gold Limited

### Report on the Half Year Financial Report

#### Conclusion

We have reviewed the accompanying half year financial report of Dacian Gold Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Dacian Gold Limited does not give a true and fair view of the financial position of the Group as at 31 December 2017, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial reporting*.

#### Directors' Responsibility for the Half Year Financial Report

The Directors of the Company are responsible for the preparation of the half-year 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 half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Dacian Gold Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



C A Becker  
Partner - Audit & Assurance

Perth, 20 February 2018