DACIAN GOLD LIMITED

2023 ANNUAL REPORT

ACN 154 262 978

Corporate Directory

Directors

Craig McGown	Independent Non-Executive Chair
Sue-Ann Higgins	Independent Non-Executive Director
Morgan Ball	Non-Executive Director
William Troy Irvin	Non-Executive Director
Gerard Kaczmarek	Non-Executive Director

Company Secretary

Sonia Hamilton-Browne

Registered Office and Principal Place of Business

Level 7, 40 The Esplanade
Perth WA 6000
Australia

Telephone: +61 8 6323 9000
Website: www.daciangold.com.au
Email: info@daciangold.com.au

Auditor

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

Share Registry

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

Stock Exchange Listing

The Company's shares are quoted on the Australian Securities Exchange

ASX Code

DCN

ACN

154 262 978

Contents

Letter to Shareholders

Dear Shareholders,

On behalf of your Board of Directors I present to you Dacian Gold Limited's (the Company) Annual Report for 2023, a year of significant change for your company.

As with the previous financial year, the 2023 financial year has been quite challenging. Following the decision to discontinue underground and open pit mining operations and pivot to exploration, the Company continued processing of run of mine stocks and low-grade stockpiles through 2022. With the exhaustion of those stockpiles, the Company moved to processing of historical dump leach material, however, like all industry participants continued to face high inflation, supply chain challenges and risk. These challenges, combined with uncertainty regarding the stockpile grade and water security issues resulted in your Board taking a decision in January 2023 to place the Mt Morgans processing plant on care and maintenance, with the operations being suspended on 3 April, 2023.

This decision was not taken lightly, with a broad range of redundancies of long term committed employees and termination of contracting relationships, as the Company pivoted its focus to resetting its Resource base, in particular expansion of the Jupiter Resource beneath the existing open pits, and to development of a mine plan to support a future restart of operations.

As reflected by the financial report the Company produced 42,761 ounces (2022 – 90,809 ounces) of gold in 2023 at an all in-sustaining-cost (AISC) of $2,032/oz (2022 – 1,955/oz) generating $4.9 million in operating cash flow, down from $31.8 million in 2022 with an average price of gold sold being $2,651 (2022 - $2,439).

The EBITDA for the year was $6.1 million (2022- $30.3million). As a result of the application of purchase price accounting on consolidation with its parent company, Genesis Mining Limited, impairment charges on exploration and evaluation assets of $28.1million and mine properties of $11.1million have resulted in a loss for the year of $62.7million (2022 - $198.4 million) and resulted in a reduction in the net assets to $60.4 million as at 30 June 2023 ($110.0 million as at 30 June, 2022).

The Company continued pursuing the Jupiter resource extension drilling program and in March, 2023 an updated Mineral Resource estimate was reported with the MRE of 830,00 ozs, up 133% from the June, 2022 MRE. In July 2023 the Company announced an overall mineral resource increase of 23% and a significant reserve increase of 171%.

With mineralisation continuing below the Jupiter MRE, an Exploration Target was also announced in March 2023, which is now the subject of desktop evaulation for bulk underground mining potential.

Additional greenfields exploration programs focused on the search for additional baseload deposits at Mt Morgans. A number of soil sampling programs over the project were conducted during 2022 and 2023, with the Southern Tenements prospect identified as worthy of increased geological attention. In May 2023 a first pass exploration program was conducted over the prospect.

The Company's focus continues on exploration, including the expansion of its resource base at Jupiter, and on developing a plan for restart of mining and processing operations, including third party ore arrangements to supplement the Jupiter ore feed, water supply and tailings storage solutions.

As part of the change in strategic direction, Derek Humphry was appointed Interim CEO in March 2023 when Dale Richards stepped down to focus on exploration targeting for the Genesis Group and Lee Stephens was appointed COO in May, 2023. I would like to thank both Derek and Dale for their significant efforts over several months until they ceased with the Company in May and June, respectively.

There have been some Board changes since the last annual report was released with Gerry Kazmarek and Troy Irvin joining the Board as representatives of Genesis and Tony Kiernan and Lee Stephens leaving the Board. I would like to thank all the departing Board members for their contribution to your Company's activities.

On 20 February 2023, the Genesis takeover offer (Offer) for your Company, which was unanimously recommended by the independent Directors in December, 2022 in the absence of a superior proposal, closed with Genesis holding 80.08%.

The Genesis strategy is based on the belief that consolidation of the Leonora-Laverton region is logical and provides an opportunity to combine two highly complementary businesses to create a company with significant Mineral Resources, established infrastructure and exploration upside in the Leonora-Laverton region. This strategy has been further augmented by the acquisition of the Gwalia mine, associated infrastructure and personnel from St Barbara Limited, which is likely to result in the Tower Hill high grade pit being advanced through the Mt Morgans plant.

On behalf of the Board, I would also like to thank our executive management team and all our employees and contractors for their concerted efforts during a difficult 2023. I would also like to thank all our stakeholders, and in particular our shareholders and our traditional owners, for their ongoing support throughout the year.

Craig McGown
Non-Executive Chair
Dacian Gold Limited

Company Highlights FY23

Operational

Gold Production
42,761oz

AISC
$2,032

Ore Reserves and Mineral Resources
At 30 June 2023:
Ore Reserves - 274,000oz
Mineral Resources - 2.7Moz

Financial

Cash and gold on hand
$25.4M

Remaining debt
Nil

Our Sustainability Footprint

Health and Safety

Safety at Dacian's projects 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.

Care and Maintenance activities from March 2023 have resulted in a significant reduction in total man hours, resulting in the increased TRIFR despite the reduction in overall reportable injuries. The Company's rolling Total Recordable Injury Frequency Rate (TRIFR) calculated as 12 month rolling average at 30 June 2023 was 18.9 (2022: 5.4). 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.

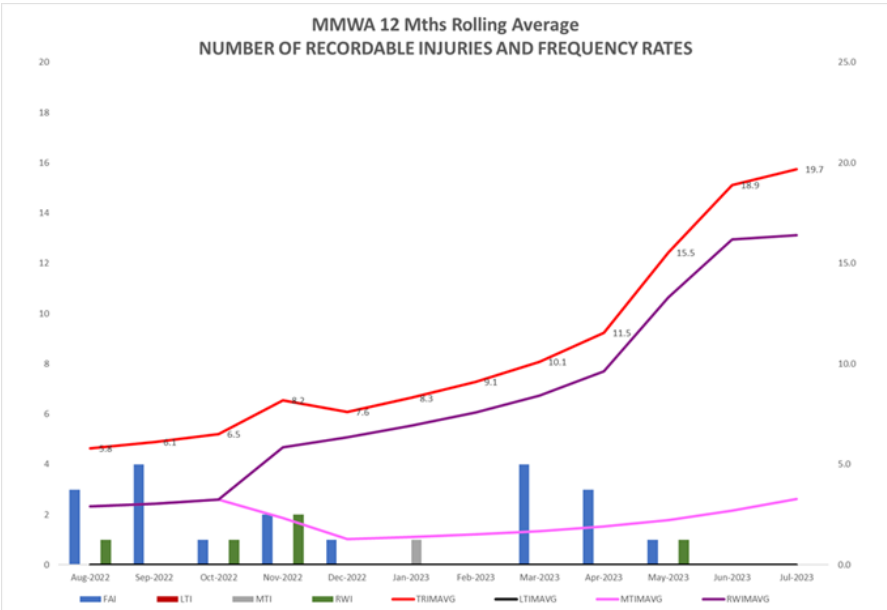

Figure 1: 12-month rolling average TRIFR for MMGO

The Company continues to monitor the COVID-19 outbreaks in the broader community and remains proactive with the range of protective and preventative measures in accordance with its COVID-19 Management Plan.

People

At 30 June 2023, the Company employs a Board of Directors and a part-time independent Board Advisor. All operational activities are completed by Genesis Minerals employees under a Management Services Agreement. In addition, the Company engages appropriate contractors to perform specialist services.

Current Projects

Project study work associated with the restart of the Mt Morgan processing plant is ongoing with the main focus on surety and longevity of Process water supply and Tailing storage capacity. Environmental approvals are being progressed to enable a low risk commencement of mining and processing operations.

Care and Maintenance activities are focused on maintaining the plant in a powered-up ready state. Scheduled rotation of major processing equipment is being conducted on a regular basis with all non-critical items secured to prevent deterioration during this period. In addition, exploration continues (refer Exploration and Growth section of this report).

Community Engagement

Dacian Gold is committed to building and maintaining mutually beneficial relationships with community and government, and we believe that these relationships are key to successfully operating the Mt Morgans Gold Operation. We were pleased to be able to make a donation to the Mt Margaret community of perishable items during the preparation for care and maintenance closure period.

We embrace our social responsibility obligations and aspire to be a valued and supportive member of the communities in which we operate.

Corporate Governance

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 its size and the scope of its activities.

Review of Operations

Mt Morgans Gold Operation

Dacian Gold Limited's (Dacian) Mt Morgans Gold Operation (MMGO) is located 25km west of Laverton and approximately 750km north-east of Perth in Western Australia.

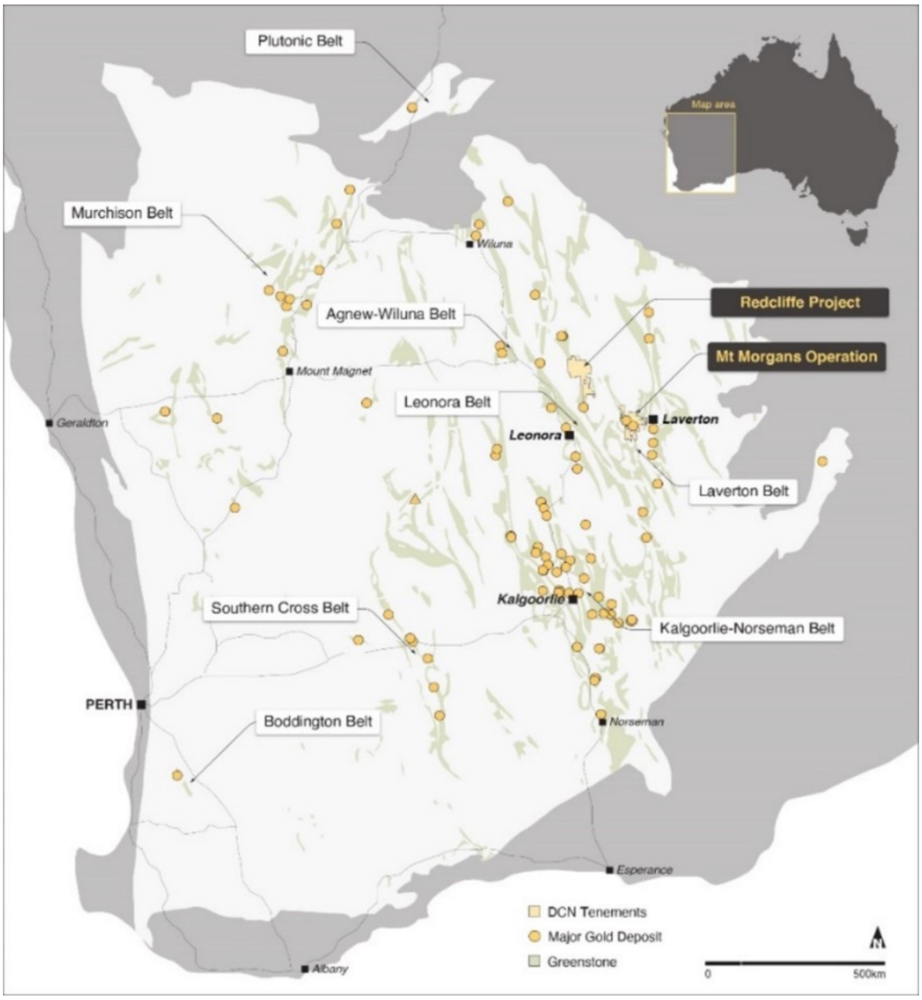

Figure 2: Location of Dacian Gold's Operations in Western Australia

On 17 June 2022 the Company announced a review of the operating strategy. This strategy was executed and in January the Company announced that the processing plant would be placed into Care and Maintenance during H2 of FY23. Below is the summary of activities during FY23:

- Underground operations were suspended in Q1
- Processing of existing stockpiles continued until the end of Q3 where the processing plant was placed in Care and Maintenance
- Drill testing at Jupiter continued following encouraging results
- Exploration activities

Financial Year 2023

Overview Table 1: Gold Recovery and Sales

	Unit	SQ	DQ		MQ	JQ	FY2023
Gold Recovered	oz	21,525	12,040		9,197	0	**42,761**
Gold Sales	oz	22,224	12,889		9,727	2,039	**46,879**
Realised Average Price	A$/oz	2,561	2,667		2,763	2,990	**2,651**
Gold Revenue	A$M	56.9	34.4		26.9	6.1	**124.3**
Gold on Hand	oz	1,854	1,170		959	0	**0**

Full year production for the 2023 financial year totalled 42,761 ounces (2022: 190,809 ounces) at an AISC of $2,032/oz (2022: $1,955/oz).

All hedge positions have been closed at 30 June 2023.

Mining

Open Pit

Nil activities.

Underground

The Westralia complex produced 48kt at 4.65g/t Au containing 7,158 ounces.

The processing plant continued to perform consistently above nameplate capacity of 2.5mtpa, milling a total throughput of 2.07 million tonnes of ore for FY2023 (2022: 2.91 Mt), producing 42,761 ounces (2022: 90,809 ounces) at a recovery of 87.5% (2022: 91.7%).

Gold sales totalling 46,879 ounces (2022: 91,495 ounces) realised gold revenue of $124.3 million for the year (2022: $223 million).

The March 23 announcement of the decision to place the processing plant into care and maintenance resulted in a program of works to preserve the plant in an suitable condition. This included:

- Termination of supply and services contracts
- Preservation of all mechanical and electrical equipment in an operational ready state
- Securing all remote infrastructure
- Securing of all administration and non-essential facilities
- Redundancy package for the impacted workforce
- Care and Maintenance team appointed to provide ongoing works at the site

Exploration and Growth

During the year, the Group's growth and exploration program was dually focused on defining future base load exploration targets and testing and expanding upon current resources. Exploration systems applied have included the use of geophysical surveys, geochemical soil sampling, structural studies, target profiling, selected geochronological analysis, petrography and exploration and resource definition drilling.

Jupiter Extension Project

Phase 2 of the Jupiter Extension Project continued as the primary strategic growth and exploration focus until it was completed in early Q3 FY23. The target complex consists of an extensive syenite system, intruded into a well-defined structural setting, within basaltic country rock. The Jupiter complex spans approximately 2km with variable widths ranging between 50m and 300m, with several identified syenite pipes and linking dykes within the extensive structural zone between the Heffernans, Doublejay and Ganymede syenite stocks and open pits. The Jupiter syenite intrusive system is interpreted to be associated with the main Kurnalpi gold mineralisation event in published literature.

Phase 1, completed in FY22, demonstrated Dacian's syenite systems are suitable hosts for deposits of significant scale. FY23 saw the next two stages of target development completed:

- Phase 2: Drilling program to target potential bulk extractable mineralisation to approximately 400m from surface across the entire length of the Jupiter complex.
- Phase 3: Mineral Resource estimation and conceptual mining studies for potential expansion of large-scale mining operations.

Phase 2 drilling results confirmed the mineralisation of significant width and scale associated with the syenite intrusive system over the strike extent of approximately 2km and to a depth of approximately 400m below surface, continuing to 650m below surface and remaining open at depth, though the mineralisation of the syenites is weaker with depth.

Phase 3, comprising mineral resource estimation and order of magnitude studies for potential expansion of large-scale mining operations, with updated geological interpretation and modelling of the system was completed in Q3 FY23 and Mineral Resource and Reserves updated in Q4. Mining studies were based on conventional open pit mining methods. The MRE for Jupiter increased to 24MT at 1.1 g/t Au for 830 koz, and Reserves were reinstated for Jupiter at 133 koz. A desktop bulk underground mining study is in progress for mineralisation continuing below the Jupiter MRE open pit optimisation.

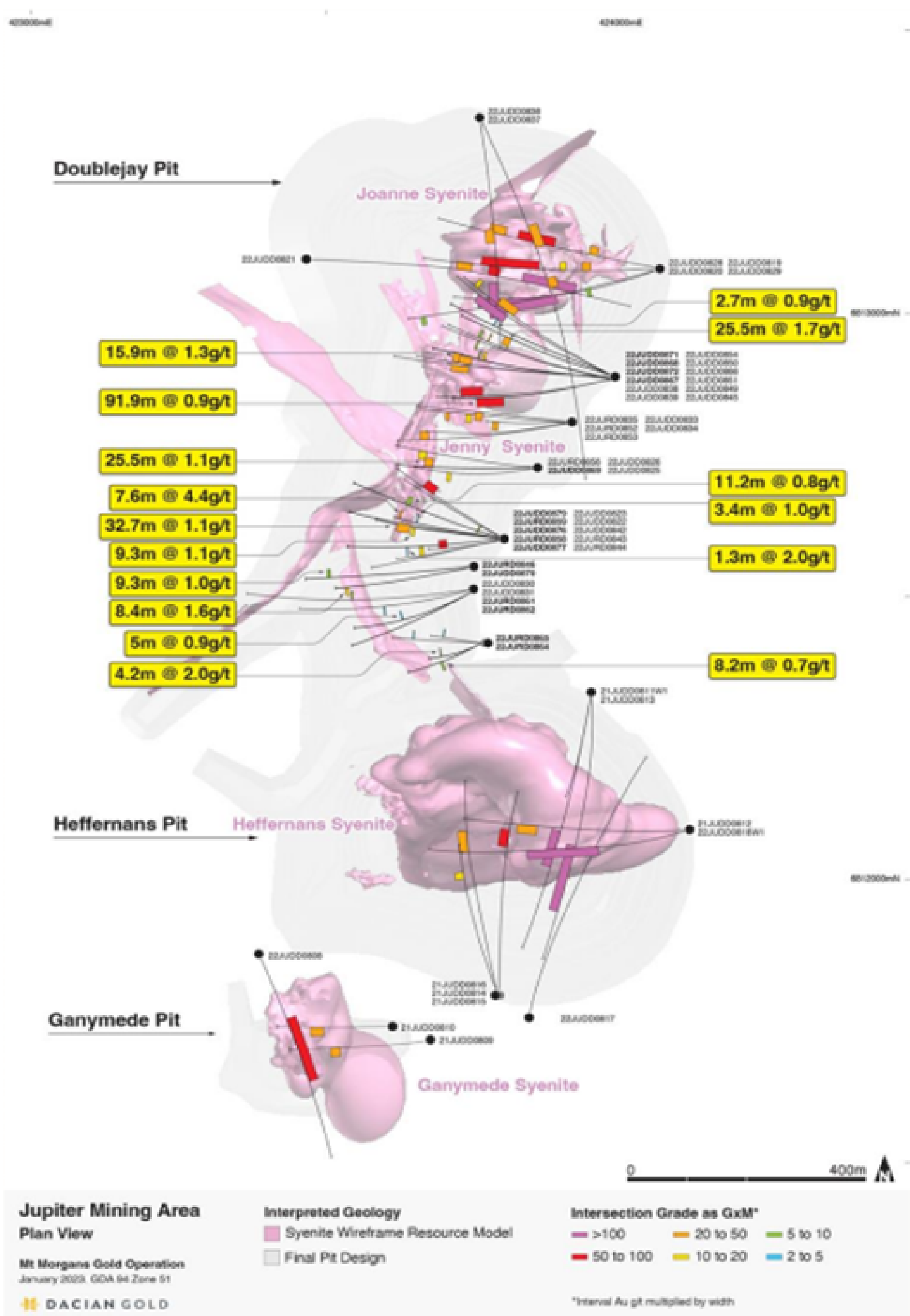

Figure 3: Plan view of the syenite complex with the new hole collars (excluding RC intercepts) and final pit design.

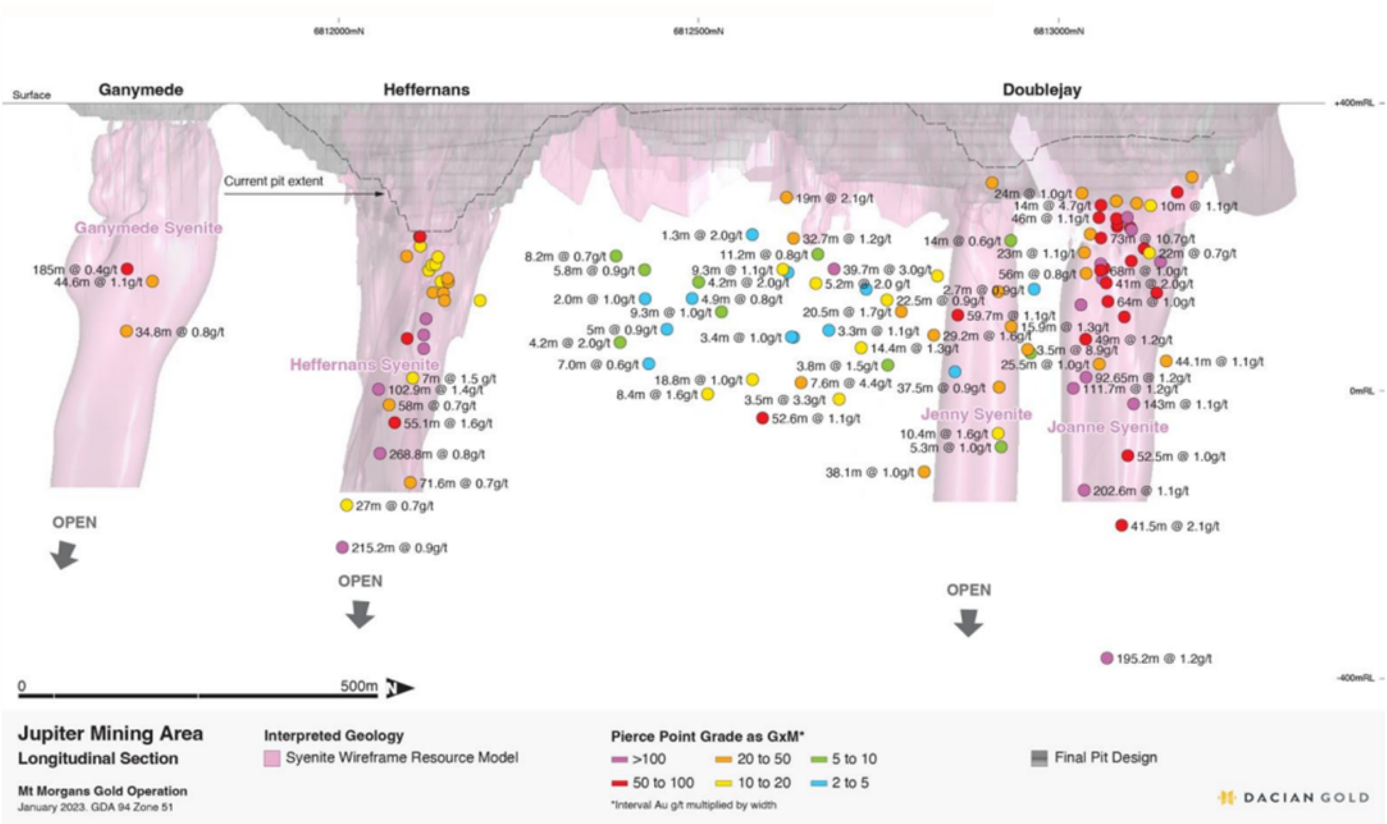

Figure 4: Long section view facing west of the Jupiter syenite complex with the current final pit design

Jupiter Mineral Resource Definition and Extension

In addition to the Phase 2 Jupiter program, an RC drill program to infill the resource beneath the DoubleJay pit before dewatering ceased at the completion of mining operations. Drilling targeted the Jenny and Joanne syenites where they would otherwise be unable to be drilled outside of the pit in Phase 1 and 2 programs, infilling the drill spacing to 20x20m to provide increased confidence in the mineral resource below the current pit design.

Results from the drilling demonstrated continuity of mineralisation from the existing Jupiter Mineral Resource (released 27 July 22), through to the Jupiter Exploration Target.

Greater Westralia Mining Area

Mt Marven

Resource definition drilling was completed at the Mt Marven deposit, aimed at providing improved geological control on the mineralised lodes within the existing Mineral Resource estimate. Any gaps in the resource were infilled to 20x20m spacing and drilling was added at the base of the modelled pit design to increase confidence in the resource model where required.

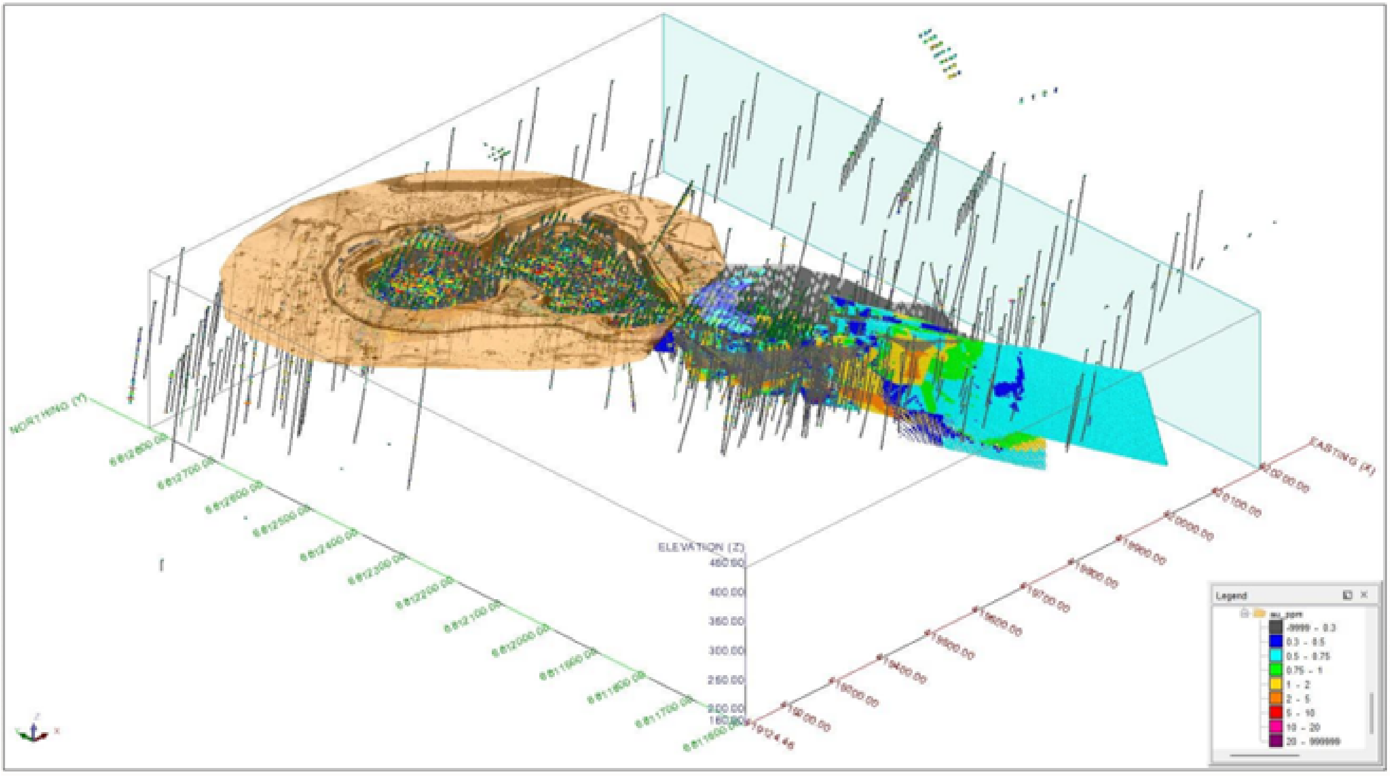

Figure 5: Oblique view –30° to NE showing the Mt Marven July 2022 EOM pit (gold), RPEEE pit shell (dark grey), mineralisation blocks coloured by estimated by gold grade, and drillholes by gold grades.

Water Exploration

Exploration was utilised to run a regional water exploration programme in Q1 FY23, drilling prospective targets identified through geophysical surveys conducted in FY22. Additional holes were drilled in Q2 after some high flows were encountered in the FY22 Red Knob drilling.

Southern Tenements

Exploration in E39/2002 continued this year, with a broader exploration focus across the tenement leading to the addition of several new targets. Geochemical soil sampling was completed in target zones requiring closer spaced data, in particular surrounding the Habibi target. Geomechanical modelling was utilised to interpret areas of potential failure and fluid flow within the tenement which resulted in a number of new structural targets, several of which were included in the regional aircore drilling program completed across the tenement during the year. Drilling provided improved geological and structural understanding of the prospects.

The RC stratigraphic drilling program from FY22 was concluded at the start of FY23.

Mineral Resources and Ore Reserves Statement

Dacian released its annual update of Mineral Resource and Ore Reserve estimates on the ASX on 3 July 2023. Shareholders should refer to that announcement for full details including JORC 2012 appendices.

Mineral Resources

The total Mineral Resources estimate for the Mt Morgans Gold Operation (Mt Morgans) and Redcliffe Project (Redcliffe) as at 30 June 2023 is shown below.

Total Mineral Resource estimate as at 30 June 2023 (after mining depletion)

MINING CENTRE	Deposit/Area	Deposit/Prospect	Reporting date	Cut-off grade (Au g/t) and constraints	Measured			Indicated			Inferred			Total Mineral Resource		
					Tonnes (kt)	Au g/t	Au Oz	Tonnes (kt)	Au g/t	Au Oz	Tonnes (kt)	Au g/t	Au Oz	Tonnes (kt)	Au g/t	Au Oz
		Beresford OP*	30/06/2023	0.5 & above RPEEE pit							830	1.9	50,000	830	1.9	50,000
		Beresford UG**	30/06/2023	2.0 & below RPEEE	200	4.6	30,000	1,940	4.1	257,000	1,500	3.1	150,000	3,640	3.7	437,000
	Westralia Mine Corridor	Allanson	30/06/2023	2.0	110	4.2	15,000	720	4.5	105,000	810	3.8	100,000	1,640	4.2	220,000
		Morgans North - Phoenix Ridge	11/05/2021	2.0							330	6.7	72,000	330	6.7	72,000
		SUBTOTAL			320	4.5	45,000	2,650	4.2	362,000	3,470	3.3	371,000	6,440	3.8	778,000
		Transvaal OP*	30/06/2023	0.5				620	3.0	61,000	260	2.9	25,000	890	3.0	86,000
		Transvaal UG**	30/06/2023	2.0				120	4.1	16,000	910	3.6	105,000	1,040	3.6	121,000
		Ramornie OP*#	30/06/2023	0.5 & in RPEEE pit OR >330 RL				190	2.6	15,000	190	2.2	13,000	370	2.4	28,000
	Westralia Satellite Deposits	Ramornie UG**##	30/06/2023	2.0 & below RPEEE pit OR <330 RL				70	3.2	7,000	500	2.0	31,000	560	2.1	38,000
		Craic	30/06/2022	2.0				30	7.9	8,000	70	5.9	13,000	100	6.5	21,000
		McKenzie Well	16/02/2021	0.5							950	1.1	34,000	950	1.1	34,000
		SUBTOTAL						1,030	3.2	108,000	2,880	2.4	221,000	3,910	2.6	328,000
MT MORGANS	GREATER WESTRALIA MINING AREA	SUBTOTAL			320	4.5	45,000	3,680	4.0	469,000	6,350	2.9	592,000	10,350	3.3	1,107,000
		Doublejay*	30/06/2023	0.5				1,620	1.1	55,000	3,570	1.2	132,000	5,190	1.1	187,000
	Jupiter OP*	Heffernans*	30/06/2023	0.5	620	1.2	23,000	8,380	1.1	288,000	7,510	1.1	265,000	16,510	1.1	576,000
		Ganymede*	30/06/2023	0.5				880	0.8	24,000	1,510	0.9	42,000	2,390	0.9	66,000
		SUBTOTAL			620	1.2	23,000	10,880	1.0	366,000	12,590	1.1	439,000	24,090	1.1	829,000
	Mt Marven	Mt Marven*	30/06/2023	0.5				1,150	1.2	45,000	340	1.2	13,000	1,490	1.2	58,000
	JUPITER MINING AREA	SUBTOTAL		0.5	620	1.2	23,000	12,030	1.1	412,000	12,930	1.1	452,000	25,580	1.1	887,000
	Cameron Well Project Area	Maxwells	30/06/2021	0.5				170	0.9	5,000	500	0.8	12,000	660	0.8	17,000
	Stockpiles	Mine Stockpiles	30/06/2022													
		LG Stockpiles	30/06/2022													
		Jupiter Heapleach	30/06/2022	0							3,170	0.4	41,000	3,170	0.4	41,000
		Total - Stockpiles									3,170	0.4	41,000	3,170	0.4	41,000
	TOTAL MMGO	SUBTOTAL			940	2.3	69,000	15,880	1.7	886,000	22,950	1.5	1,097,000	39,770	1.6	2,051,000
		GTS	30/06/2022	0.5 & >300RL OR 2.0 & <300RL				930	1.9	56,000	1,360	1.2	51,000	2,290	1.4	107,000
		Hub	30/06/2022	0.5 & >300RL OR 2.0 & <300RL	160	4.6	24,000	660	3.9	82,000	850	2.3	62,000	1,660	3.1	168,000
	Southern Zone	Bindy	30/06/2021	0.5 & >300RL OR 2.0 & <300RL							3,080	1.3	129,000	3,080	1.3	129,000
		Kelly	30/06/2021	0.5 & >300RL OR 2.0 & <300RL							2,350	0.9	67,000	2,350	0.9	67,000
REDCLIFFE PROJECT		SUBTOTAL			160	4.6	24,000	1,590	2.7	138,000	7,630	1.3	309,000	9,220	1.6	471,000
		Nambi	30/03/2023	0.5 & >300RL OR 2.0 & <300RL				720	2.7	62,000	850	2.8	76,000	1,580	2.7	138,000
	Central Zone	Redcliffe	30/06/2021	0.5 & >300RL OR 2.0 & <300RL							930	1.2	35,000	930	1.2	35,000
		Mesa - Westlode	30/06/2021	0.5 & >300RL OR 2.0 & <300RL							850	1.0	28,000	850	1.0	28,000
		SUBTOTAL						720	2.7	62,000	2,630	1.6	140,000	3,360	1.9	202,000
	TOTAL	SUBTOTAL			160	4.6	24,000	2,310	2.7	201,000	10,270	1.4	449,000	12,740	1.6	673,000
TOTAL					1,100	2.6	93,000	18,190	1.9	1,086,000	33,220	1.4	1,546,000	52,510	1.6	2,724,000

Mineral Resources are inclusive of the Ore Reserves
* Reported above a reasonable prospect for eventual economic extraction (RPEEE) pit shell;
** reported below a RPEEE pit shell;
# reported >330 m RL if not updated Ramornie pit lodes;
reported <330 m RL if not updated Ramornie pit lodes;
^ OP reported >300 m RL; UG reported <300 m RL.

Key Changes for Mineral Resources

Key changes from the 2022 Mineral Resource estimate (MRE) are:

- Updated geological interpretation, estimation parameters, classification, and reporting constraints have been applied to selected Mineral Resource estimates.
- Total Mineral Resources increased from 2.2 Moz to 2.7 Moz.
- Total Measured and Indicated (M&I) Mineral Resources increased from 1.1 Moz to 1.2 Moz.
- Total Inferred Mineral Resources increased from 1.1 Moz to 1.5 Moz.
- Beresford open pit MRE of 0.8 Mt @ 1.9 g/t for 50 koz now established based on review of all data and technical studies.

- Transvaal open pit MRE of 0.9 Mt @ 3.0 g/t for 86 koz now established based on review of all data and technical studies.

The significant changes in the estimated Mineral Resources compared with the Company's 2022 Mineral Resource estimates are shown below.

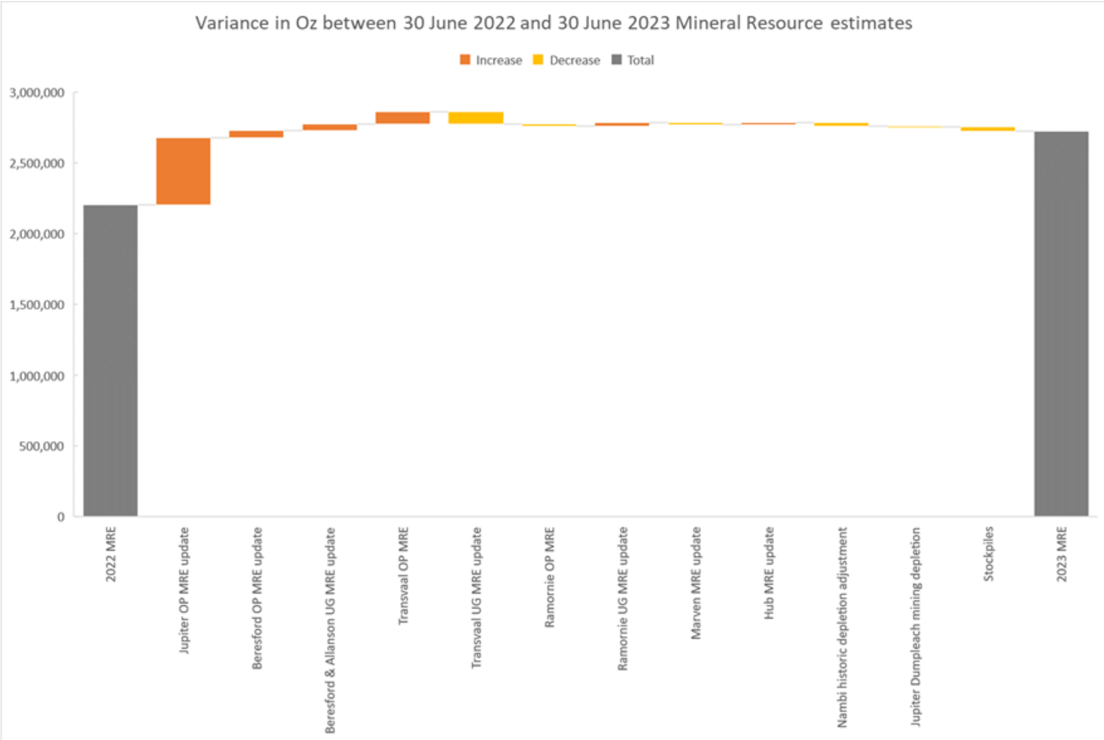

Figure 6: Waterfall chart of variances in estimated Mineral Resources from 30 June 2022 to 30 June 2023

Ore Reserves

The total Ore Reserve estimate (ORE) for Mt Morgans and Redcliffe as at 30 June 2023 is shown below.

Total Ore Reserve estimate as at 30 June 2023

Area	Deposit	Cut -Off Grade	Proved			Probable			Total Ore Reserve		
		Au g/t	Tonnes Kt	Au g/t	Au Oz.	Tonnes Kt	Au g/t	Au Oz.	Tonnes Kt	Au g/t	Au Oz.
Redcliffe	Hub OP	0.7				580	3.4	64,000	580	3.4	64,000
	GTS OP	0.7				640	2.2	46,000	640	2.2	46,000
	Nambi	0.7				380	2.5	31,000	380	2.5	31,000
	Sub Total					1,600	2.7	141,000	1,600	2.7	141,000
MMGO	Jupiter OP	0.43	680	1.1	23,400	3,360	1.0	109,400	4,040	1.0	133,000
	Total Ore Reserve		680	1.1	23,400	4,960	1.6	250,400	5,640	1.5	274,000

Key Changes for Ore Reserves – Jupiter

The change in the updated Ore Reserve estimate compared to the June 2022 Ore Reserve is illustrated by Figure 5 and detailed below:

- Reinstatement of an open pit ORE for Jupiter based on reduced operating cost and a gold price of A$2,300/oz. The 2023 Jupiter Ore Reserve Estimate comprises approximately 133 koz.

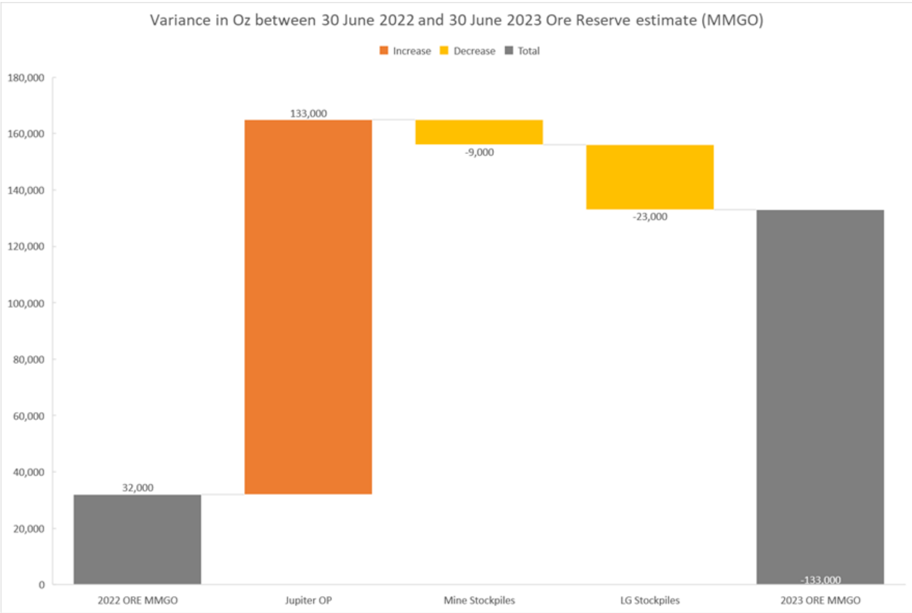

Figure 7: Key variances between 30 June 2022 and 30 June 2023 Ore Reserve estimate

Key Changes for Ore Reserves – Redcliffe

The change in the updated Ore Reserve estimate compared to the June 2022 Ore Reserve is illustrated by Figure 8 and detailed below:

- The June 2023 Redcliffe Ore Reserves is estimated using gold price of A$2,300/oz.
- Redcliffe Ore Reserve estimate totalling 141,000oz, an increase of 72,000oz compared to 2022 Ore Reserve estimates.
- Increase in the Hub Ore Reserve estimate of an additional 30,000oz for a total Ore Reserve estimate for Hub of 64,000oz.
- Increase in the GTS Ore Reserve estimate of an additional 11,000oz for a total Ore Reserve estimate of 46,000oz.
- Additionally, maiden Ore Reserve of 31,000oz declared for Nambi open pit in the June 2023 Ore Reserve estimates.

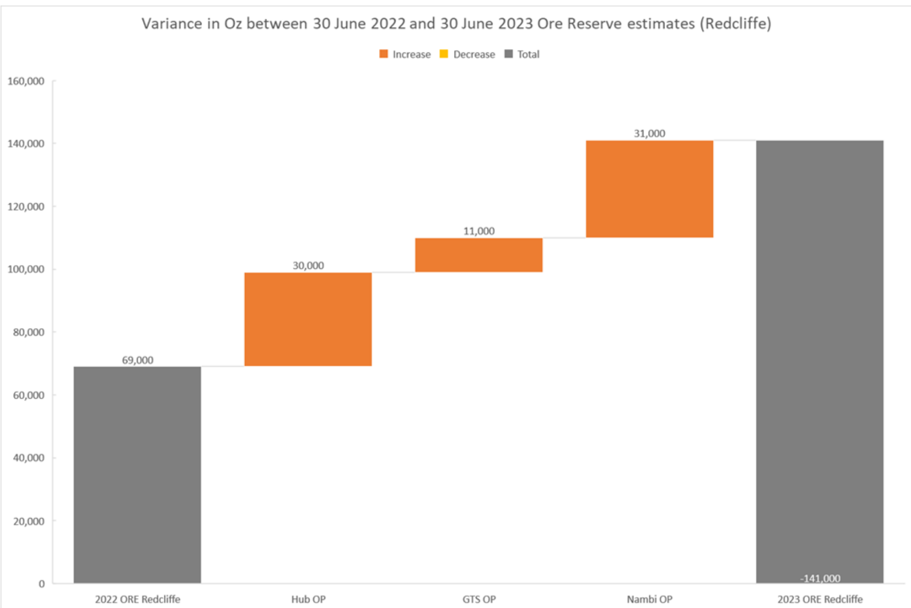

Figure 8: Key variances between 30 June 2022 and 30 June 2023 Ore Reserve estimate

Competent Person's Statement

All information relating to the Mineral Resources and Ore Reserves were prepared and disclosed under the JORC Code 2012.

Mineral Resources

The information in this report that relates to Mineral Resources is based on information compiled by Mr Alex Whishaw, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy. Mr Whishaw was a full-time employee of Dacian Gold Ltd. Mr Whishaw 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 Whishaw 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 in this report (referencing previous releases made to the ASX including Morgans North – Phoenix Ridge, Craic, McKenzie Well, Jupiter open pit (Doublejay, Heffernans, Ganymede), Maxwells, GTS, Bindy, Kelly, Nambi, Redcliffe deposit, and Mesa – Westlode), 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 estimates 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.

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 Redcliffe open pit Ore Reserve is based on information compiled or reviewed by Mr Hemal Patel. Mr Patel 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 Person 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 Patel is a Member of the Australasian Institute of Mining and Metallurgy and an employee of Mining Plus 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.

Annual Financial Statements
For the year ended 30 June 2023

Contents

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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 2023. 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 2022 and up to the date of this report are:

Craig McGown BCom, FCA
(Independent Non-Executive Chair – appointed 28 September 2022)

Mr McGown is an investment banker with over 40 years of experience advising companies in Australia and internationally, particularly in debt and equity financing in the natural resources sector.

He holds a Bachelor of Commerce degree, has been admitted as a Fellow of the Institute of Chartered Accountants and as an Affiliate of the Financial Services Institute of Australasia.

Mr McGown is an Executive Director of the corporate advisory business New Holland Capital Pty Ltd (part of the Taurus Funds Management group) and was previously the Executive Chairman of stockbroker, DJ Carmichael Pty Limited and an Executive Director of Resource Finance Corporation Ltd (now RFC Ambrian Ltd).

Other than as stated above, Mr McGown has served as a Director of the following listed companies in the three years immediately before the end of the 2023 financial year:

- Essential Metals Limited (ASX: ESS)
- Develop Global Limited (then called Venturex Resources Limited, ASX:DVP)
- Sipa Resources Limited (ASX:SRI)

Sue-Ann Higgins BA LLB (Hons), ACIS, GAICD
(Independent Non-Executive Director)

Ms Higgins is an experienced legal practitioner, company secretary and director with diversified skills and over 25 years of experience in senior legal, commercial, and executive roles in the resources sector, including with ARCO Coal Australia Inc, WMC Resources Ltd, Oxiana Limited and Citadel Resource Group Limited.

With a focus on providing legal and commercial consulting services to mineral resources companies, Ms Higgins has extensive experience in governance and compliance, mergers and acquisitions, joint ventures, equity capital markets and mineral exploration, development and operations.

Ms Higgins holds Bachelor of Laws (Hons) and Bachelor of Arts degrees from the University of Queensland and Graduate Diplomas in Applied Finance and Investment and Company Secretarial Practice. She is a member of the Australian Institute of Company Directors, the Governance Institute of Australia and the Energy and Resources Law Association.

Other than as stated above, Ms Higgins has served as a Director of the following listed companies in the three years immediately before the end of the 2023 financial year:

- Metal Bank Limited (ASX: MBK) – Executive Director and Company Secretary

Morgan Ball BCom, CA, FFin
(Non-Executive Director – appointed 28 September 2022)

Mr Ball has more than 30 years of Australian and international experience in the resources, logistics and finance industries and is currently the Chief Financial Officer for Genesis Minerals Limited (ASX: GMD).

Mr Ball was formerly the Chief Financial Officer of ASX 50 gold producer, Northern Star Resources Limited (ASX: NST) and before that was the Chief Financial Officer of Saracen Mineral Holdings Limited (ASX: SAR), prior to its merger with Northern Star.

From 2013 to 2016, Mr Ball was Managing Director of BCI Minerals Ltd (ASX: BCI) and has held senior financial and commercial roles with WMC Resources, Brambles and P&O.

Mr Ball holds a Bachelor of Commerce degree from the University of Western Australia and is a member of the Institute of Chartered Accountants and a Fellow of FINSA (formerly the Securities Institute of Australia).

DIRECTORS' REPORT

Other than as stated above, Mr Ball has served as a Director of the following listed companies in the three years immediately before the end of the 2023 financial year:

- Chalice Mining Limited (ASX: CHN)

Gerard Kaczmarek B.Ec (Acc), CPA, AICD
(Non-Executive Director – appointed 28 February 2023)

Mr Kaczmarek has almost 40 years' experience predominantly in the resource sector, specialising in finance and company management with several emerging and leading mid-tier Australian gold companies.

Mr Kaczmarek was Chief Financial Officer and Company Secretary for Saracen Mineral Holdings (ASX:SAR) from 2012 to 2016. He served as Chief Financial Officer and Company Secretary at Troy Resources (ASX:TRY) from 1998 to 2008 and from 2017 to 2019.

Earlier in his career, he held a range of positions with the CRA / Rio Tinto group and was Chief Financial Officer and Company Secretary for a number of other mid-tier and junior mining companies.

Mr Kaczmarek holds a Bachelor of Economics (specialising in Accounting) degree from the Australian National University and is a member of CPA Australia and the AICD.

Other than as stated above, Mr Kaczmarek has served as a Director of the following listed companies in the three years immediately before the end of the 2023 financial year:

- Genesis Minerals Limited (ASX: GMD)

William Troy Irvin
(Non-Executive Director – appointed 2 May 2023)

Mr Irvin is a proven mining executive, specialising in business development, investor relations and corporate strategy.

Mr Irvin is currently Corporate Development Officer at Genesis Minerals. From 2015 to 2021 he was Corporate Development Officer at Saracen Mineral Holdings. Mr Irvin also spent a decade working in institutional sales and research at a leading stockbroking firm.

He brings deep relationships in the global capital markets, particularly with funds investing in natural resources.

Mr Irvin has tertiary qualifications in Mining Engineering (WA School of Mines in Kalgoorlie) and Applied Finance and Investment.

Other than as stated above, Mr Irvin has not served as a Director of any other listed companies in the three years immediately before the end of the 2023 financial year.

Lee Stephens
(Non-Executive Director – appointed 28 September 2022, resigned 2 May 2023)

Mr Stephens has over 30 years of technical and operational experience within the mining industry including both open pit and underground operations.

He held several senior management roles with Saracen Minerals including the General Manager of Operations role for both Thunderbox and Carosue Dam Gold Mines. In 2020 Mr Stephens managed the Saracen Minerals transition of ownership at KCGM.

Mr Stephens previously held management positions with several mining companies and contractors throughout Western Australia. Mr Stephens is the holder of a Western Australia Quarry Managers Certificate of Competency and holds a Grade 1 Authorised Mine Surveyors Certificate of Competency.

Anthony Kiernan AM
(Non-Executive Director - appointed 28 September 2022, resigned 28 February 2023)

Mr Kiernan is a former solicitor and consultant with extensive experience in the management and operation of listed public companies.

He is Non-Executive Chair of Genesis Minerals Limited (ASX: GMD), Pilbara Minerals Limited (ASX: PLS) and Chair of the Fiona Wood Foundation which focuses on research into burns injuries and a member of the Order of Australia.

He was formerly Non-Executive Chair of Saracen Minerals (ASX: SAR) (2018 to February 2021) and a Non-Executive Director of Northern Star Resources (ASX: NST) (February 2021 to November 2021).

Michael Wilkes BE Mining, MBA
(Non-Executive Director - resigned 28 September 2022)

Mr Wilkes is a seasoned mining professional with over 35 years' experience, principally in gold and base metals. He has specialised in project development, construction and operations throughout his career.

In the past 20 years he has been responsible for the successful greenfield development of four major gold and copper mines, each creating substantial value for shareholders, local communities and Governments with aggregate annual production of over 600koz of gold and 200kt of copper.

Most recently Mr Wilkes was the President and CEO of Canadian and Australian listed OceanaGold Corporation (ASX:OGC). He was recently a member of the Board Administration Committee for the World Gold Council and is currently a member of the Advisory Board for the Sustainable Minerals Institute at the University of Queensland. He is currently the Non-Executive Chairman of Kingston Resources Limited (ASX:KSN) and Andromeda Metals Limited (ASX:ADN) and Non-Executive Director of Genesis Minerals Limited (ASX: GMD).

Eduard Eshuys
(Non-Executive Director - resigned 28 September 2022)

Mr Eshuys is a geologist with several decades of exploration experience in Western Australia. 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 was also involved in the discovery of nickel sulphides at Maggie Hays and Mariners nickel at Widgiemooltha WA in the 1970's. Mr Eshuys was the Managing Director and CEO of St Barbara Limited from July 2004 to March 2009.

He was Executive Chairman of DGO Gold Limited (July 2010 to June 2022) and has served as a Director of De Grey Limited (July 2019 to September 2022) and NTM Gold Limited (March 2019 to March 2021). Mr Eshuys was a member of the Remuneration and Nomination Committee.

Sonia Hamilton-Browne CA
(Company Secretary – appointed 30 March 2023)

Ms Hamilton-Browne is a Chartered Accountant with over 15 years' experience in the resources industry. She was Dacian's Financial Controller prior to her promotion to Chief Financial Officer on 2 May 2023 and on 1 July 2023 joined Genesis Minerals Limited as Finance Manager. She has a strong background in the financial management of resource companies from feasibility, through to financing, development and operation.

Prior to joining Dacian, Ms Hamilton-Browne was Senior Financial Accountant at Westgold Resources Ltd with her career including roles at Alacer Gold Corporation and Consolidated Minerals Pty Ltd.

Derek Humphry CA
(Company Secretary – resigned 10 May 2023)

Mr Humphry is a Chartered Accountant with over 20 years of experience in the resources industry.

Prior to joining Dacian Gold, Mr Humphry was Chief Financial Officer and Company Secretary of Nusantara Resources Limited which was pursuing the development of its 2.0M ounce gold project.

Mr Humphry's career has included senior management roles at dual ASX and HKex listed iron ore development company, Brockman Mining Limited, dual ASX and TSX listed gold mining company, Intrepid Mines Limited and gold and nickel miner, LionOre Mining Limited.

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 2023, and the number of meetings attended by each Director were:

Director	Board Meetings		Remuneration & Nomination Committee		Audit Committee	
	A	B	A	B	A	B
Craig McGown	11	11	-	-	-	-
Sue-Ann Higgins	17	17	1	1	2	2
Morgan Ball	11	11	-	-	1	1
Lee Stephens	10	10	-	-	-	-
Gerard Kaczmarek[1]	3	3	-	-	-	-
William Troy Irvin[2]	1	-	-	-	-	-
Anthony Kiernan[3]	8	7	-	-	-	-
Michael Wilkes[4]	7	7	1	1	1	1
Eduard Eshuys[5]	7	6	1	1	1	1

1 – Mr Kaczmarek was appointed 28 February 2023
2 – Mr Irvin was appointed on 2 May 2023
3 – Mr Kiernan was appointed 28 September 2022 and resigned 28 February 2023
4 – Mr Wilkes resigned 28 September 2022
5 – Mr Eshuys resigned 28 September 2022

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

Directors' Interests

The following relevant interests of each Director in the share capital of the Company and its related body corporates as at the date of this report are shown below:

Director	Dacian Gold Limited Ordinary Shares	Genesis Minerals Limited Ordinary Shares	Number of options over ordinary shares
Craig McGown	-	-	-
Morgan Ball[(i)]	-	2,548,007	841,390
Sue-Ann Higgins	-	-	-
William Troy Irvin[(i)]	-	2,610,247	841,390
Gerard Kaczmarek[(i)]	-	430,468	122,943

(i) Genesis is a related body corporate and therefore interests held by Mr Ball, Mr Irvin and Mr Kaczmarek are disclosed in accordance with Section 300 (11)(a) of the Corporations Act

Securities

Options

At the date of this report, there are nil unissued ordinary shares of the Company under option.

During and since the end of the financial year, the Company has not issued any ordinary shares as a result of the exercise of options.

During the year 300,000 options were purchased and terminated in conjunction with the Genesis Minerals Limited takeover offer.

Performance Rights

No performance rights were issued during the financial year.

There were nil shares issued on exercise of performance rights during the year.

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

	Number of Rights
Rights outstanding at 30 June 2022	**10,189,570**
Rights issued during the year	**-**
Rights vested during the year	**7,813,434**
Rights forfeited during the year	**(2,376,136)**
Rights outstanding at 30 June 2023 and at the date of this report	**-**

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 is an Australian ASX-listed gold exploration and development company which owns the Mt Morgans Gold Operation including a 2.5Mtpa CIL treatment plant, and the Redcliffe Gold Project, with ~1,500km² tenement package comprising predominantly granted mining leases, within the Leonora-Laverton gold district of Western Australia.

The principal activities of the Group during the period were gold mining, processing, and exploration. In April 2023, Dacian suspended the Mt Morgans operation placing it into care and maintenance to refocus on exploration and development.

During the year Genesis Minerals Limited (ASX:GMD) acquired an 80.1% interest in Dacian and became the ultimate controlling entity of the group.

Operating and Financial Review

Consolidated net loss after tax for the year was $62.7 million (30 June 2022: Net loss $198.4 million).

Genesis Minerals Limited (Genesis) acquired a controlling interest in Dacian in September 2022. In accordance with the requirements of the Australian Accounting Standards, Genesis was required to assess its accounting treatment for the transaction and advised Dacian that it would be accounting for the transaction as a business combination in accordance with AASB 3 Business Combinations. This required Genesis to undertake a fair value assessment of the assets and liabilities of Dacian at the date of control.

Genesis advised the Dacian Board that the Purchase Price Accounting assessment of fair value of the Dacian plant and equipment was materially higher than the Dacian carrying value. Dacian, in accordance with accounting principles, carries plant and equipment assets at the lower of cost and written down value.

Genesis also advised the Dacian Board that its fair value assessment of the Dacian exploration and evaluation assets and mine properties resulted in a materially lower value than the Dacian carrying value of these assets.

The Dacian Board has reviewed the fair value assessment and in accordance with Australian Accounting Standards, Dacian, as an entity which will be consolidated with Genesis as the parent company, is required to impair the carrying value of the exploration and evaluation assets and the mine properties assets to their fair value where that fair value is lower than their carrying value.

Consequently, in December 2022, Dacian booked an impairment of $37.6 million in relation to the exploration and evaluation assets and the mine properties assets.

DIRECTORS' REPORT

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

Key Financial Data	2023 $'000	2022 $'000	Change $'000	Change %
Financial Performance				
Sales revenue	**124,626**	223,665	(99,039)	(44)
Costs of sales (excluding D&A)[(i)]	**(96,382)**	(162,819)	66,437	(41)
Exploration	**(16,603)**	(24,157)	7,554	(31)
Corporate, admin and other costs	**(5,511)**	(6,373)	862	(14)
Adjusted EBITDA[(i)]	**6,130**	30,316	(24,186)	(80)
Impairment losses on assets	**(39,156)**	(125,395)	86,239	(69)
Depreciation & amortisation (D&A)	**(29,030)**	(91,080)	62,050	(68)
Net interest expense	**(606)**	(1,234)	628	(51)
Loss before tax	**(62,662)**	(187,393)	124,731	67
Income tax (expense)	**-**	(11,040)	11,040	(100)
Reported (loss) after tax	**(62,662)**	(198,433)	135,771	68
Financial Position				
Cash flow from operating activities	**4,900**	31,819	(26,919)	(85)
Cash flow from investing activities	**(4,564)**	(67,358)	62,794	(93)
Cash and cash equivalents	**25,381**	17,464	7,917	45
Net assets	**60,417**	110,000	(49,583)	(45)
Basic earnings per share (cents per share)	**(5.2)**	(19.3)	(14.1)	(73)
Diluted earnings per share (cents per share)	**(5.2)**	(19.1)	(13.9)	(73)

(i) Adjusted EBITDA is a measure of earnings before interest, losses on derivative financial instruments, taxes, depreciation, amortisation and impairment loss on assets. 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

Mt Morgans Gold Operation

Full year production was 42,761 ounces of gold at an All-In Sustaining Cost ("AISC") of $2,032 per ounce (30 June 2022: 90,809 ounces of gold produced at an AISC of $1,955 per ounce). The processing plant milled 2.07 million tonnes for the year at a head grade of 0.73 g/t Au and recovery of 87.5% (30 June 2022: 2.91 million tonnes for the year at a head grade of 1.1 g/t Au and recovery of 91.7%).

Gold sales revenue of $124.3 million (30 June 2022: $223.1 million) was generated from the sale of 46,879 ounces of gold at an average price of $2,651 per ounce (30 June 2022: 91,495 ounces at an average price of $2,439 per ounce). Total costs inclusive of amortisation and depreciation was $124.9 million (30 June 2022: $253.4 million).

The dominant source of ore feed to the processing plant during the year was from low grade stockpiles with additional feed being sourced from the final harvesting of ore from Westralia underground mines.

In March 2023 the Company announced completion of the transition from operations to explorer/developer with the processing plant and surrounding infrastructure placed on care and maintenance.

The following table summarises the production results for the year ended 30 June 2023

	UOM	2023	2022	Change	Change %
Open Pit Operations					
Ore Mined	Kt	**-**	2,674	(2,674)	(100)
Mined Ore Grade	g/t	**-**	1.0	(1.0)	(100)
Contained Gold	oz	**-**	86,537	(86,537)	(100)
Waste Mined	Kbcm	**-**	5,553	(5,553)	(100)
Underground Operations					
Stope Ore Mined	Kt	**47**	36	11	31
Development Ore Mined	Kt	**1**	65	(64)	(98)
Mined Ore Grade	g/t	**4.7**	3.4	1.3	38
Contained Gold	oz	**7,158**	10,887	(3,729)	(34)
Processing					
Ore Milled	Kt	**2,070**	2,910	(840)	(29)
Head Grade	g/t	**0.7**	1.1	(0.4)	(36)
Recovery	%	**87.5%**	91.7%	(4.2)	(5)
Gold recovered	oz	**42,761**	90,809	(48,048)	(53)
Gold Sold	oz	**46,879**	91,495	(44,616)	(49)
Realised average gold price	A$/oz	**2,651**	2,439	212	9
Gold on Hand	oz	**-**	1,577	(1,577)	(100)
AISC	A$/oz	**2,032**	1,955	77	4

COVID-19 Response

The COVID-19 pandemic continued to present challenges to the industry and the Company maintained a range of protective and preventative measures. Mt Morgans Gold Operation, through its COVID-19 management plan, operated with changes made such that persons at site had reduced exposure to potential sources of COVID-19 and were able to abide by social distancing requirements and hygiene standards.

Redcliffe Project

The Redcliffe Gold Project is located 45-60km northeast of Leonora in the Eastern Goldfields Region of Western Australia. The Redcliffe Gold Project area comprises over ~890km^2 and overlies Archean-aged greenstones. The primary focus of exploration within the tenements is the Mertondale Shear Zone (MSZ), a regional structure with demonstrated gold mineralisation.

The Redcliffe Project includes the Redcliffe, Hub, GTS, Nambi, Kelly, Bindy and Mesa Westlode deposits.

Activities at the Redcliffe Project during the year have focussed on securing Government approvals and access arrangements for the mining proposal.

Dacian is re-assessing future production options at Hub and GTS which align with the strategy for the Mt Morgans operations.

Exploration & Growth

During the year, the Company's exploration program was focussed on completing the Jupiter extension program and identifying additional base load exploration targets over Dacian tenure using a mineral systems approach. Geophysical data reprocessing and interpretation, geochemical soil sampling, structural and geomechanical investigation, selected geochronological analysis, petrography and exploration and resource drilling were conducted across Dacian's various targets and tenements.

The Jupiter extension program was completed in early January 2023. This project resulted in an updated Jupiter mineral resource to 830,000 ounces.

Resource drilling was completed at the Mt Marven deposit, where some potential remained to add additional ounces to the mineral resource between the existing Mt Marven pit and the newly discovered Mt Marven South mineral resource due to previous restrictions on drill access to the southern crest area of the pit.

Exploration activities at the southern tenement area, identified three priority targets along the granite-greenstone contact at Robinta, Habibi, and Liberte/Ambassador. Anomalism over all three targets was determined through results of ultra-fine soil sampling over coincident geophysical target definition. An aircore drilling program was completed over the area during Q4 which provided valuable geological information for future exploration programs.

DIRECTORS' REPORT

On 3 July 2023 Dacian released its 2023 Mineral Resource and Ore Reserve Update, with Total Mineral Resources of 53Mt @ 1.6 g/t for 2.7 Moz, including the Jupiter open pit MRE, and Total Ore Reserves of 5.6 Mt @ 1.5 g/t for 274 Koz.

With the 2.9 Mtpa Mt Morgans processing plant currently on care and maintenance, Dacian remains focused on developing a low risk, sustainable mine plan to enable the resumption of production.

Financial Position

The Group held cash on hand as at 30 June 2023 of $25.4 million (30 June 2022: $17.5 million). As at 30 June 2023, the Group has a working capital surplus of $16.6 million (30 June 2022: $7.7 million surplus).

At 30 June 2023, the Group's net asset position, following impairment, decreased to $60.4 million (30 June 2022: $110.0 million).

During the year the Company repaid its debt facility in full.

Material Business Risk

This section outlines the key risks and uncertainties that could impact the Company and its ability to achieve its operating and financial objectives.

Exploration

While the Board is of the view that the Company's projects have the potential to provide significant mineralisation capable of supporting future large-scale mining operations, there is no guarantee that further significant mineralisation will be identified and even if identified, that such mineralisation can be successfully developed and economically mined. Exploration and drilling programs are designed to discover new exploration targets for development, as well as improve confidence in existing targets throughout the development stages of exploration projects to feasibility study level.

Exploration results that include drill results on wide spacings may not be indicative of the occurrence of a mineral deposit. Such results do not provide assurance that further work will establish sufficient grade, continuity, metallurgical characteristics, and economic potential to be classed as a category of mineral resource. The potential quantities and grades of drilling targets are conceptual in nature and, there has been insufficient exploration to define a mineral resource, and it is uncertain if further exploration will result in the targets being delineated as mineral resources.

Development

In the event significant mineralisation is identified, and proceeds to mineral development, the Company's financial performance will substantially depend on the accuracy of the cost estimates for the proposed development, other current and future expansion, development, and infrastructure plans, working capital requirements, the duration of relevant works program, government approvals, heritage approvals and clearances and personnel and equipment availability. The cost and time forecast estimates are based on assumptions including those in relation to study costs, scope and duration, the approvals process and timeline estimated, and operational issues, which are subject to uncertainty.

Any increase in capital/operating costs, study or development timelines, delays in obtaining any necessary approvals, supply chain disruptions, sourcing of equipment and personnel could have an adverse impact on the Company's performance. The Company intends to develop a new operating regime for any future return to production, which reduces costs and maximises future cash flows, however, there can be no guarantee that it will be successful in doing so and escalating costs and other factors such as technical difficulties, geological conditions, adverse changes in government policy or legislation, or lack of access to sufficient funding may mean that identified resources are not economically recoverable or may otherwise preclude the Company from successfully exploiting the resources.

Water Supply and Management

The Company's water supply is sourced from a borefield managed under the tenement conditions imposed by DMIRS. Due to the presence of stygofauna in the borefield, trigger and action limits were imposed on the borefield which, if reached, necessitate the implementation of the stygofauna action plan which requires supplementary water sources, reduced borefield drawdown, and active exploration for a replacement borefield, which will require significant additional capital funding. Adequate alternate water of a suitable quality is required to underpin future processing and there is no guarantee that such alternate water supply will be found. Trigger and action levels have been reached at the borefield, with the appropriate measures being undertaken to source alternative water of suitable quality.

Tailings storage facility (TSF)

The Company's current TSF design requires lifts on a 15 to 18 month basis using dried tails as the construction material, with the size of the cells resulting in a very tight turnaround time between construction and deposition commencement. Any delays with commitment of capital and to construction may put production from the Mt Morgans' Processing Facility at risk. A new TSF site is likely to be required within 2 to 3 years which will require a suitable site to be identified, approvals, capital funding and development. Any delays in development of a new TSF when required may lead to delays or cessation of production from the Mt Morgans' Processing Facility.

Mineral Resources and Ore Reserve Estimates
The estimation of Mineral Resources and Ore Reserves are expressions of judgement based on knowledge, experience and industry practice. The reported estimates, which were valid when originally estimated, may alter significantly when new information or techniques become available. As new information is obtained through additional drilling and analysis, Mineral Resources and Ore Reserve estimates are likely to change. This may result in alterations to exploration, development and production plans which may, in turn, positively or negatively affect the Company's operations and financial position. In addition, by their very nature, Mineral Resources and Ore Reserves estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Resource and Reserve estimates may also be impacted by material changes in the gold price, in costs and changes to operations

The Company has estimated exploration targets for some of its exploration projects. Exploration targets are conceptual in nature and there is insufficient information to establish whether further exploration will result in the determination of Mineral Resources under the JORC Code. An exploration target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade, relates to mineralization where there has been insufficient exploration to estimate a Mineral Resource under the JORC Code. Failure to convert exploration targets into Mineral Resources or Ore Reserves may adversely affect the operations, financial position and/or performance of the Company and the market price of its Shares.

Native Title
In areas where native title exists or may exist, the ability of the Company to acquire a valid mining lease may also be subject to compliance with the 'right to negotiate' process under the Native Title Act. Compliance with this process can cause delays in obtaining the grant of a mining lease and does not ultimately guarantee that a mining lease will be granted. Attaining a negotiated agreement with native title claimants or holders to facilitate the grant of a valid mining lease can add significantly to the costs of any development or mining operation.

Aboriginal Heritage
The ability of the Company to conduct activities on exploration or mining tenements is subject to compliance with laws protecting Aboriginal heritage. Conduct of site surveys to ensure compliance can be expensive and subject to delays. If any Aboriginal sites are located within areas of proposed exploration, mining or other activities, the Company's ability to conduct those activities may be dependent on obtaining further regulatory consents or approvals.

Tenement obligations
Tenements in Western Australia are governed by the Mining Act 1978 (WA). Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Failure to meet these expenditure, work and reporting commitments may render the tenements subject to forfeiture or result in the tenement holders being liable for penalties or fees. Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of Dacian's interest in the projects.

Climate change and social risks
There are a number of climate-related factors that may affect the Company's operations and proposed activities, including:

- the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While Dacian will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and

- climate change may cause certain physical and environmental risks that cannot be predicted, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

Establishment of strong relationships with the community and other stakeholders is fundamental to the long term success of the business. Although the Company endeavours to conduct its business in a manner which respects those communities and ensures mutually beneficial outcomes, its activities may have or be perceived to have an adverse impact on local communities, cultural heritage, the environment, or other matters which may result in community concern, adverse publicity, activism, litigation or other adverse actions taken by community, environmental or other action groups. Failure to maintain and build strong relationships and such adverse actions could affect the Company's social licence to operate, its reputation and lead to delays and increase costs which may adversely impact on operations, financial position and/or performance and the market price of its Shares.

DIRECTORS' REPORT

Access and third-party interests
The Company may be required to obtain the consent from the holders of third-party interests which overlay areas within its tenements, prior to accessing or commencing any exploration or mining activities on the affected areas. No assurance can be given that necessary access will be obtained when required or on acceptable terms.

Environmental liabilities and Occupational Health and Safety risk
The Company's activities are subject to potential risks and liabilities associated with the potential pollution of the environment and the necessary disposal of mining waste products resulting from mineral exploration. Insurance against environmental risk (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration) is not generally available to Dacian (or to other companies in the minerals industry) at a reasonable price. To the extent that the Company becomes subject to environmental liabilities, the satisfaction of any such liabilities would reduce funds otherwise available and could have a material adverse effect on the Company. Laws and regulations intended to ensure the protection of the environment are constantly changing and are generally becoming more restrictive.

The mining industry has become subject to increasing occupational health and safety responsibility and liability. The potential for liability is a constant risk. If the Company fails to comply with necessary OH&S legislative requirements, it could result in fines, penalties and compensation for damages as well as reputational damage. Safety legislation may also change in a manner that may include requirements, in addition to those now in effect, and a heightened degree of responsibility for companies and their Directors and employees.

Economic risks
The operating and financial performance of the Company will be influenced by a variety of general economic and business conditions, including levels of consumer spending, oil prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. More generally, changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities, war, pandemics or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on the Company's operating and financial performance and financial position.

Cyber risks
As with all organisations, the Company is reliant on information technology for the effective operation of its business. Any failure, unauthorised or erroneous use of the Company's information and/or information systems may result in financial loss, disruption or damage to its reputation.

Significant Changes in the State of Affairs
During the 30 June 2023 financial year Genesis secured an 80.1% interest in Dacian and became Dacian's ultimate controlling entity. In March 2023 the Company announced completion of the transition from operations to explorer/developer with the indefinite suspension of the Mt Morgans gold operations which have been placed into care and maintenance.

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
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 has paid an insurance premium to insure certain officers including those of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

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

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

Proceedings on behalf of the Company

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

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

Non-audit services

During the 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.

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

Related Parties

On 21 September 2022, Genesis Minerals Limited secured a controlling interest in the Company and appointed three representative directors to the Dacian Board. As announced on 15 November 2022 the two companies entered into a secondment agreement and a management services agreement designed to leverage off each other’s resources to secure synergies across the group. Any proposed arrangements with Genesis are completed on an “arm’s length basis” and on reasonable commercial terms with protocols in place to manage conflicts of interest.

Rounding off

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.

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 this Remuneration Report.

Key Management Personnel

Details of the Key Management Personnel ("KMP") of the Company and their movements during the year ended 30 June 2023 are set out below:

Craig McGown	Non-Executive Chairman – appointed 28 September 2022
Sue-Ann Higgins	Non-Executive Director
Morgan Ball	Non-Executive Director – appointed 28 September 2022
Gerard Kaczmarek	Non-Executive Director – appointed 28 February 2023
William Troy Irvin	Non-Executive Director – appointed 2 May 2023
Lee Stephens	Non-Executive Director – appointed 28 September 2022, resigned 2 May 2023, and was appointed Chief Operating Officer
Anthony Kiernan	Non-Executive Director – appointed 28 September 2022, resigned 28 February 2023
Michael Wilkes	Non-Executive Director – resigned 28 September 2022
Eduard Eshuys	Non-Executive Director – resigned 28 September 2022
Sonia Hamilton-Browne	Chief Financial Officer and Company Secretary – appointed Company Secretary 30 March 2023 and Chief Financial Officer on 2 May 2023
Andrew Doe	Advisor to the Independent Directors – appointed 2 May 2023
Dale Richards	General Manager, Geology and Exploration – Chief Executive Officer returned to General Manager, Geology and Exploration 28 February 2023, ceased 30 June 2023
Derek Humphry	Interim Chief Executive Officer and Company Secretary - Chief Financial Officer and Company Secretary appointed Interim Chief Executive Officer 28 February 2023, ceased 10 May 2023

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.

Fees payable to Non-Executive Directors are set by the Board within the aggregate amount approved by shareholders at the Company's Annual General Meeting.

Non-Executive Directors' fees are payable in the form of cash and superannuation.

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.

Additional fees may be paid to Non-Executive Board members who are appointed to the Chair role of a Board subcommittee, although this practice was suspended following the suspension of open pit mining activities and the pivot to exploration.

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.

Shareholding Qualifications

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

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 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.

From 1 July 2023, following the transition and integration of employees to Genesis, the Company employs 5 Non-Executive Directors and one part time employee in the role of advisor to the Independent Directors. Executive services are provided to the Company by Genesis employees under a management services agreement.

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 has suspended its long-term and short-term incentive plans for Directors and Employees following the transition of employees to Genesis.

Engagement of Executives

Lee Stephens – Chief Operating Officer

Mr Stephens is a full time executive of the ultimate controlling entity Genesis and provides services to the Company through a management services agreement on an hours worked basis. Mr Stephens' short term KPI's are directly linked to a successful restart of Mt Morgans Gold Operations, with his short-term and long-term incentive schemes the responsibility of the ultimate controlling entity.

Andrew Doe –Advisor to the Independent Directors

Mr Doe is an experienced mining engineer who was appointed by the Independent Directors to advise on business matters where conflicts of interest could be perceived to exist between Genesis and minority shareholder interests. Mr Doe has previously worked for the Company and has a thorough understanding of the Company's priorities.

Sonia Hamilton-Browne – Chief Financial Officer and Company Secretary

Ms Hamilton-Browne is a long-standing employee of the Company and an experienced Finance professional. She was promoted to Chief Financial Officer on 2 May 2023 and Company Secretary on 30 March 2023 and received a salary of $242,000 per annum plus 10.5% superannuation (Total Fixed Remuneration). From 1 July 2023 Ms Hamilton-Browne is a full-time employee of the ultimate controlling entity Genesis and provides services to the Company through a management services agreement on an hours worked basis.

DIRECTORS' REPORT

Dale Richards – General Manager Geology and Exploration

Mr Richards was engaged as Chief Executive Officer until 28 February 2023 and received a salary of $462,545 per annum plus 10.5% superannuation (Total Fixed Remuneration). From 1 March 2023 Mr Richards resumed his position as General Manager Geology and Exploration and received a salary of $370,000 per annum plus 10.5% superannuation (Total Fixed Remuneration).

Mr Richards employment was terminated by way of redundancy effective 30 June 2023, with his termination payment of eight weeks' notice, legislative redundancy provisions and accrued leave entitlements payable to Mr Richards in July 2023.

Derek Humphry – Interim Chief Executive Officer and Company Secretary

Mr Humphry was engaged as Chief Financial Officer until 28 February 2023 and received a salary of $400,200 per annum plus 10.5% superannuation (Total Fixed Remuneration). From 1 March 2023 Mr Humphry assumed the position of Interim Chief Executive Officer with no adjustment to his salary.

Mr Humphry's employment was terminated by way of redundancy effective 10 May 2023.

Voting and comments made at the Company's 2022 Annual General Meeting ("AGM")

At the last Annual General Meeting 99.75% of the shareholders voted to adopt the remuneration report for the year ended 30 June 2022. 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.

	2023 $'000	2022 $'000	2021 $'000	2020 $'000	2019 $'000
Revenue	124,626	223,665	241,623	270,047	132,821
Net profit/(loss) after tax	(62,662)	(198,433)	(7,501)	(116,464)	3,018
Net assets	60,417	110,000	277,037	162,642	184,875
Market Capitalisation	96,127	88,976	236,763	244,756	119,628
	2023 $/share	2022 $/share	2021 $/share	2020 $/share	2019 $/share
Share Price	0.08	0.08	0.26	0.44	0.53

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.

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. The target opportunity for the Chief Executive Officer is 40% of base salary and 30% of base salary for other Executive KMP. A summary of the KPI targets which were assessed on an annual basis for FY23 and their respective weightings is as follows:

STI FY2023

KPI	Description of the Objective	%	Threshold (min) 50%	Target 100%	Outstanding (max) 150%
1. ESG	• There is a reduction to the rolling Total Recordable Injury Rate (TRIFR) • There are no material environmental regulatory non-compliances recorded or reputational damage. • An Indigenous training plan is developed and implemented; employment is maintained / grown.	30	• TRIFR: <6.00 • Any recorded environmental incident is managed and does not result in in actions taken by regulatory bodies or reputational damage. • An Indigenous training plan is developed.	• TRIFR: < 4.0 • Compliance with environmental license conditions and there is no reputational damage. An Indigenous training plan is developed and implemented.	• TRIFR: < 3.0 • Compliance with environmental license conditions and there is no reputational damage. • An Indigenous training plan is developed and implemented; and indigenous employment increases by more than 2.
2. Tonnage/ Throughput	• 2.9mt of mill feed is processed for FY23 at target recovery.	35	• 2.7mt at target recovery (less 5%)	• 2.9mt at target recovery (budget)30%	• 3.1mt at target recovery (plus 5%)
3. Exploration and Growth	• Complete Jupiter Drilling Program within approved budget and schedule. • Complete Jupiter MRE (JORC 2012) • Target delineation of significant greenfields targets through field geochem programs	35	• 80*80 m RC 1,365m; DD 4,030m, completed by 1 November 2022 • 80*40m RC 3,450m; DD 7,640m, completed by 1 Feb 2023 • Complete Jupiter MRE (JORC 2012) 30 March 2023 1 Geochem Anomaly Target Defined	• 80*80m RC 1,365m; DD 4,030m, completed by 1 October 2022 • 80*40m RC 3,450m; DD 7,640m, completed by 20 December 2022 • Complete Jupiter MRE (JORC 2012) 30 January 2023 2 Geochem Anomaly Targets Defined	• 80*80m RC 1,365m; DD 4,030m, completed by 1 September 2022 • 80*40m RC 3,450m; DD 7,640m, completed by 20 November 2022 • Complete Jupiter MRE (JORC 2012) 31 Dec 2022; Mineral Resource estimate for Jupiter open pit of 2.0moz 3 Geochem Anomaly Targets Defined
	Maximum Potential	**100**			

Based on an assessment, STI payments for financial year 2023 to Executives were as follows:

Name	Position	Maximum STI opportunity	% of STI Achieved	Awarded STI
Dale Richards[(i)]	Chief Executive Officer	40% of Base Salary	75%	$90,909
Dale Richards[(ii)]	General Manager Geology and Exploration	30% of Base Salary	75%	$27,750
Derek Humphry[(iii)]	Chief Financial Officer	30% of Base Salary	75%	$75,673
Sonia Hamilton-Browne	Chief Financial Officer	20% of Base Salary	75%	$24,875

(i) Dale Richards was Chief Executive Officer from 1 July 2022 to 28 February 2023

(ii) Dale Richards returned to the role of General Manager Geology and Exploration from 1 March 2023 to 30 June 2023

(iii) Derek Humphry was Chief Financial Officer until his appointment as Interim Chief Executive Officer from 28 February 2023 to 10 May 2023

DIRECTORS' REPORT

Options over Unissued Shares

Nil options were granted during the 2023 financial year (2022: 300,000). 300,000 options lapsed during the 2023 financial year (30 June 2022: 22,222,222). Dacian, Genesis, and the option holder executed an option cancellation deed under which Genesis agreed to pay the option holder, a cash amount of $17,190 reflecting a Black & Scholes valuation of the options. The cancellation of the options occurred in September 2022 upon Genesis securing 50% of Dacian shares and the offer being made unconditional.

The table below outlines movements in options during 2023. There were no options held by KMP at 30 June 2023.

The options were granted free of charge and were 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 2022	Number Expired during the year	Balance at the end of the year
Michael Wilkes	13/09/2021	300,000	(300,000)	-
Total		**300,000**	**(300,000)**	**-**

Exercise of Options Granted as Compensation

During the year, no shares were issued on cashless exercise of options previously granted as compensation.

Long-Term Incentives

Under the Dacian Gold Limited Employee Securities Incentive Plan, performance rights may be offered to executives to align remuneration with the creation of shareholder wealth.

Performance Rights Granted under the Long-Term Incentive Scheme

No performance rights were issued to KMP during the 2023 financial year under the Dacian Gold Limited Employee Securities Incentive Plan.

All Dacian Performance Rights vested and were exercised on the date that Genesis acquired a Relevant Interest in more than 50% of Dacian Shares and the Offer was declared unconditional, subject to the holder remaining a Dacian employee at that time.

The table below outlines the movements in performance rights during the 2023 financial year and the balance held by each KMP at 30 June 2023.

Name	Balance at 1 July 2022	Granted in FY23	Vested and Exercised	Lapsed	Balance at 30 June 2023	Maximum value to expense
Dale Richards	1,017,426	-	(1,017,426)	-	-	-
Derek Humphry	1,111,073	-	(1,111,073)	-	-	-
Total	**2,128,499**	**-**	**(2,128,499)**	**-**	**-**	**-**

Shares Granted as Remuneration

No shares were issued as remuneration during the financial year.

Remuneration Disclosures

The details of the remuneration of each Director and member of KMP of the Company for the years ending 30 June 2023 and 2022 are as follows:

2023	Short-term		Post employment	Termination benefits	Long-term	Share-based payment		
	Cash Salary (i)	Cash Bonus (ii)	Super-annuation		Long Service Leave	Options /Rights (iii)	Total	Performance Related
	$	$	$		$	$	$	%
C McGown(iv)	103,423	-	6,397	-	-	-	109,820	-
S Higgins (v)	117,000	-	8,925	-	-	-	125,925	-
M Ball(vi)	30,462	-	3,198	-	-	-	33,660	-
L Stephens(vii)	24,103	-	2,531	-	-	-	26,634	-
G Kaczmarek(viii)	13,487	-	1,416	-	-	-	14,903	-
WT Irvin(ix)	6,666	-	700	-	-	-	7,366	-
A Kiernan(x)	17,128	-	1,799	-	-	-	18,927	-
M Wilkes(xi)	37,500	-	3,750	-	-		41,250	-
E Eshuys(xi)	21,250	-	2,231	-	-	-	23,481	-
D Richards(xii)	472,999	131,118	45,608	-	-	112,531	762,256	32.0
S Hamilton-Browne(xiii)	86,249	27,487	7,989	-	8,653	-	130,378	21.1
A Doe(xiv)	20,434	-	2,146	-	-	-	22,580	-
D Humphry(xv)	376,635	177,201	21,283	251,584	-	122,425	949,128	31.6
Total	**1,327,336**	**335,806**	**107,973**	**251,584**	**8,653**	**234,956**	**2,266,308**	**25.3**

(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

(iii) Share based payment expense is non-cash and represents an estimate of potential value. The fair value is allocated to each reporting period evenly over the period from grant date to vesting date

(iv) Mr McGown was appointed Non-Executive Chairman on 28 September 2022 and received additional compensation for establishing independence protocols and guiding the Company through the independence challenges in the first six months following Genesis securing control

(v) Ms Higgins received additional remuneration for the increased involvement in the Target Statement preparation

(vi) Mr Ball was appointed Non-Executive Director on 28 September 2022

(vii) Mr Stephens was appointed Non-Executive Director on 28 September 2022 and resigned on 2 May 2023 at which point he was appointed Chief Operating Officer

(viii) Mr Kaczmarek was appointed Non-Executive Director on 28 February 2023

(ix) Mr Irvin was appointed Non-Executive Director on 2 May 2023

(x) Mr Kiernan was appointed Non-Executive Director on 28 September 2022 and resigned on 28 February 2023

(xi) Mr Wilkes and Mr Eshuys ceased 28 September 2022

(xii) Mr Richards left the Chief Executive Officer role on 28 February 2022 to focus on General Manager Geology and Exploration

(xiii) Ms Hamilton-Browne was appointed Company Secretary on 30 March 2023 and was promoted to Chief Financial Officer on 2 May 2023

(xiv) Mr Doe was appointed advisor to the Independent Directors on 2 May 2023

(xv) Mr Humphry was Chief Financial Officer and Company Secretary until 28 February 2023, when he assumed the role of Interim CEO with no salary adjustment. He ceased employment 10 May 2023

DIRECTORS' REPORT

2022	Short-term		Post employment	Termination benefits	Long-term	Share-based payment		
	Cash Salary (i) $	Cash Bonus (ii) $	Super-annuation $		Long Service Leave $	Options /Rights (iii) $	Total $	Performance Related %
M Wilkes (iv)	93,818	-	8,750	-	-	23,280	125,848	18.5
E Eshuys	100,000	-	10,000	-	-	-	110,000	-
S Higgins (vi)	10,679	-	1,068	-	-	-	11,747	-
R Reynolds(v)	109,807	-	10,981	-	-	-	120,788	-
L Junk(viii)	561,621	-	84,912	425,663	-	- (viii)	1,072,196	-
D Richards(vii)	396,140	35,524	36,189	-	2,330	61,390	531,573	18.2
D Humphry	420,013	36,797	26,784	-	1,609	68,361	553,564	19.0
J Howard(ix)	213,966	-	15,885	7,604	45,311	- (ix)	282,766	-
Total	**1,906,044**	**72,321**	**194,569**	**433,267**	**49,250**	**153,031**	**2,808,482**	**8.0**

(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 2022 relating to the June 2022 financial year are included

(iii) Share based payment expense is non-cash and represents an estimate of potential value. The fair value is allocated to each reporting period evenly over the period from grant date to vesting date

(iv) Mr Wilkes was appointed Non-Executive Director on 10 September 2021 until his appointment as Non-Executive Chair on 23 March 2022

(v) Mr Reynolds resigned 23 March 2022

(vi) Ms Higgins was appointed Non-Executive Director on 17 May 2022

(vii) Mr Richards was appointed Chief Executive Officer on 16 June 2022

(viii) Mr Junk resigned 16 June 2022. Due to his resignation, there was a net credit balance of ($1,354,193) as a result of the reversal of previously expensed share based payments expense from grant date to resignation date

(ix) Mr Howard resigned 21 January 2022. Due to his resignation, there was a net credit balance of ($36,002) as a result of the reversal of previously expensed share based payments expense from grant date to resignation date

Shareholdings

No Directors hold shares in the Company. The number of shares in Genesis 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	Purchases/(sales)	Balance at the end of the year
Craig McGown	-	-	-	-
Sue-Ann Higgins	-	-	-	-
Morgan Ball(i)	748,007(ii)	600,000	-	1,348,007
Lee Stephens(i)	263,031(iii)	400,000	-	663,031
Gerry Kaczmarek(i)	430,468(iv)	-	-	430,468
William Troy Irvin(i)	1,410,247(v)	-	-	1,410,247
Anthony Kiernan(i)	82,987(vi)	-	75,000	157,987(vii)
Michael Wilkes(i)	-	-	-	-(viii)
Dale Richards	-	-	-	-
Derek Humphry	-	-	-	-
Sonia Hamilton-Browne	-	-	-	-
Andrew Doe	-	-	-	-

(i) Mr Ball, Mr Stephens and Mr Irvin are Executives of the ultimate controlling entity Genesis. Mr Kaczmarek, Mr Kiernan and Mr Wilkes are Non-Executive Directors of the ultimate controlling entity.

(ii) Mr Ball – balance held at date of appointment as Non-Executive Director on 28 September 2022.

(iii) Mr Stephens – balance held at date of appointment as Non-Executive Director on 28 September 2022.

(iv) Mr Kaczmarek – balance held at date of appointment as Non-Executive Director on 28 February 2023.

(v) Mr Irvin - balance held at date of appointment as Non-Executive Director on 2 May 2023.

(vi) Mr Kiernan – balance held at date of appointment as Non-Executive Director on 28 September 2022.

(vii) Mr Kiernan – balance held at date of resignation as Non-Executive Director on 28 February 2023.

(viii) Mr Wilkes - balance held at date of resignation as Non-Executive Director on 28 September 2022.

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 2023, 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 2023

Craig McGown
Independent Non-Executive Chair

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Australia

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 2023, 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.

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth

31 August 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

		Consolidated	
		30 June 2023	30 June 2022
	Note	$'000	$'000
Revenue	2	124,626	223,665
Cost of goods sold	3	(124,874)	(253,377)
Gross (Loss)		(248)	(29,712)
Corporate employee expenses	3	(2,623)	(3,963)
Share-based employee expense	19	(515)	751
Borrowing and finance costs	3	(644)	(1,694)
Exploration	11	(16,603)	(24,157)
Other expenses	3	(2,873)	(3,223)
Impairment loss on assets	3	(39,156)	(125,395)
(Loss) before income tax		(62,662)	(187,393)
Income tax (expense)	4	-	(11,040)
Net (loss) for the year attributable to the members of the parent entity		(62,662)	(198,433)
Total comprehensive (loss) for the year attributable to the members of the parent entity	17	(62,662)	(198,433)
(Loss) per share			
Basic (loss) per share attributable to ordinary equity holders of the parent (cents per share)	5	(5.2)	(19.3)
Diluted (loss) per share attributable to ordinary equity holders of the parent (cents per share)	5	(5.2)	(19.1)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

		Consolidated	
		30 June 2023	30 June 2022
	Note	$'000	$'000
Current assets			
Cash and cash equivalents	7	25,381	17,464
Receivables	8	1,386	3,797
Inventories	9	29	21,391
Total current assets		26,796	42,652
Non-current assets			
Property, plant and equipment	10	55,592	72,786
Exploration and evaluation assets	11	26,384	54,454
Mine properties	12	6,216	11,805
Total non-current assets		88,192	139,045
Total assets		114,988	181,697
Current liabilities			
Trade and other payables	13	7,314	28,490
Provisions	14	260	1,559
Borrowings	15	2,618	4,944
Total current liabilities		10,192	34,993
Non-current liabilities			
Provisions	14	39,750	29,216
Borrowings	15	4,629	7,488
Total non-current liabilities		44,379	36,704
Total liabilities		54,571	71,697
Net assets		60,417	110,000
Equity			
Issued capital	17	503,201	489,247
Share-based payments reserve	17	3,679	4,594
Accumulated losses	17	(446,463)	(383,841)
Total equity		60,417	110,000

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

		Consolidated			
	Note	Issued capital $'000	Share reserve $'000	Accumulated losses $'000	Attributable to owners of the parent $'000
Balance at 1 July 2021		**457,099**	**5,346**	**(185,408)**	**277,037**
Reported loss for the year		-	-	(198,433)	(198,433)
Total comprehensive loss for the year		-	-	(198,433)	(198,433)
Shares issued		35,905	-	-	35,905
Share issue transaction costs		(1,728)	-	-	(1,728)
Deferred tax on share issue costs		(2,029)	-	-	(2,029)
Performance rights forfeited		-	(2,273)	-	(2,273)
Options issued		-	23		23
Share-based payments expense		-	1,498	-	1,498
Balance at 30 June 2022	**17**	**489,247**	**4,594**	**(383,841)**	**110,000**
Reported loss for the year		-	-	(62,662)	(62,662)
Total comprehensive loss for the year		-	-	(62,662)	(62,662)
Shares issued		12,589	-	-	12,589
Share issue transaction costs		(25)	-	-	(25)
Performance rights exercised		1,390	(1,390)		-
Performance rights forfeited		-	(40)	40	-
Share-based payments expense		-	515	-	515
Balance at 30 June 2023	**17**	**503,201**	**3,679**	**(446,463)**	**60,417**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

		Consolidated	
		30 June 2023	30 June 2022
	Note	$'000	$'000
Cash flows from operating activities			
Gold sales		**124,266**	223,126
Interest received		**1,000**	40
Other income		**360**	538
Interest paid		**(75)**	(738)
Payments for exploration and evaluation		**(16,664)**	(17,056)
Payments to suppliers and employees		**(103,987)**	(174,091)
Net cash from operating activities	**7**	**4,900**	31,819
Cash flows from investing activities			
Payments for mine properties' expenditure		**(4,721)**	(64,748)
Payments for plant and equipment		**(1,923)**	(2,619)
Proceeds from sale of assets		**2,080**	9
Net cash used in investing activities		**(4,564)**	(67,358)
Cash flows from financing activities			
Proceeds from issue of share capital		**12,589**	35,905
Share issue transaction costs		**(25)**	(1,776)
Repayment of borrowings		**(2,000)**	(30,196)
Proceeds from borrowings		**-**	16,000
Transaction costs associated with borrowings		**(8)**	(280)
Repayment of lease liabilities		**(2,975)**	(2,592)
Net cash from financing activities		**7,581**	17,061
Net increase/(decrease) in cash and cash equivalents		**7,917**	(18,478)
Cash and cash equivalents at the beginning of the year	**7**	**17,464**	35,942
Cash and cash equivalents at the end of the year	**7**	**25,381**	17,464

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Contents

Basis of Preparation

Dacian Gold Limited ("Dacian" or the "Company") is a 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 2023.

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.

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.

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 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Going Concern

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

At 30 June 2023, the Company has completed its transition from operations to explorer/developer and the Group had a cash balance of $25.4 (2022: $17.5M), had a net working capital balance of $20.7M (2022: $7.7M) and incurred a net loss of $62.7M (2022: $187.4M).

While no assurances can be given about the future ability to finance the Group's activities, the Directors believe, given the quality of the Groups assets, and with the support of its major shareholder Genesis, the Company can, if required, raise future funds to pursue its business strategy and meet its obligations as and when they fall due.

Should the Company not be able to raise funds to pursue its business strategy, it may be required to reduce or curtail its work programs, realise assets and discharge liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not included any adjustment relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

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 21.

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.

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.

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 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 2023	30 June 2022
	$'000	$'000
Revenue from contracts with customers		
Gold Sales	**124,266**	223,126
Silver Sales	**360**	539
	124,626	223,665

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. As at 30 June 2023 there were no gold forward sale contracts and put options in place.

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 2023	30 June 2022
	$'000	$'000
Cost of goods sold		
Costs of production	**93,480**	157,263
Royalties	**2,902**	5,555
Depreciation of mine plant and equipment	**22,518**	22,011
Amortisation of mine properties	**5,974**	68,548
	124,874	253,377

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:

Class of Fixed Asset	Useful Life
▪ Office equipment and fixtures	3 - 4 years

- Computer equipment & software 2 - 4 years
- Motor Vehicles 3 years
- Plant and equipment 3 - 10 years / units of production

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 2023	30 June 2022
	$'000	**$'000**
Depreciation and Amortisation		
Depreciation expense – recognised in cost of goods sold	**22,518**	22,011
Depreciation expense – other	**538**	521
Amortisation expense	**5,974**	68,548
	29,030	91,080

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.

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.

	30 June 2023	30 June 2022
	$'000	**$'000**
Unwind of rehabilitation and restoration provision	**1,210**	290
Transaction costs	**37**	461
Interest expense on lease liabilities	**383**	457
Interest expense on borrowings	**14**	526
Interest (income)	**(1,000)**	(40)
	644	1,694

Employee expenses

	30 June 2023	30 June 2022
	$'000	**$'000**
Corporate Employee expenses		
Salaries and wages	**1,912**	2,978
Director fees and consulting expenses	**339**	333
Defined contribution superannuation	**167**	283
Other employment expenses	**205**	369
	2,623	3,963

Other expenses

Other expenses		
Administration & corporate	**4,146**	2,702
Non-production depreciation	**538**	521
Profit on Sale of Assets	**(1,811)**	-
	2,873	3,223

Impairment loss on assets

Genesis Minerals Limited (Genesis) acquired a controlling interest in Dacian in September 2022. Genesis accounted for the transaction as a business combination in accordance with AASB 3 Business Combinations. This required Genesis to undertake a fair value assessment of the assets and liabilities of Dacian at the date of control.

Genesis advised the Dacian Board that the Purchase Price Accounting assessment of fair value of the Dacian plant and equipment was materially higher than the Dacian carrying value. Dacian, in accordance with accounting principles, carries plant and equipment assets at the lower of cost and written down value. As a standalone reporting entity Dacian cannot, under the current Australian Accounting Standards, recognise the uplift attributed by Genesis to the Mt Morgans plant and equipment.

Genesis advised the Dacian Board that its fair value assessment of the Dacian exploration and evaluation assets and mine properties resulted in a materially lower value than the Dacian carrying value of these assets. The Dacian Board reviewed the fair value assessment and in accordance with Australian Accounting Standards, Dacian, as an entity which will be consolidated with Genesis as the parent company, is required to impair the carrying value of the exploration and evaluation assets and the mine properties assets to their fair value where that fair value is lower than their carrying value.

Consequently in December 2022, Dacian booked an impairment of the carrying value of exploration and evaluation assets by $28.1 million (refer note 11) and impairment of mine properties of $11.1 million (refer note 12).

		30 June 2023	30 June 2022
	Note	**$'000**	**$'000**
Impairment loss on assets			
Exploration and evaluation assets	11	**28,070**	49,050
Mine properties	12	**11,086**	76,345
		39,156	125,395

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

	Note	30 June 2023 $'000	30 June 2022 $'000
Current income tax:			
Current income tax benefit		**(8,697)**	-
Deferred income tax:			
Relating to origination and reversal of timing differences		**-**	(1,933)
Tax losses derecognised	3	**8,697**	13,070
Adjustment in respect of prior years		**-**	(97)
Income tax expense / (benefit) reported in the Statement of Profit or Loss and Other Comprehensive Income		**-**	11,040

At 30 June 2023 the value of tax losses (on a gross basis not tax effected) was made up of unrecognised operating tax losses of $388 million (30 June 2022: $359 million), and unrecognised capital tax losses totalling $1.5 million (30 June 2022: $1.5 million). 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 2023 $'000	30 June 2022 $'000
Deferred income tax:		
Capital Raising Costs	**-**	2,029

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

	30 June 2023 $'000	30 June 2022 $'000
Accounting profit/(loss) from continuing operations before income tax expense	**(62,662)**	(187,393)
Tax at the Australian rate of 30% (2022: 30%)	**(18,798)**	(56,218)
Non-deductible expenses	**157**	(218)
Capital raising costs claimed	**(771)**	(769)
Temporary differences brought to account	**10,715**	44,872
Tax losses derecognised as deferred tax assets	**8,697**	13,070
Current year tax losses not recognised	**-**	10,400
Adjustment in respect of previous year[(i)]	**-**	(97)
Income tax expense / (benefit) reported in Profit or Loss and Other Comprehensive Income	**-**	11,040

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 2023	30 June 2022
a) Basic earnings per share	**Cents**	**Cents**
Profit/(Loss) attributable to ordinary equity holders of the Company	**(5.2)**	(19.3)
b) Diluted earnings per share		
Profit/(Loss) attributable to ordinary equity holders of the Company	**(5.2)**	(19.1)
c) Profit/(Loss) used in calculation of basic and diluted loss per share	**$'000**	**$'000**
(Loss) / profit after tax from continuing operations	**(62,662)**	(198,433)
d) Weighted average number of shares	**No.**	**No.**
Issued Ordinary shares at 1 July	**1,085,077,063**	910,625,572
Effect of shares issued	**125,830,540**	119,118,471
Weighted average number of ordinary shares at 30 June	**1,210,907,603**	1,029,744,043
Weighted average number of ordinary shares adjusted for the effect of dilution	**1,210,907,603**	1,029,744,043

Note 6 Dividends

No dividends were paid or proposed during the financial year ended 30 June 2023 (30 June 2022: nil).

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 15).

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 2023	30 June 2022
	$'000	**$'000**
Cash at bank	**25,381**	17,464
	25,381	17,464

At 30 June 2023, $199,888 (30 June 2022: nil) was reserved on deposit as Restricted Cash with Australia and New Zealand Banking Group Limited in respect of a cash backed bank guarantee. There were no other amounts included in cash and cash equivalents that are held in reserve as at 30 June 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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

	30 June 2023	30 June 2022
	$'000	**$'000**
(Loss) / profit from ordinary activities after income tax	**(62,662)**	(198,433)
Depreciation and amortisation	**29,030**	91,080
Net (profit)/loss on sale of assets	**(1,768)**	25
Impairment losses on assets	**39,156**	125,395
Bank facility fees	**8**	280
Share-based payments expense	**515**	(751)
Unwind of rehabilitation interest	**1,210**	290
Inventory NRV adjustment	**-**	52
Movement in assets and liabilities:		
(Increase)/decrease in receivables	**2,224**	336
(Increase)/decrease in inventories	**17,045**	(2,029)
Decrease in deferred tax assets	**-**	11,040
Increase/(decrease) in employee leave provisions	**(1,604)**	286
Increase/(decrease) in trade and other payables	**(18,254)**	4,248
Net cash flow from operating activities	**4,900**	31,819

Non-Cash investing and financing activities

During the year ended 30 June 2023 there were nil non-cash transactions (30 June 2022: nil).

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 2023	30 June 2022
	$'000	**$'000**
Current receivables		
GST receivable	**208**	2,723
Prepayments	**544**	787
Other receivables	**634**	287
	1,386	3,797

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 2023 balance sheet date are classified as current assets, all other inventories are classified as non-current.

In line with the suspension of mining and transition to explorer, all ore had been processed and there were no inventory balances at 30 June 2023.

	30 June 2023	30 June 2022
	$'000	**$'000**
ROM inventory (i)	-	5,752
Crushed ore	-	1,114
Gold in circuit	-	6,189
Gold dore	-	3,673
Mine spares and stores – at cost(ii)	29	4,663
	29	21,391

(i) At 30 June 2023 the Mt Morgans operations were in care and maintenance. Remaining low grade stocks at the site have no attributed accounting value.
(ii) $4.3 million balance of spare parts associated with the processing plant was transferred to Plant and Equipment at 30 June 2023.

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.

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 a lease contract for 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 2023 is $6.5 million (30 June 2022: $8.9 million). Further information about the leases for which the Group is a lessee is presented in the table below.

	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 2023							
Cost	293	2,678	2,521	134,570	19,221	884	160,167
Accumulated depreciation	(202)	(2,156)	(1,974)	(87,501)	(12,742)	-	(104,575)
Net Book Value	**91**	**522**	**547**	**47,069**	**6,479**	**884**	**55,592**
Movements							
Opening net book value	137	788	654	59,660	8,902	2,645	72,786
Additions	-	-	-	-	138	1,715	1,853
Disposals	-	(12)	(78)	(222)	-	-	(312)
Transfers	-	61	220	3,195	-	(3,476)	-
Transfers from Stores	-	-	-	4,320	-	-	4,320
Depreciation expense	(46)	(315)	(249)	(19,885)	(2,561)	-	(23,056)
Closing net book value	**91**	**522**	**547**	**47,069**	**6,479**	**884**	**55,592**
Year ended 30 June 2022							
Cost	293	2,631	3,048	129,966	19,084	2,645	157,667
Accumulated depreciation	(156)	(1,843)	(2,394)	(70,306)	(10,182)	-	(84,881)
Net Book Value	**137**	**788**	**654**	**59,660**	**8,902**	**2,645**	**72,786**
Movements							
Opening net book value	155	381	163	77,680	10,522	643	89,544
Additions	-	-	-	-	930	4,879	5,809
Disposals	(30)	(3)	-	(1)	-	-	(34)
Transfers	70	658	660	1,489	-	(2,877)	-
Depreciation expense	(58)	(248)	(170)	(19,508)	(2,549)	-	(22,533)
Closing net book value	**137**	**788**	**654**	**59,660**	**8,902**	**2,645**	**72,786**

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 2023	30 June 2022
	$'000	**$'000**
Deferred exploration costs at the start of the financial year	**54,454**	103,504
Impairment	**(28,070)**	(49,050)
	26,384	54,454

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.

The recoverable amount of the exploration and evaluation assets was determined based on fair value assessment completed by controlling shareholder Genesis in its purchase price accounting assessment at the time Genesis secured a controlling interest in Dacian being September 2022. The assessment of fair value was determined based on a market approach using comparable trading resource multiples for listed ASX junior explorers implied from trading market caps as at the acquisition date, and by reference to comparable transaction resource multiples for similar exploration assets with uncertain timing of access to infrastructure. In December 2022, an impairment of $28.1 million was recognised against the exploration asset.

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.

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.

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

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.

	30 June 2023	30 June 2022
	$'000	$'000
Mine Properties		
Cost	**173,562**	162,091
Impairment	**(87,431)**	(76,345)
Accumulated amortisation	**(79,915)**	(73,941)
Net book value	**6,216**	11,805
Movements		
Opening carrying amount	**11,805**	95,606
Additions	**1,843**	61,006
Impairment	**(11,086)**	(76,345)
Change in rehabilitation provision	**9,628**	86
Amortisation expense	**(5,974)**	(68,548)
Closing net book value	**6,216**	11,805

Key Estimates and Assumptions

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 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 2023	30 June 2022
	$'000	$'000
Current liabilities		
Trade and other payables	**299**	4,170
Accrued expenses	**7,015**	24,320
	7,314	28,490

Note 14 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.

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 2023 $'000	30 June 2022 $'000
Current:		
Employee leave liabilities	**260**	1,559
	260	1,559
Non-current:		
Employee leave liabilities	**73**	378
Rehabilitation provision	**39,677**	28,838
	39,750	29,216
Provision for rehabilitation		
Balance at the start of the financial year	**28,838**	28,463
Rehabilitation costs incurred during the year	**-**	(112)
Provisions recognised during the year	**9,628**	197
Unwinding of discount	**1,211**	290
Balance at the end of the financial year	**39,677**	28,838

Dacian's rehabilitation and closure cost estimate was prepared by an independent third party in June 2021. Given the ongoing industry cost inflation and in conjunction with Genesis' purchase price allocation work, the Group considers it prudent to recognise an increase in contingency on total closure cost estimate to reflect uncertainties and cost volatility.

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.

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 15 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 14.

	30 June 2023	30 June 2022
	$'000	**$'000**
Current		
Insurance premium funding liability	**-**	185
Lease Liabilities	**2,618**	2,759
Bank Loan	**-**	2,000
	2,618	4,944
Non-Current		
Lease Liabilities	**4,629**	7,488
	4,629	7,488

Bank loan

During the year ended 30 June 2023 the debt facility held with Australia and New Zealand Banking Group Limited was fully repaid and the security released.

Note 16 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	2-4 years[i]
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
2023						
Trade & other payables	7,314	7,314	7,314	-	-	-
Lease liabilities	7,247	7,658	1,435	1,431	4,792	-
	14,561	**14,972**	**8,749**	**1,431**	**4,792**	**-**
2022						
Trade & other payables	28,491	28,491	23,959	4,532	-	-
Insurance premium funding liability	185	185	185	-	-	-
Lease liabilities	10,247	11,053	1,612	1,529	3,063	4,849
Bank Loan[ii]	2,000	2,039	2,039	-	-	-
	40,923	**41,768**	**27,795**	**6,061**	**3,063**	**4,849**

[i] There are no amounts currently maturing beyond 30 June 2026
[ii] Bank loan fully repaid during the current financial year

(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 2023	30 June 2022
	$'000	**$'000**
Variable rate instruments		
Cash and cash equivalents	**25,381**	17,464
Borrowings	**-**	(2,000)
	25,381	15,464

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 2023	30 June 2022
	$'000	**$'000**
Interest Revenue		
Increase 1.0%	**254**	175
Decrease 1.0%	**(254)**	(175)
Interest Expense		
Increase 1.0%	**-**	(20)
Decrease 1.0%	**-**	20

(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.

Note 17 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 2023	30 June 2022	30 June 2023	30 June 2022
	No.	No.	$'000	$'000
Issued share capital	**1,216,800,938**	1,085,077,063	**503,201**	489,247
Share movements during the year				
Balance at the start of the financial year	**1,085,077,063**	910,625,572	**489,247**	457,099
Share issue[i]	**123,910,441**	174,451,491	**12,589**	35,905
Exercise of performance rights (non-cash)	**7,813,434**	-	**1,390**	-
Less share issue costs	**-**	-	**(25)**	(1,728)
Deferred tax on share issue costs	**-**	-	**-**	(2,029)
Balance at the end of the financial year	**1,216,800,938**	1,085,077,063	**503,201**	489,247

	30 June 2023		30 June 2022	
	Accumulated losses	Share-based payments reserve [i]	Accumulated losses	Share-based payments reserve
	$'000	$'000	$'000	$'000
Balance at the beginning of the year	**(383,841)**	**4,594**	(185,408)	5,346
Profit / (Loss) profit for the year	**(62,662)**	**-**	(198,433)	-
Transfer to issued capital on exercise of performance rights	**-**	**(1,390)**	-	-
Transfer to accumulated losses due to market conditions not met	**40**	**(40)**	-	-
Options issued during the year	**-**	**-**	-	23
Share-based payments for the year	**-**	**515**	-	(775)
Balance at the end of the year	**(446,463)**	**3,679**	(383,841)	4,594

[i] The share-based payments reserve recognises the fair value of options over unissued shares and performance rights provided to employees and Key Management Personnel

Other Disclosures

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

Note 18 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.

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	30 June 2023 $'000	30 June 2022 $'000
Deferred tax assets		
Trade & other payables	**67**	198
Provisions	**1,669**	6,650
Borrowings – Finance lease liabilities	**2,171**	2,898
Deferred tax liabilities		
Trade & other receivables	**(46)**	(141)
Inventories	**(4)**	(329)
Property, plant and equipment	**(3,857)**	(9,276)
Net deferred tax assets	**-**	-

Movement in temporary differences during the year:

	Balance 30 June 2022 $'000	Recognised in income $'000	Recognised in Equity $'000	Balance 30 June 2023 $'000
Trade and other receivables	(141)	95	-	(46)
Inventories	(329)	325	-	(4)
Property, plant & equipment	(9,276)	5,419	-	(3,857)
Trade & other payables	198	(131)	-	67
Provisions	6,650	(4,981)	-	1,669
Borrowings	2,898	(727)	-	2,171
	-	**-**	**-**	**-**

The value of tax losses (gross basis not tax effected) available to the Group at 30 June 2023 for income tax purposes is $389.5 million, which comprises (for accounting) unrecognised operating tax losses totalling $388 million and unrecognised capital tax losses totalling $1.5 million (30 June 2022: operating tax losses $358.9 million and $1.5 million 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 19 Share-Based Payments

Accounting Policy

The Group has provided 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.

	30 June 2023	30 June 2022
	$'000	**$'000**
Recognised share-based payments expense		
Share based payment expense(i)	**515**	(751)
Total share-based payments expense	**515**	(751)

(i) During the year $164,000 of performance rights expense was reversed as a result of forfeiture of the underlying rights

Dacian Gold Limited Employee Securities Incentive Plan

The Dacian Gold Limited Employee Securities Incentive 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 nil options over unissued shares were issued pursuant to the Company's Employee Option Plan (30 June 2022: 300,000).

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

	30 June 2023		30 June 2022	
	No.	WAEP	No.	WAEP
Options outstanding at the start of the year	**300,000**	**$0.28**	22,222,222	$0.27
Options expired during the year	**-**	**-**	(22,222,222)	$0.27
Options cancelled during the year[(i)]	**(300,000)**	**$0.28**	-	-
Options issued during the year	**-**	**-**	300,000	$0.28
Options outstanding at the end of the year	**-**	**-**	300,000	$0.28

(i) – Dacian, Genesis and Mr Wilkes executed an option cancellation deed under which Genesis agreed to pay Mr Wilkes, a cash amount of $17,190 reflecting a Black & Scholes valuation of the options. The cancellation of the options was to occur subject to Genesis securing 50% of Dacian shares and the offer being made unconditional. These conditions were met in September 2022 and the options cancelled.

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 contract life

The weighted average contractual life for vested and un-exercised options is nil months (30 June 2022: 50.5 months).

Performance Rights

During the financial year ended 30 June 2023, nil performance rights (30 June 2022: 10,617,758) were issued to employees, pursuant to the terms of the Plan.

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

	30 June 2023		30 June 2022	
	No.	WAFV	No.	WAFV
Rights outstanding at the start of the year	**10,189,570**	**$0.52**	12,582,585	$0.36
Rights issued during the year	**-**	**-**	10,617,758	$0.15
Rights vested during the year[(i)]	**(7,813,434)**	**$0.18**	-	-
Rights forfeited during the year	**(2,376,136)**	**$0.17**	(13,010,773)	$0.07
Rights outstanding at the end of the year	**-**	**-**	10,189,570	$0.52

[(i)] During the year 7,813,434 rights vested as a result of the Genesis Minerals Limited takeover offer and converted to ordinary shares in the company (30 June 2022: nil)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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 20 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 21 Related Party Disclosures

(a) Controlled Entities

	Ownership Interest	
	2023 %	2022 %
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	100	100

(b) Parent Entity

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

	Parent	
	30 June 2023 $'000	30 June 2022 $'000
Financial position		
Current assets	**16,157**	12,364
Non-current assets	**50,165**	106,674
Total assets	**66,322**	119,038
Current liabilities	**5,905**	8,716
Non-current liabilities	**-**	322
Total liabilities	**5,905**	9,038
Shareholders' equity		
Issued capital	**503,201**	489,247
Share-based payments reserve	**3,679**	4,594
Accumulated losses	**(446,463)**	(383,841)
Total equity	**60,417**	110,000
Financial performance		
Loss for the year	**(62,622)**	(126,625)
Other comprehensive (loss) / income	**-**	-
Total comprehensive loss	**(62,622)**	(126,625)

Commitments

The parent entity had lease commitments of $0.3 million at 30 June 2023 (30 June 2022: $0.5 million) relating to the lease of the Group's Perth office. The Company has established a $150,000 cash backed bank guarantee for security.

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries.

Pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785, Dacian and its wholly owned subsidiaries entered into a deed of cross guarantee on 23 May 2022 (the Guarantee). The effect of the Guarantee is that Dacian has guaranteed to pay any deficiency in the event of winding up of any controlled entity which is a party to the Guarantee or if they do not meet their obligations under the terms of any debt subject to the Guarantee. The controlled entities which are parties to the Guarantee have given a similar guarantee in the event that Dacian is wound up or if it does not meet its obligations under the terms of any debt subject to the Guarantee.

(c) Transactions with related parties

In September 2022 Genesis secured a controlling interest in Dacian and appointed three representative directors on the Dacian Board. As announced on 15 November 2022 the two companies entered a secondment agreement and a management services agreement designed to leverage off each other's resources to secure synergies from the group. During the year ended 30 June 2023 Dacian invoiced Genesis $1,514,000 under these arrangements and Genesis invoiced Dacian $454,000 under these arrangements. In addition, during April 2023 Dacian completed closure of the Westralia underground operations and engaged an independent valuer/auctioneer to complete an inventory of surplus Westralia underground assets. This independent party was engaged to negotiate the sale of these surplus assets for fair value to Genesis realising $2.1 million.

Note 22 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:

Craig Mc Gown	Non-Executive Chairman	appointed 28 September 2022
Sue-Ann Higgins	Non-Executive Director	
Morgan Ball	Non-Executive Director	appointed 28 September 2022
Gerard Kaczmarek	Non-Executive Director	appointed 28 February 2023
William Troy Irvin	Non-Executive Director	appointed 2 May 2023
Lee Stephens(i)	Non-Executive Director	appointed 28 September 2022, resigned 2 May 2023
Anthony Kiernan	Non-Executive Director	appointed 28 September 2022, resigned 28 February 2023
Michael Wilkes	Non-Executive Director	resigned 28 September 2022
Eduard Eshuys	Non-Executive Director	resigned 28 September 2022
Dale Richards(ii)	Chief Executive Officer	appointed 16 June 2022, ceased 28 February 2023
Sonia Hamilton-Browne	Chief Financial Officer	appointed 2 May 2023
Andrew Doe	Advisor to the Independent Directors	appointed 2 May 2023
Derek Humphry(iii)	Chief Executive Officer	appointed 28 February 2023, ceased 10 May 2023
Leigh Junk	Managing Director & CEO	resigned 16 June 2022
Robert Reynolds	Non-Executive Director	resigned 23 March 2022
James Howard	Chief Operating Officer	resigned 21 January 2022

(i) Lee Stephens was appointed Chief Operating Officer on 2 May 2023

(ii) Dale Richards was appointed Chief Executive Officer on 16 June 2022. He subsequently returned to his former role of General Manager Geology and Exploration on 28 February 2023 until his employment was terminated by way of redundancy on 30 June 2023

(iii) Derek Humphry was Chief Financial Officer until his appointment as Interim Chief Executive Officer on 28 February 2023 and ceased on 10 May 2023

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(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 2023 $	30 June 2022 $
Short-term employment benefits	**1,663,142**	1,978,365
Share-based payments	**234,956**	153,031
Other long-term benefits	**8,653**	49,250
Termination benefits	**251,584**	433,267
Post-employment benefits	**107,973**	194,569
Total Key Management Personnel remuneration	**2,266,308**	2,808,482

Note 23 Auditor's Remuneration

BDO Audit (WA) Pty Ltd		
Audit and review of financial statements	**175,515**	101,119
Total	**175,515**	101,119

Note 24 Events Subsequent to the Reporting Date

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 2023 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 2023.

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

DATED at Perth this 31st day of August 2023

Craig McGown
Independent Non-Executive Chair

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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 2023, 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 2023 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 (including Independence Standards)* (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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Accounting for Property, Plant and Equipment

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>The Group’s carrying value of property, plant and equipment, as disclosed in Note 10 to the financial report was a key audit matter as the carrying value of property, plant and equipment is impacted by various estimates and judgements, in particular the following:

• Useful lives;
• Fair value assessments; and
• Depreciation rates.

Furthermore, as the carrying value of property, plant and equipment represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exit to suggest that the carrying amount of these assets exceed their recoverable amounts.</td><td>Our audit procedures included, but were not limited to:

• Evaluating the Group’s depreciation policy in accordance with Australian Accounting Standards and relevant accounting interpretations;
• Agreeing the inputs that were used in the calculation of the depreciation rates to supporting documentation;
• Testing the mathematical accuracy and application of the depreciation rates applied to the carrying values of plant and equipment by recalculating depreciation for the year;
• Assessing the competency and objectivity of the experts used by management to determine fair value assessments of the plant and equipment;
• Evaluating whether there were any indicators of impairment under the Australian Accounting Standards; and
• Assessing the adequacy of the related disclosures in Note 10 to the financial report.</td></tr>
</table>

Recoverability of Exploration and Evaluation Assets

Key audit matter	*How the matter was addressed in our audit*
As disclosed in Note 11 to the financial report, the carrying value of capitalised exploration and evaluation expenditure represents a significant asset of the Group. Further, the group recorded an impairment charge of $28.1m at 30 June 2023 against exploration & evaluation expenditure. The impairment of the Group's exploration & evaluation expenditure required management to make significant accounting judgements and estimates including the future recoverability of capitalised exploration and evaluation expenditure. In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources (AASB 6), the recoverability of exploration and evaluation expenditure requires significant judgment by management in determining whether there are any facts or circumstances that exist to suggest that the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.	Our procedures included but were not limited to: • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and directors' minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether any facts or circumstances existed to suggest impairment testing was required; • Reviewing publicly available market reports against managements impairment assessment for exploration and evaluation asset; and • Assessing the adequacy of the related disclosures in Note 3 and Note 11 to the Financial Report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

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

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 at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.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 33 to 40 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Dacian Gold Limited, for the year ended 30 June 2023, 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

BDO

Glyn O'Brien

Glyn O'Brien

Director

Perth,

31 August 2023

Additional Information

As at 29 August 2023

Twenty Largest Shareholders

Name	Units	% Units
GENESIS MINERALS LIMITED	755,927,952	62.12
GENESIS MINERALS LIMITED	218,518,080	17.96
ARGONAUT SECURITIES (NOMINEES) PTY LTD <ASPL CLIENT NO3 A/C>	89,275,480	7.34
DEUTSCHE BALATON AKTIENGESELLSCHAFT	23,110,314	1.90
2INVEST AG	16,073,390	1.32
ALIANDA OAKS PTY LTD <RESOURCE SURVEYS INVEST A/C>	10,470,669	0.86
ALIANDA OAKS PTY LTD <RESOURCE SURVEYS INVEST A/C>	9,600,000	0.79
CITICORP NOMINEES PTY LIMITED	4,747,881	0.39
KESLI CHEMICALS PTY LTD <RUANE S/F A/C>	3,757,996	0.31
JP MORGAN NOMINEES AUSTRALIA PTY LIMITED	3,554,829	0.29
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,100,874	0.17
FIST FAMILY PTY LTD <FIST FAMILY A/C>	2,090,500	0.17
MR RODNEY FOSTER + MRS DEBRA FOSTER <R & D FOSTER SUPER FUND A/C>	1,548,220	0.13
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,509,943	0.12
TYSON RESOURCES PTY LTD	1,450,000	0.12
MINICO PTY LTD	1,300,000	0.11
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	1,275,637	0.10
G RITCHIE SF PTY LTD <RITCHIE FAMILY SF A/C>	1,200,000	0.10
MR GEORGE SCOTT MILLING + MRS STEPHANIE MAY MILLING <MILLING SUPER FUND A/C>	1,078,956	0.09
LAYUTI PTY LTD <THE MOUATT SUPER FUND A/C>	1,068,888	0.09
TOTAL	**1,149,659,609**	**94.48**
TOTAL REMAINING HOLDERS BALANCE	67,141,329	5.52

Additional Information

Distribution of Shareholders

Analysis of numbers of shareholders by size of holding:

Distribution	Number of Shareholders	Shares Held
1-1,000	635	231,539
1,001-5,000	978	2,668,533
5,001 - 10,000	459	3,536,720
10,001 - 100,000	760	25,208,557
More than 100,000	149	1,185,155,589
TOTAL	**2,981**	**1,216,800,938**

There are 1,510 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
Genesis Minerals Limited	974,446,032	80.08%
Delphi Unternehmensberatung Aktiengesllschaft	128,459,184	10.56%

Unquoted Securities

There are no unquoted securities at 31 August 2023.

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 to 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.

Dacian Gold Limited
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