GLENEAGLE

GOLD LIMITED

ABN 27 103 782 378

# *ANNUAL REPORT*

*For the Year Ended*
*30 June 2014*

# CORPORATE DIRECTORY

***NON-EXECUTIVE DIRECTORS***
Wayne Gregory Loxton
Ian David Love
Leon Davies

***COMPANY SECRETARY***
Neville Bassett

***PRINCIPAL & REGISTERED OFFICE***
Level 45, 108 St Georges Terrace
PERTH WA 6000
Telephone: (08) 9486 7066
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***AUDITORS***
HLB Mann Judd
Level 4, 130 Stirling Street
PERTH WA 6000

***SHARE REGISTRAR***
Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
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Ph 08 9323 2000
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***SECURITIES EXCHANGE LISTING***
Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: GLN

***BANKERS***
National Australia Bank
1232 Hay Street
WEST PERTH WA 6005

## *DIRECTORS' REPORT*

*Your directors present their report on the Company for the financial year ended 30 June 2014.*

### *DIRECTORS*

The names of the directors who held office during or since the end of the year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated:

| | |
|---|---|
| Wayne Gregory Loxton | Non-Executive Chairman |
| Ian David Love | Non-Executive Director |
| Leon Davies | Non-Executive Director |

### *COMPANY SECRETARY*

Mr Neville Bassett held the position of company secretary at the date of this report. Mr Bassett is a Chartered Accountant with over 31 years experience and has been involved with a diverse range of Australian public listed companies in directorial, company secretarial and financial roles.

### *PRINCIPAL ACTIVITIES*

The principal continuing activity of the Company during the year was mineral exploration, principally gold and base metals.

### *RESULTS*

The loss from continuing operations before income tax for the year ended 30 June 2014 was $290,217 (2013: $311,843). Additional information on the operations and financial position of the Company and its business strategies and prospects is set out in this directors' report and the financial report.

### *DIVIDENDS PAID OR RECOMMENDED*

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

### *REVIEW OF OPERATIONS*

#### *Mineral Interests – Peak Hill*

*P52/1166 (100%)*

The Peak Hill tenement is located immediately west and north-northwest of Peak Hill, Western Australia. Peak Hill is some 130km north-northeast of Meekatharra and 850km north of Perth.

The Peak Hill goldfield is located along the southern margin of the Proterozoic belt and the northern edge of the Yilgarn Craton and lies within the western part of the Palaeoproterozoic Bryah Basin. The area comprises mafic and ultramafic volcanic rocks (Narracoota Formation), and turbiditic metasedimentary rocks, banded iron formation (BIF) and associated clastic rocks (Horseshoe and Ravelstone Formations).

At Peak Hill the gold deposits are hosted by mylonitic schist, metasedimentary and/or metavolcanic rocks of the Peak Hill Schist (Palaeoproterozoic or Archaean), whilst to the north-northwest of Peak Hill gold deposits are hosted in the mafic volcanic rocks of the Narracoota Formation.

P52/1166 lies approximately 2km due west of the abandoned Fiveways Pit at Peak Hill.

## *DIRECTORS' REPORT*

### *Work Undertaken*

During the year, assay results from previous detailed soil sampling were received and subject to review.

The primary objective of the soil sampling program was to identify exploration drilling targets by follow up sampling over anomalous areas defined in previous sampling where some 61 surface soil samples were taken and analysed for 18 different elements on P52/1166 (Christmas Gift Prospect), and over the southern anomaly at E52/1641 (Saturn Prospect) where 112 surface samples were taken.

As a result of the review, the Company surrendered tenement E52/1641.

### *Christmas Gift*

The anomaly identified on P52/1166 is modest in size and gold values with the potential for gold contamination due to the presence of tailings from a tailings facility to the east. The anomaly requires further field investigation to determine if additional extensional sampling is required.

Future exploration on the lease will focus on testing specific targets such as contacts, fault zones or geophysical targets. Work will focus on the extent of the historic Christmas Gift workings near the central part of the lease area and also on conceptual targets along prospective geological contacts and fault zones in the larger southern part of the lease.

***Mineral Interests – Cuddingwarra***
*EL20/742 (100%)*
*ELA20/833 (100%)*
*PL20/2095 (100%)*
*PL20/2096 (100%)*

During the year, the Company acquired four prospective leases in the Cue Mineral Field near the Big Bell and Cuddingwarra mining centres.

The acquisition comprised the following leases:

| **Lease** | **Prospect** | **Area Blocks** | **Area** |
|---|---|---|---|
| EL20/742 | Milly Well | 30 blocks | 96km$^2$ |
| ELA20/833 | Berring Pool | 5 blocks | 16km$^2$ |
| PL20/2095 | Chester North | | 154 Ha |
| PL20/2096 | Chester South | | 131 Ha |

Three of the leases are contiguous being E20/742 and P20/2095 and 2096. This project area is referred to as Milly Bore. The lease under application ELA20/833 is situated to the NW of Milly Bore and is referred to as the Berring Pool project.

The Milly Bore project is situated immediately to the north of the Cuddingwarra Mining Centre. Gold mineralisation is common in the area and there are numerous historical workings. The principal deposits are Black Swan, Black Swan South, Golden Gate, Chieftain and Rheingold.

The Berring Pool project is adjacent to the Big Bell-Coodardy gold trend that is interpreted to be on the northern margin of the lease.

# DIRECTORS' REPORT

Previous examination of the geology and lithological controls of the gold distribution in the tenements in the Cuddingwarra area have identified the probable control of known mineralisation and produced a model for gold exploration targets in the area. In addition, the effectiveness of Hyperspectral data (Hymap) of the area was investigated and applied to the exploration potential of the tenements providing new targets for immediate assessment.

## *Milly Bore*

The project covers an area of approximately 100km$^2$ and is situated within the Archaean Meekatharra-Wydgee Greenstone Belt. The greenstone belt is comprised of thick sequences of basalt and mafic rock with banded iron formation, ultramafic, felsic volcanic and volcaniclastic rocks. Felsic porphyries and granitoids have intruded the greenstones.

Numerous gold occurrences occur immediately to the south of Milly Bore at the Cuddingwarra Mining Centre and further south at the Golden Crown – Cue mining camp.

Gold was discovered at Cuddingwarra in the early 1890's, and produced an estimated 62,000 ounces from underground mining. The Victory United/Fortune of War underground mine, which developed a single quartz vein/shear for 30,000 ounces at an approximate grade of 45g/t Au illustrates the potential of the area. Modern day open cut mining was undertaken from 2000 to 2007 by Normandy and Harmony Gold. Principal open cuts were Black Swan, Golden Gate, Chieftain and Rheingold.

The project has seen limited exploration by previous operators although it is adjacent and along strike from the active Cuddingwarra mining centre. This has been due to in part the interpretation of the area being under significant transported cover making the exploration difficult and expensive. Gleneagle consider the cover to be the reason for the lack of exploration success and as such is an opportunity for dedicated exploration.

## *Berring Pool*

The project covers an area of approximately 16km$^2$ and is also situated within the Archaean Meekatharra-Wydgee Greenstone Belt. Work undertaken has been limited to data acquisition pending grant of the lease.

## *Work Undertaken*

During the year, the Company commenced a full data base examination and the re-interpretation of previously completed Hyvista. The work has focussed on obtaining all historical geochemical, geological, drilling and geophysical data and integration into a format suitable for GIS software. In addition a review of historical mines in the area has been undertaken to better understand the structural and lithological controls on mineralisation.

On completion and interpretation of this review, it is proposed to undertake systematic exploration on the full tenement package.

Hyperspectral data (Hymap) was applied to the exploration study of the tenements providing new targets for immediate assessment.

Mineralised gold trends have been identified along four zones, (from west to east), termed the Chester Trend, Cuddingwarra Shear, Chieftain Trend, and Emily Well Trend. In addition two prospective base metal trends are identified, the Wattagee Hill trend and the Emily Well trend.

Extensions of term applications and exploration budgets were submitted to the department for P20/2095 and 2096. Targets were generated by the Hyvista modelling and the +0.1g/t Au maximum value in hole outline generated from the historical drill database.

## DIRECTORS' REPORT

Additional targets have been generated on E20/742 and it is proposed that POW applications be submitted for these targets.

Work will continue on database integration and field verification with the aim of completing target ranking and design of drill programs.

***Corporate***

The Board is actively seeking new project and investment opportunities and reviewed a number of potential projects during the year, conducting due diligence on a number of prospective opportunities.

### *SIGNIFICANT CHANGES IN STATE OF AFFAIRS*

Significant changes in the state of affairs of the Company during the financial year are detailed under Review of Operations.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report or in the financial report.

### *AFTER BALANCE DATE EVENTS*

No matters or circumstances have arisen, since the end of the financial year, which significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years, other than as outlined in the Review of Operations.

### *FUTURE DEVELOPMENTS*

The Company will continue to pursue its principal activity of exploration and evaluation, particularly in respect to the Projects as more particularly outlined in the Review of Operations. The Company will also continue to pursue other potential investment opportunities to enhance shareholder value.

### *ENVIRONMENTAL ISSUES*

The Company is aware of its environmental obligations with regards to its exploration and mining activities and ensures that it complies with all applicable state and federal regulations when carrying out any exploration and mining operations.

### *MEETINGS OF DIRECTORS*

The number of directors' meetings (including committees) held during the financial year and the number of meetings attended by each director are:

| | **Directors' Meetings** | |
|---|---|---|
| **Director** | **Number Eligible to Attend** | **Meetings Attended** |
| Wayne Gregory Loxton | 5 | 5 |
| Ian David Love | 5 | 5 |
| Leon Davies | 5 | 5 |

## *DIRECTORS' REPORT*

### *INFORMATION ON DIRECTORS*

| | | |
|---|---|---|
| **Wayne Gregory Loxton** | Non-Executive Director | |
| Qualifications | BSc (Eng) MAusIMM | |
| Experience | Mr Loxton is an experienced Mining Engineer with a broad range of experience including formulating strategy, completing feasibility studies, commercialization and entrepreneurial start-ups, commercial and strategic due diligence, capital raisings, mergers and acquisitions, asset divestiture and introduction of best practices. | |
| Interest in Shares | Ordinary | 63,040,480 |
| Interest in Options | 30 June 2015; $0.01 | 36,688,464 |
| Special Responsibilities | None | |

| | | |
|---|---|---|
| **Ian David Love** | Non-Executive Director | |
| Experience | Mr Love is a Perth based businessman who has served on the boards of numerous public companies. He has interests in hospitality, mining and financial sectors. | |
| Interest in Shares | Ordinary | 8,843,961 |
| Interest in Options | 30 June 2015; $0.01 | 19,843,961 |
| Special Responsibilities | None | |

| | | |
|---|---|---|
| **Leon Davies** | Non-Executive Director | |
| Experience | Mr Davies is a mechanical engineering graduate from Derby University in England, with a wealth of business expertise across a number of industries. Mr Davies established one of the UK's premier specialised recruitment agencies before selling the business after a decade of significant growth and emigrating to WA where he has continued to forge new business opportunities. Since arriving in 1996 he has established two successful property development companies, and the national support service agency ATS Workforce. | |
| Interest in Shares | Ordinary | 20,857,456 |
| Interest in Options | 30 June 2015; $0.01 | 28,127,456 |
| Special Responsibilities | None | |

### *Directorships of other listed companies*

Directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are as follows:

| *Name* | *Company* | *Period of directorship* |
|---|---|---|
| Wayne Gregory Loxton | Yowie Group Ltd | 19 March 2013 to present |
| Ian David Love | Mr Love does not hold any Directorships in other listed companies. | N/A |
| Leon Davies | Mr Davies does not hold any Directorships in other listed companies. | N/A |

# DIRECTORS' REPORT

## REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for the key management personnel of the Company for the financial year ended 30 June 2014. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

### *Key Management Personnel*

**Directors**

Wayne Gregory Loxton
Ian David Love
Leon Davies

### *Remuneration philosophy*

The performance of the Company depends upon the quality of the Directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

### *Remuneration committee*

While the Company does not currently have a formal Remuneration Committee, the Board has adopted a Remuneration Committee Charter, which determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

### *Remuneration structure*

In accordance with best practice Corporate Governance, the structure of non-executive director and executive remuneration is separate and distinct.

### *Non-executive Director remuneration*

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive Directors shall be as determined from time to time by a general meeting. The latest determination was at the meeting held on 27 November 2008 when shareholders approved an aggregate remuneration of $300,000 per annum.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

# DIRECTORS' REPORT

***Senior manager and executive Director remuneration***
Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

*Fixed remuneration*
Fixed remuneration is reviewed annually by the Board of Directors. The process consists of a review of relevant comparative remuneration in the market and internally and where appropriate, external advice on policies and practices. The Board of Directors has access to external, independent advice where necessary.

Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

The Company currently does not have any executives.

*Variable remuneration*
The objective of the short term incentive program is to link the achievement of the Company's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential short term incentive available is set at a level so as to provide sufficient incentive to the senior manager to achieve the operational targets and such that the cost to the Company is reasonable in the circumstances.

Executive Directors and executives may also be paid performance based bonuses based on set monetary figures, rather than proportions of their salary. This may lead to the proportions of remuneration related to performance varying between individuals. These bonuses will generally be set to encourage achievement of specific goals that have been given a high level of importance in relation to the future growth and profitability of the Company.

The Board will review the performance bonuses to gauge their effectiveness against achievement of the set goals, and adjust future years' incentives as they see fit to ensure use of the most cost effective and efficient methods.

***Employment Contracts***
The employment arrangements of the directors are not formalised in a contract of employment.

***Details of the nature and amount of emoluments of key management personnel***

**2014 Financial Year**

| | **PRIMARY** | | **POST EMPLOYMENT** | **EQUITY** | |
|---|---|---|---|---|---|
| **Key Management Person** | **Salary & Fees** | **Non Monetary** | **Superannuation Contribution** | | **Total** |
| | $ | $ | $ | $ | $ |
| Wayne Gregory Loxton | 60,000 | - | - | - | 60,000 |
| Ian David Love | 54,920 | - | 5,080 | - | 60,000 |
| Leon Davies | 60,000 | - | - | - | 60,000 |
| **Totals** | **174,920** | **-** | **5,080** | **-** | **180,000** |

## DIRECTORS' REPORT

### 2013 Financial Year

| | PRIMARY | | POST EMPLOYMENT | EQUITY | |
|---|---|---|---|---|---|
| Key Management Person | Salary & Fees | Non Monetary | Superannuation Contribution | | Total |
| | $ | $ | $ | $ | $ |
| Wayne Gregory Loxton | 60,000 | - | - | - | 60,000 |
| Ian David Love | 60,000 | - | - | - | 60,000 |
| Leon Davies | 60,000 | - | - | - | 60,000 |
| **Totals** | **180,000** | **-** | **-** | **-** | **180,000** |

***Performance Based Remuneration***

There was no performance based remuneration paid to directors during the financial year.

***Compensation Options Issued to Key Management Personnel***

No options were granted as equity compensation benefits to Key Management Personnel during the year ended 30 June 2014 or 30 June 2013.

***Shares Issued to Key Management Personnel on Exercise of Compensation Options***

No key management personnel exercised options during the years ended 30 June 2014 or 30 June 2013.

***Shareholdings of Key Management Personnel***

Number of shares held by Directors and Executives during the year as follows:-

| | Balance 01/07/2013 | Options Exercised | Acquired/ (disposed) | Net Change Other | Balance 30/06/2014 |
|---|---|---|---|---|---|
| Wayne Loxton | 63,040,480 | - | - | - | 63,040,480 |
| Ian Love | 8,843,961 | - | - | - | 8,843,961 |
| Leon Davies | 20,857,456 | - | - | - | 20,857,456 |

| | Balance 01/07/2012 | Options Exercised | Acquired/ (disposed) | Net Change Other | Balance 30/06/2013 |
|---|---|---|---|---|---|
| Wayne Loxton | 63,040,480 | - | - | - | 63,040,480 |
| Ian Love | 8,843,961 | - | - | - | 8,843,961 |
| Leon Davies | 20,857,456 | - | - | - | 20,857,456 |

# DIRECTORS' REPORT

### Option Holdings of Key Management Personnel

| | Balance 01/07/2013 | Options Granted as Remuneration | Options Acquired | Net Change Other # | Balance 30/06/2014 | Number vested and exercisable |
|---|---|---|---|---|---|---|
| Wayne Loxton | 17,400,000 | - | - | (17,400,000)[1] | - | - |
| | 8,000,000 | - | - | (8,000,000)[1] | - | - |
| | 36,688,464 | - | - | - | 36,688,464[4] | 36,688,464 |
| Ian Love | 19,843,961 | - | - | - | 19,843,961[4] | 19,843,961 |
| Leon Davies | 28,127,456 | - | - | - | 28,127,456[4] | 28,127,456 |

| | Balance 01/07/2012 | Options Granted as Remuneration | Options Acquired | Net Change Other # | Balance 30/06/2013 | Number vested and exercisable |
|---|---|---|---|---|---|---|
| Wayne Loxton | 23,600,000 | - | - | (23,600,000)[1] | - | - |
| | 17,400,000 | - | - | - | 17,400,000[2] | 17,400,000 |
| | 8,000,000 | - | - | - | 8,000,000[3] | 8,000,000 |
| | 36,688,464 | - | - | - | 36,688,464[4] | 36,688,464 |
| Ian Love | 19,843,961 | - | - | - | 19,843,961[4] | 19,843,961 |
| Leon Davies | 28,127,456 | - | - | - | 28,127,456[4] | 28,127,456 |

[1] Options expired during the year
[2] Options have an exercise price of 10 cents and expire 22 December 2013
[3] Options have an exercise price of 10 cents and expire 30 November 2013
[4] Options have an exercise price of 1 cent and expire 30 June 2015

### Other transactions and balances with Key Management Personnel

There were no other transactions or balances with Key Management Personnel.

This concludes the Remuneration Report.

## INDEMNIFYING OFFICERS

The Company has in place an insurance policy insuring Directors and Officers of the Company against any liability arising from a claim brought by a third party against the Company or its Directors and officers, and against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a Director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

In accordance with a confidentiality clause under the insurance policy, the amount of the premium paid to the insurers has not been disclosed. This is permitted under Section 300(9) of the Corporations Act 2001.

## SHARE OPTIONS

The following options over unissued ordinary shares were outstanding at the date of this report:

- 302,452,828 options expiring 30 June 2015, exercisable at $0.01 each

During the year 4,500,000 options exercisable at $0.15 each and 80,000,000 options exercisable at $0.10 each, expired. No options over ordinary shares in the Company were issued during the year.

## DIRECTORS' REPORT

### AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2014 has been received and can be found on page 45 of the Annual Report.

### NON AUDIT SERVICES

The Company paid an amount of $3,000 to the auditors, HLB Mann Judd, during the year ended 30 June 2014 for the provision of taxation compliance services. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the integrity and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethics Standard Board.

### PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

On behalf of the Board

WLoxton

**W Loxton**
**Director** **Perth, 24th September 2014**

## *CORPORATE GOVERNANCE STATEMENT*

The Board of Directors of Gleneagle Gold Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of Gleneagle Gold Limited on behalf of the shareholders by whom they are elected and to whom they are accountable. This statement reports on Gleneagle Gold Limited's key governance principles and practices.

### 1. COMPLIANCE WITH BEST PRACTICE RECOMMENDATIONS

The Company, as a listed entity, must comply with the Corporations Act 2001 and the ASX Limited (ASX) Listing Rules. The ASX Listing Rules require the Company to report on the extent to which it has followed the Corporate Governance Recommendations published by the ASX Corporate Governance Council (ASXCGC). Where a recommendation has not been followed, that fact is disclosed, together with the reasons for the departure.

The table below summaries the Company's compliance with the Corporate Governance Council's Recommendations:

| Principle # | ASX Corporate Governance Council Recommendations | Reference | Comply |
|---|---|---|---|
| **Principle 1** | **Lay solid foundations for management and oversight** | | |
| 1.1 | Establish the functions reserved to the board and those delegated to senior executives and disclose those functions. | 2(a) | Yes |
| 1.2 | Disclose the process for evaluating the performance of senior executives. | 2(h), 3(b), Remuneration Report | Yes |
| 1.3 | Provide the information indicated in the Guide to reporting on principle 1. | 2(a), 2(h), 3(b), Remuneration Report | Yes |
| | | | |
| **Principle 2** | **Structure the board to add value** | | |
| 2.1 | A majority of the board should be independent directors. | 2(b), 2(e) | Yes |
| 2.2 | The chair should be an independent director. | 2(c), 2(e) | No |
| 2.3 | The roles of chair and chief executive officer should not be exercised by the same individual. | 2(b), 2(c) | Yes |
| 2.4 | The Board should establish a nomination committee. | 2(d) | No |
| 2.5 | Disclose the process for evaluating the performance of the board, its committees and individual directors. | 2(h) | Yes |
| 2.6 | Provide the information indicated in the Guide to reporting on principle 2. | 2(b), 2(c), 2(d), 2(e), 2(h) | Yes |
| | | | |
| **Principle 3** | **Promote ethical and responsible decision-making** | | |
| 3.1 | Establish a code of conduct and disclose the code or a summary as to: | 4(a) | Yes |
| | • the practices necessary to maintain confidence in the Company's integrity; | | |
| | • the practices necessary to take into account the Company's legal obligations and the reasonable expectations of its stakeholders; and | | |
| | • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. | | |
| 3.2 | Establish a policy concerning diversity and disclose the policy or a summary of that policy. | 4(b) | Yes |
| 3.3 | Disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them. | 4(b) | No |
| 3.4 | Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board. | 4(b) | Yes |

## CORPORATE GOVERNANCE STATEMENT

| Principle # | ASX Corporate Governance Council Recommendations | Reference | Comply |
|---|---|---|---|
| 3.5 | Provide the information indicated in the Guide to reporting on principle 3. | 4(a), 4(b) | Yes |
| | | | |
| **Principle 4** | **Safeguard integrity in financial reporting** | | |
| 4.1 | The Board should establish an audit committee. | 3(a) | Yes |
| 4.2 | The audit committee should be structured so that it: | 3(a) | |
| | • consists only of non-executive directors; | | Yes |
| | • consists of a majority of independent directors; | | Yes |
| | • is chaired by an independent chair, who is not chair of the Board; and | | No |
| | • has at least three members. | | Yes |
| 4.3 | The audit committee should have a formal charter | 3(a) | Yes |
| 4.4 | Provide the information indicated in the Guide to reporting on principle 4. | 3(a) | Yes |
| | | | |
| **Principle 5** | **Make timely and balanced disclosure** | | |
| 5.1 | Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies. | 5(a), 5(b) | Yes |
| 5.2 | Provide the information indicated in the Guide to reporting on principle 5. | 5(a), 5(b) | Yes |
| | | | |
| **Principle 6** | **Respect the rights of shareholders** | | |
| 6.1 | Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose the policy or a summary of that policy. | 5(a), 5(b) | Yes |
| 6.2 | Provide the information indicated in the Guide to reporting on principle 6. | 5(a), 5(b) | Yes |
| | | | |
| **Principle 7** | **Recognise and manage risk** | | |
| 7.1 | Establish policies for the oversight and management of material business risks and disclose a summary of those policies. | 6(a) | Yes |
| 7.2 | The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks. | 6(a), 6(b), 6(d) | Yes |
| 7.3 | The Board should disclose whether it had received assurance from the chief executive officer and the chief financial officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. | 6(c) | Yes |
| 7.4 | Provide the information indicated in the Guide to reporting on principle 7. | 6(a), 6(b), 6(c), 6(d) | Yes |
| | | | |

# *CORPORATE GOVERNANCE STATEMENT*

| **Principle #** | **ASX Corporate Governance Council Recommendations** | **Reference** | **Comply** |
|---|---|---|---|
| **Principle 8** | **Remunerate fairly and responsibly** | | |
| 8.1 | The Board should establish a remuneration committee. | 3(b) | No |
| 8.2 | Remuneration Committee should be structured so that it:<br>• consists of a majority of independent directors<br>• is chaired by an independent director; and<br>• has at least three members. | 3(b) | No |
| 8.3 | Clearly distinguish the structure on non-executive directors' remuneration from that of executive directors and senior executives. | 3(b), Remuneration Report | Yes |
| 8.4 | Provide the information indicated in the Guide to reporting on principle 8. | 3(b), | Yes |

## 2. THE BOARD OF DIRECTORS

### 2(a) Roles and Responsibilities of the Board

The Board's primary role is the protection and enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for oversight of the management and the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Board operates within the broad principles and responsibilities described in the following:

- Setting the strategic aims of the Company and overseeing management's performance within that framework;
- Making sure that the necessary resources (financial and human) are available to the Company and its senior executives to meet its objectives;
- Overseeing management's performance and the progress and development of the Company's strategic plan;
- Selecting and appointing suitable Executive Directors with the appropriate skills to help the Company in the pursuit of its objectives;
- Determining the remuneration policy for the Board members, Company Secretary and Senior Management;
- Controlling and approving financial reporting, capital structures and material contracts;
- Ensuring that a sound system of risk management and internal controls are in place;
- Setting the Company's values and standards;
- Undertaking a formal and rigorous review of the Corporate Governance policies to ensure adherence to the ASX Corporate Governance Council;
- Ensuring that the Company's obligations to shareholders are understood and met;
- Ensuring the health, safety and well-being of employees in conjunction with the senior management team, including developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to assure the well-being of all employees;
- Ensuring an adequate system is in place for the proper delegation of duties for the effective operative day to day running of the Company without the Board losing sight of the direction that the Company is taking; and
- Any other matter considered desirable and in the interest of the Company.

# CORPORATE GOVERNANCE STATEMENT

## 2(b) Board Composition

The Directors determine the composition of the Board employing the following principles:

- the Board, in accordance with the Company's constitution must comprise a minimum of three Directors;
- the roles of the Chairman of the Board and of the Chief Executive Officer should be exercised by different individuals;
- the majority of the Board should comprise Directors who are non-executive; and
- directors should bring characteristics which allow a mix of qualifications, skills, experience, expertise and diversity to the Board.

The Board is currently comprised of three Non-Executive Directors. At all times during the year the Board comprised a majority of Non-Executive Directors. The skills, experience, expertise, qualifications and terms of office of each director in office at the date of the annual report is included in the Directors' Report.

The Company's constitution requires one-third of the Directors (or the next lowest whole number) to retire by rotation at each Annual General Meeting (AGM). The Directors to retire at each AGM are those who have been longest in office since their last election. Where Directors have served for equal periods, they may agree amongst themselves or determine by lot who will retire. A Director must retire in any event at the third AGM since he or she was last elected or re-elected. Retiring Directors may offer themselves for re-election.

A Director appointed as an additional or casual Director by the Board will hold office until the next AGM when they may be re-elected.

The Managing Director is not subject to retirement by rotation and, along with any Director appointed as an additional or casual Director, is not to be taken into account in determining the number of Directors required to retire by rotation.

## 2(c) Roles of the Chairman and Executive Director

The Chairman is responsible for:

- providing the necessary direction required for an effective Board;
- ensuring that all the Directors receive timely and accurate information so that they can make informed decisions on matters of the Company;
- ensuring that the Board collectively and individual directors' performance is assessed annually; and
- encouraging active engagement from all members of the Board.

The Executive Director is responsible for:

- the executive management of the Company's operations;
- policy direction of the operations of the Company;
- the efficient and effective operation of the Company; and
- ensuring all material matters affecting the Company are brought to the Board's attention.

Board policy specifies that the roles of the Chairman and the Chief Executive Officer should be separate roles to be undertaken by separate people.

## CORPORATE GOVERNANCE STATEMENT

**2(d) Nomination Committee**

The Company does not comply with ASX Recommendation 2.4. The Company is not of a relevant size to consider formation of a nomination committee to deal with the selection and appointment of new Directors and as such a nomination committee has not been formed.

Nominations of new Directors are considered by the full Board. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process for selection and review is stringent and full details of all Directors are provided to shareholders in the annual report and on the Company's website.

**2(e) Independent Directors**

The Company recognises that independent Directors are important in assuring shareholders that the Board is properly fulfilling its role and is diligent in holding senior management accountable for its performance. The Board assesses each of the directors against specific criteria to decide whether they are in a position to exercise independent judgment.

Directors of Gleneagle Gold Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

In making this assessment, the Board considers all relevant facts and circumstances. Relationships that the Board will take into consideration when assessing independence are whether a Director:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- is employed, or has previously been employed in an executive capacity by the Company or another Company member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- has within the last three years been a principal of a material professional advisor or a material consultant to the Company or another Company member, or an employee materially associated with the service provided;
- is a material supplier or customer of the Company or other Company member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
- has a material contractual relationship with the Company or another Company member other than as a Director.

The Board currently comprises two independent non-executive Directors.

In accordance with the definition of independence above, and the materiality thresholds set, the following Directors of Gleneagle Gold Limited are considered to be independent:

| Name | Position |
|---|---|
| Ian Love | Non-Executive Director |
| Leon Davies | Non-Executive Director |

## *CORPORATE GOVERNANCE STATEMENT*

The following persons hold office as directors of Gleneagle Gold Limited at the date of this report:

| **Name** | **Term on Office** |
|---|---|
| Wayne Loxton | Since 30 April 2010 |
| Ian Love | Since 30 April 2010 |
| Leon Davies | Since 20 April 2011 |

### 2(f) Avoidance of conflicts of interest by a Director

In order to ensure that any interests of a Director in a particular matter to be considered by the Board are known by each Director, each Director is required by the Company to disclose any relationships, duties or interests held that may give rise to a potential conflict. Directors are required to adhere strictly to constraints on their participation and voting in relation to any matters in which they may have an interest.

### 2(g) Board access to information and independent advice

Directors are able to access members of the management team at any time to request relevant information.

There are procedures in place, agreed by the Board, to enable Directors, in furtherance of their duties, to seek independent professional advice at the Company's expense.

### 2(h) Review of Board performance

The performance of the Board, collectively and individually, is reviewed annually by the Chairman. The Chairman conducts performance evaluations which involve an assessment of each Board member's performance against specific and measurable qualitative and quantitative performance criteria. The evaluation process is focussed on objective and tangible criteria such as:

- Performance of the Company
- Accomplishment of long term strategic objectives
- Development of management
- Growth in shareholder value

## 3. BOARD COMMITTEES

### 3(a) Audit Committee

Given the size and scale of the Company's operations the full Board undertakes the role of the Audit Committee. The Audit Committee does not comply with ASX Recommendation 4.2 as the Chair of the Board is Chair of the Audit Committee. The role and responsibilities of the Audit Committee are summarised below.

The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The Board sets aside time to deal with issues and responsibilities usually delegated to the Audit Committee to ensure the integrity of the financial statements of the Company and the independence of the auditor.

The Board reviews the audited annual and half-year financial statements and any reports which accompany published financial statements and recommends their approval to the members. The Board also reviews annually the appointment of the external auditor, their independence and their fees.

## CORPORATE GOVERNANCE STATEMENT

The Board is also responsible for establishing policies on risk oversight and management. The Company has not formed a separate Risk Management Committee due to the size and scale of its operations.

*External Auditors*

The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. It is HLB Mann Judd's policy to rotate engagement partners on listed companies at least every five years.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the notes to the financial statements in the Annual Report.

There is no indemnity provided by the Company to the auditor in respect of any potential liability to third parties.

The external auditor is requested to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and preparation and content of the audit report.

Non-audit services provided by the auditors during the year are detailed in note 16 to the financial statements.

**3(b) Remuneration Committee**

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

The Board has not established a separate Remuneration Committee due to the size and scale of its operations. This does not comply with Recommendation 8.1 however the Board as a whole takes responsibility for such issues.

The responsibilities include setting policies for senior officers remuneration, setting the terms and conditions for the Managing Director, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both executive and non-executive directors and undertaking reviews of the Managing Director's performance.

The Company has structured the remuneration of its senior executives, where applicable, such that it comprises a fixed salary, statutory superannuation and, where applicable, participation in the Company's employee share option plan. The Company believes that by remunerating senior executives in this manner it rewards them for performance and aligns their interests with those of shareholders and increases the Company's performance.

Non-executive directors are paid their fees out of the maximum aggregate amount approved by shareholders for non-executive director remuneration. The Company does not adhere to Recommendation 8.3 Box 8.2 'Non-executive directors should not receive options or bonus payments'. The Company has and may, in the future, grant options to non-executive directors. The Board is of the view that options (for both executive and non-executive directors) are a cost effective benefit for small companies such as Gleneagle Gold Limited that seek to conserve cash reserves. They also provide an incentive that ultimately benefits both shareholders and the optionholders, as optionholders will only benefit if the market value of the underlying shares exceeds the option strike price. Ultimately, shareholders will make that determination.

The board policy is to remunerate Directors at market rates for time, commitment and responsibilities. The Board determines payments to the Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. Fees for Non-Executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholders interests, the Directors are encouraged to hold shares in the Company.

The Company's aim is to remunerate at a level that will attract and retain high-calibre directors and employees. Company officers and Directors are remunerated to a level consistent with the size of the Company.

The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive compensation is separate and distinct.

In determining remuneration, the Board has taken a view that the full Board will hold special meetings or sessions as required. No Director participated in any deliberation regarding his or her own remuneration or related issues. The Board are confident that this process for determining remuneration is stringent and full details of remuneration policies and remuneration received by directors and executives in the current period is contained in the "Remuneration Report" within the Directors' Report of the Annual Report.

## 4. ETHICAL AND RESPONSIBLE DECISION MAKING

### 4(a) Code of Ethics and Conduct

The Board endeavours to ensure that the Directors, officers and employees of the Company act with integrity and observe the highest standards of behaviour and business ethics in relation to their corporate activities. The "Code of Conduct" sets out the principles, practices, and standards of personal behaviour the Company expects people to adopt in their daily business activities.

All Directors, officers and employees are required to comply with the Code of Conduct. Senior managers are expected to ensure that employees, contractors, consultants, agents and partners under their supervision are aware of the Company's expectations as set out in the Code of Conduct.

All Directors, officers and employees are expected to:

- comply with the law;
- act in the best interests of the Company;
- be responsible and accountable for their actions; and
- observe the ethical principles of fairness, honesty and truthfulness, including prompt disclosure of potential conflicts.

## *CORPORATE GOVERNANCE STATEMENT*

**4(b) Workplace Diversity Policy**

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Company is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent. Accordingly, the Company has established a diversity policy which is available on the Company's website.

The Board has a commitment to promoting a corporate culture that is supportive of diversity and encourages the transparency of Board processes, review and appointment of Directors. The Board is responsible for developing policies in relation to the achievement of measurable diversity objectives and the extent to which they will be linked to the Key Performance Indicators for the Board, Managing Director and senior executives.

The Company's strategies may include:

- recruiting from a diverse range of candidates for all positions, including senior executive roles and Board positions;
- reviewing pre-existing succession plans to ensure that there is a focus on diversity;
- encouraging female participation across a range of roles across the Company;
- reviewing and reporting on the relative proportion of women and men in the workforce at all levels of the Company;
- articulating a corporate culture which supports workplace diversity and in particular, recognizes that employees at all levels of the Company may have domestic responsibilities;
- developing programs to encourage a broader pool of skilled and experienced senior management and Board candidates, including, workplace development programs, mentoring programs and targeted training and development; and
- any other strategies that the Board or the Nomination Committee develops from time to time.

At the date of this report the Company has no executives or full-time employees. No women are currently represented on the Board.

Due to the current size, nature and scale of the Company's activities the Board has not yet developed objectives regarding gender diversity. As the size and scale of the Company grows the Board will set and aim to achieve gender diversity objectives as director and senior executive positions become vacant and appropriately qualified candidates become available.

**5. TIMELY AND BALANCED DISCLOSURE**

**5(a) Shareholder communication**

The Company is committed to:

- Ensuring that shareholders and the market are provided with full and timely information about its activities;
- Complying with the continuous disclosure obligations contained in the ASX Listing Rules and the applicable sections of the Corporations Act 2001; and
- Providing equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner.

The Company's Disclosure Policy covers financial markets communication, media contact and continuous disclosure issues.

All information released to the ASX, after clearance from the ASX will be promptly placed on the Company's website.

Shareholders are encouraged to participate in general meetings. Copies of addresses by the

## *CORPORATE GOVERNANCE STATEMENT*

Chairman or Chief Executive Officer are disclosed to the market and posted on the Company's website. The Company's external auditor attends the Company's annual general meeting to answer shareholder questions about the conduct of the audit, the preparation and content of the audit report, the accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

### 5(b) Continuous disclosure policy

The Company is committed to ensuring that shareholders and the market are provided with full and timely information and that all stakeholders have equal opportunities to receive externally available information issued by the Company. The Company's "ASX Disclosure Policy" described in 5(a) reinforces the Company's commitment to continuous disclosure and outline management's accountabilities and the processes to be followed for ensuring compliance.

The policy also contains guidelines on information that may be price sensitive. The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements with the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX.

### 6. RECOGNISING AND MANAGING RISK

The Board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. The Company's policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives. A written policy in relation to risk oversight and management has been established. Considerable importance is placed on maintaining a strong control environment. There is an organisation structure with clearly drawn responsibilities.

### 6(a) Board oversight of the risk management system

The Company is not currently considered to be of a size, nor is its affairs of such complexity to justify the establishment of a separate Risk Management Committee. Instead, the Board, as part of its usual role and through direct involvement in the management of the Company's operations ensures risks are identified, assessed and appropriately managed. Where necessary, the Board draws on the expertise of appropriate external consultants to assist in dealing with or mitigating risk.

The Board is responsible for approving and overseeing the risk management system. The Board reviews, at least annually, the effectiveness of the implementation of the risk management controls and procedures.

The principle aim of the system of internal control is the management of business risks, with a view to enhancing the value of shareholders' investments and safeguarding assets. Although no system of internal control can provide absolute assurance that the business risks will be fully mitigated, the internal control systems have been designed to meet the Company's specific needs and the risks to which it is exposed.

Annually, the Board is responsible for identifying the risks facing the Company, assessing the risks and ensuring that there are controls for these risks, which are to be designed to ensure that any identified risk is reduced to an acceptable level.

## *CORPORATE GOVERNANCE STATEMENT*

The Board is also responsible for identifying and monitoring areas of significant business risk. Internal control measures currently adopted by the Board include:

- monthly reporting to the Board in respect of operations and the Company's financial position, with a comparison of actual results against budget; and
- regular reports to the Board by appropriate members of the management team and/or independent advisers, outlining the nature of particular risks and highlighting measures which are either in place or can be adopted to manage or mitigate those risks.

### 6(b) Risk management roles and responsibilities

The Board is responsible for approving and reviewing the Company's risk management strategy and policy. Executive management is responsible for implementing the Board approved risk management strategy and developing policies, controls, processes and procedures to identify and manage risks in all of the Company's activities.

The Board is responsible for satisfying itself that management has developed and implemented a sound system of risk management and internal control.

### 6(c) Chief Executive Officer and Chief Financial Officer Certification

The Chief Executive Officer and Chief Financial Officer, or equivalent, provide to the Board written certification that in all material respects:

- The Company's financial statements present a true and fair view of the Company's financial condition and operational results and are in accordance with relevant accounting standards;
- The statement given to the Board on the integrity of the Company's financial statements is founded on a sound system of risk management and internal compliance and controls which implements the policies adopted by the Board; and
- The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

### 6(d) Internal review and risk evaluation

Assurance is provided to the Board by executive management on the adequacy and effectiveness of management controls for risk on a regular basis.

### 7 Trading in Company securities by directors and employees

The Board has adopted a Securities Trading Policy which complies with the requirements of Listing Rule 12.12 which regulates dealings by Directors, officers and employees in securities issued by the Company.

The policy, which is available on the Company's website, includes the Company's closed periods, restrictions on trading that apply to the Company's key management personnel, trading that is not subject to the policy, exceptional circumstances in which key management personnel may be permitted to trade during a prohibited period with prior written clearance and the procedure for obtaining written clearance. The policy provides that employees, directors and officers must not enter into transactions or arrangements which operate to limit the economic risk of their security holding in the Company without first seeking and obtaining written acknowledgement from the Board.

## *DIRECTORS' DECLARATION*

In the opinion of the directors:

a) The financial statements, notes and additional disclosures included in the directors' report designated as audited, are in accordance with the Corporations Act 2001, including:

   i) giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

   ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

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 2014.

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

W Loxton
Director

Dated at Perth this 24th day of September 2014.

## *STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014*

| | NOTE | 2014<br>$ | 2013<br>$ |
|---|---|---|---|
| Revenues | 2(a) | 20,738 | 29,134 |
| Employee benefits expense | 2(b) | (180,000) | (180,000) |
| Depreciation and amortisation expense | 2(b) | (336) | (5,220) |
| Consultancy and professional fees | | (67,650) | (84,800) |
| Compliance and regulatory expenses | | (12,310) | (12,611) |
| Exploration and evaluation expenditure | | (11,600) | (4,871) |
| Foreign exchange losses | | (15,778) | (18,915) |
| Corporate and administration expenses | | (23,281) | (34,560) |
| (Loss) from continuing operations before income tax expense | | (290,217) | (311,843) |
| Income tax expense | 3 | - | - |
| **(Loss) for the year** | | **(290,217)** | **(311,843)** |
| Other Comprehensive Income | | - | - |
| **Total Comprehensive (Loss) for the Year** | | **(290,217)** | **(311,843)** |
| **(Loss) per share:** | | | |
| Basic (loss) per share (cents per share) | 14 | (0.06) | (0.06) |

*The accompanying notes form part of these financial statements.*

## STATEMENT OF FINANCIAL POSITION
## AS AT 30 JUNE 2014

| | NOTE | 2014<br>$ | 2013<br>$ |
|---|---|---|---|
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 5 | 597,534 | 969,305 |
| Trade and other receivables | 6 | 1,644 | 3,986 |
| **TOTAL CURRENT ASSETS** | | 599,178 | 973,291 |
| | | | |
| **NON CURRENT ASSETS** | | | |
| Plant and equipment | 7 | - | 336 |
| Exploration and evaluation expenditure | 8 | 180,985 | 104,871 |
| **TOTAL NON CURRENT ASSETS** | | 180,985 | 105,207 |
| **TOTAL ASSETS** | | 780,163 | 1,078,498 |
| | | | |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 9 | 30,006 | 38,124 |
| **TOTAL CURRENT LIABILITIES** | | 30,006 | 38,124 |
| **TOTAL LIABILITIES** | | 30,006 | 38,124 |
| **NET ASSETS** | | **750,157** | **1,040,374** |
| | | | |
| **EQUITY** | | | |
| Issued capital | 10 | 15,961,851 | 15,961,851 |
| Reserves | 11 | 314,100 | 4,219,301 |
| Accumulated losses | | (15,525,794) | (19,140,778) |
| **TOTAL EQUITY** | | **750,157** | **1,040,374** |

*The accompanying notes form part of these financial statements.*

## *STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014*

| | Issued Capital | Accumulated Losses | Reserves | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **Balance as at 1 July 2012** | **15,961,851** | **(18,828,935)** | **4,219,301** | **1,352,217** |
| Loss for the year | - | (311,843) | - | (311,843) |
| **Total comprehensive loss for the year** | - | (311,843) | - | (311,843) |
| **Balance at 30 June 2013** | **15,961,851** | **(19,140,778)** | **4,219,301** | **1,040,374** |
| **Balance as at 1 July 2013** | **15,961,851** | **(19,140,778)** | **4,219,301** | **1,040,374** |
| Loss for the year | - | (290,217) | - | (290,217) |
| **Total comprehensive loss for the year** | - | (290,217) | - | (290,217) |
| Transfer of reserve on option expiry | - | 3,905,201 | (3,905,201) | - |
| **Balance at 30 June 2014** | **15,961,851** | **(15,525,794)** | **314,100** | **750,157** |

*The accompanying notes form part of these financial statements.*

## *STATEMENT OF CASH FLOWS*
## *FOR THE YEAR ENDED 30 JUNE 2014*

| | NOTE | 2014<br>$ | 2013<br>$ |
|---|---|---|---|
| **Cash Flows from Operating Activities** | | | |
| Payments to suppliers and employees | | (268,157) | (349,675) |
| Interest received | | 20,738 | 29,134 |
| Exploration and evaluation expenditure | | (31,177) | (4,871) |
| GST recovered/(paid) | | 2,342 | 65,518 |
| *Net cash (used in) operating activities* | 15 | (276,254) | (259,894) |
| **Cash Flows From Investing Activities** | | | |
| Payments for exploration and evaluation | | (59,739) | (30,406) |
| Payments for acquisition of mining tenements | | (20,000) | - |
| *Net cash (used in) investing activities* | | (79,739) | (30,406) |
| **Net (decrease)/increase in cash and cash equivalents** | | (355,993) | (290,300) |
| **Cash and cash equivalents at beginning of financial year** | | 969,305 | 1,278,520 |
| Effect of exchange rate movements on cash | | (15,778) | (18,915) |
| **Cash and cash equivalents at end of financial year** | 15 | 597,534 | 969,305 |

*The accompanying notes form part of these financial statements.*

## *NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014*

### *1. SUMMARY OF ACCOUNTING POLICIES*

**(a) Statement of significant accounting policies**

The financial report is a general-purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards, Australian Accounting Interpretations and other mandatory professional reporting requirements.

Gleneagle Gold Limited is a listed public company, incorporated and domiciled in Australia.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

This financial report was authorised for issue by the Board on 24 September 2014.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

**(b) Adoption of new and revised standards**

**Changes in accounting policies on initial application of Accounting Standards**

In the year ended 30 June 2014, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for the current annual reporting period.

It has been determined by the directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company and therefore no change is necessary to Company accounting policies.

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2014. As a result of this review the directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company and, therefore, no change is necessary to Company accounting policies.

**(c) Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other 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. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

**(d) Foreign Exchange**

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

***NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014***

***1. SUMMARY OF ACCOUNTING POLICIES (continued)***

**(e) Income Tax**

The charge for current income tax expenses is based on the profit/loss for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions or deductibility imposed by the law.

**(f) Other Taxes**

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

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

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

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

**(g) Mineral Exploration and Evaluation and Development Expenditure**

Mineral exploration expenditures and acquisition costs in relation to areas of interest have been written off in the period in which they are incurred on projects except where exploration and evaluation activities in the area have not yet reached a stage that permits reasonable assessment of the existence or otherwise of economically recoverable reserves.

Exploration and evaluation costs, including the costs of acquiring licenses, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore an area are recognised in the statement of comprehensive income.

*NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014*

## *1. SUMMARY OF ACCOUNTING POLICIES (continued)*

### (g) Mineral Exploration and Evaluation and Development Expenditure (continued)

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

(i) The expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
(ii) Activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

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

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash-generating unit shall not be larger than the area of interest.

When production commences, carried forward exploration and evaluation costs are transferred to mine development cost at carrying value, and are amortised from the date on which commercial production begins. Restoration costs expected to be incurred are provided for as part of exploration & evaluation phases that give rise to the need for restoration.

When rights to tenure are held and expenditures have been expected to be recouped through development and economic exploitation of the area of interest, the exploration costs are capitalised and amortised against the estimated economical mine life once mining commences.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs will be determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

### (h) Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset’s employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Company will include the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

***NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014***

***1. SUMMARY OF ACCOUNTING POLICIES (continued)***

**(h) Plant and Equipment (continued)**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

**Depreciation**
The depreciation amount of all fixed assets including building and capitalised lease assets is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets in the current year were:

| **Class of Fixed Asset** | **Depreciation Rate** | |
|---|---|---|
| | **2013** | **2012** |
| Plant and Equipment | 25% | 40% |
| Office Furniture and Equipment | 25% | 18% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**(i) Impairment of Assets**

At each reporting date, the Company reviews the carrying values of tangible assets and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(j) Employee Benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### 1. SUMMARY OF ACCOUNTING POLICIES (continued)

### (k) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company.

The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term, discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

### (l) Financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Company determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

*Financial assets at fair value through profit or loss*
Financial assets classified as held for trading are included in the category ‘financial assets at fair value through profit or loss’. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

***NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014***

***1. SUMMARY OF ACCOUNTING POLICIES (continued)***

**(m) Revenue Recognition**

Revenue from the sale of goods and disposal of other assets is recognised when the Company has passed control of the goods or other assets to the buyer.

Interest income is recognised on an accrual basis.

**(n) Earnings per share**

*Basic profit (loss) per share*

Basic earnings per share (“EPS”) is calculated as net profit or loss, attributable to members, adjusted to exclude any costs of servicing equity.

*Diluted profit (loss) per share*

Diluted EPS earnings is calculated by adjusting the basic EPS earnings for the after tax effect of financing costs and the effect of conversion to ordinary shares associated with dilutive potential ordinary shares, rather than including the notional earnings on the funds that would have been received by the entity had the potential ordinary shares been converted.

The diluted EPS weighted average number of shares includes the number of ordinary shares assumed to be issued for no consideration in relation to dilutive potential ordinary shares, rather that the total number of dilutive potential ordinary shares. The number of ordinary shares assumed to be issued for no consideration represents the difference between the number that would have been issued at the exercise price and the number that would have been issued at the average price.

The identification of dilutive potential ordinary shares is based on net profit or loss from continuing ordinary operations, not net profit or loss and is applied on a cumulative basis, taking into account the incremental earnings and incremental number of shares for each series of potential ordinary share.

**(o) Share-based payment transactions**

The Company provides benefits to employees (including senior executives) of the Company in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

When provided, 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 an external valuer using the Black-Scholes model or the binomial option pricing model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Gleneagle Gold Limited (market conditions), if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Company’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 comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

*NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014*

## *1. SUMMARY OF ACCOUNTING POLICIES (continued)*

### (o) Share-based payment transactions (continued)

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

If the terms of an equity-settled award 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 share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification. If an equity-settled award 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 award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

### (p) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### (q) Fair Value Estimates

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

*NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014*

## *1. SUMMARY OF ACCOUNTING POLICIES (continued)*

### (r) Issued Capital

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### (s) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

*Key Estimates – Impairment*
The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

### (t) Trade and other payables

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

### (u) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Gleneagle Gold Ltd.

| | **2014**<br>**$** | **2013**<br>**$** |
|---|---|---|
| ***2. REVENUE AND EXPENSES*** | | |
| **(a) Revenue** | | |
| Interest revenue | 20,738 | 29,134 |
| **(b) Expenses** | | |
| Employee benefits expense: | | |
| - Directors' fees | 180,000 | 180,000 |
| Depreciation of non-current assets | | |
| - plant and equipment | 336 | 5,220 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

| | 2014 | 2013 |
|---|---|---|
| | $ | $ |

### 3. INCOME TAX EXPENSE

**(a)** The prima facie income tax (benefit)/expense payable on pre-tax accounting (loss)/ profit from operations reconciles to the income tax expense in the financial statements as follows:

| | 2014 | 2013 |
|---|---|---|
| (Loss) for year | (290,217) | (311,843) |
| Income tax (benefit)/expense calculated at 30% | (87,065) | (93,553) |
| Non-deductible expenses | - | - |
| Unused tax losses and tax offset not recognised as deferred tax assets | 87,065 | 93,553 |
| **Income tax (benefit)/expense reported in the statement of comprehensive income** | - | - |

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

**(b) Deferred tax balances not brought to account (calculated at 30%)**

| | 2014 | 2013 |
|---|---|---|
| **Deferred tax assets comprise:** | | |
| Tax losses – revenue | 835,341 | 722,265 |
| Tax losses – capital | 3,348,516 | 4,486,026 |
| Temporary differences | 48,902 | 51,616 |
| | 4,232,759 | 5,259,907 |
| **Deferred tax liabilities comprise:** | | |
| Temporary differences | 54,295 | 31,461 |
| **Net deferred tax assets** | 4,178,464 | 5,228,446 |

A deferred tax asset has not been recognised in the financial statements because it is not probable that future taxable profit will be available against which the Company can utilise the benefits thereof.

The future benefits of these tax assets will only be obtained if:

- The Company derives future assessable income of a nature and at an amount sufficient to enable the benefit from the assets to be realised;
- The Company continues to comply with the conditions for deductibility imposed by relevant tax legislation; and
- No changes in tax legislation adversely affect the Company in realising the benefit from the assets.

## *NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014*

### *4. KEY MANAGEMENT PERSONNEL*

The Key Management Personnel of Gleneagle Gold Limited during the year were:

Wayne Gregory Loxton
Ian David Love
Leon Davies

**Key management personnel compensation**

| | 2014<br>$ | 2013<br>$ |
|---|---|---|
| Short-term employment benefits | 174,920 | 180,000 |
| Post-employment benefits | 5,080 | - |
| Termination benefits | - | - |
| | 180,000 | 180,000 |

Further disclosures relating to key management personnel are set out in the remuneration report in the Directors' Report.

### *5. CASH AND CASH EQUIVALENTS*

| | | |
|---|---|---|
| Cash at bank | 597,534 | 969,305 |

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

### *6. TRADE AND OTHER RECEIVABLES*

| | | |
|---|---|---|
| **Current** | | |
| GST receivable | 1,644 | 3,986 |
| | 1,644 | 3,986 |

### *7. PLANT AND EQUIPMENT*

Office Furniture and Equipment

| | | |
|---|---|---|
| At cost | 55,959 | 55,959 |
| Accumulated depreciation | (55,959) | (55,623) |
| Net carrying amount | - | 336 |

| | | |
|---|---|---|
| **Reconciliation** | | |
| At 1 July, net of accumulated depreciation and impairment | 336 | 5,556 |
| Additions | - | - |
| Disposals | - | - |
| Loss on disposal | - | - |
| Depreciation expense | (336) | (5,220) |
| At 30 June, net of accumulated depreciation and impairment | - | 336 |

***NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014***

| | **2014** **$** | **2013** **$** |
|---|---|---|

### *8. EXPLORATION AND EVALUATION EXPENDITURE*

| | | |
|---|---|---|
| Exploration and Evaluation phase | 180,985 | 104,871 |
| | | |
| **Movement in carrying amounts** | | |
| Expenditure brought forward | 104,871 | 78,840 |
| Acquisition of tenements | 20,000 | - |
| Exploration and evaluation expenditure capitalised during the year | 56,114 | 26,031 |
| Expenditure carried forward | 180,985 | 104,871 |

The value of the Company's interest in exploration and evaluation expenditure is dependent upon:

- the continuance of the Company's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The Company's Australian exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

### *9. TRADE AND OTHER PAYABLES*

| | | |
|---|---|---|
| **Current (unsecured)** | | |
| Trade payables and accruals | | |
| - Other corporations | 19,006 | 25,039 |
| - Directors and director related entities | 11,000 | 13,085 |
| | 30,006 | 38,124 |

Terms and conditions relating to the above financial instruments:

- Trade payables are non-interest bearing and are normally settled on 30 day terms.
- Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

***NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014***

| | 2014 $ | 2013 $ |
|---|---|---|
| ***10. ISSUED CAPITAL*** | | |
| 482,358,913 Ordinary shares (2013: 482,358,913) | 15,961,851 | 15,961,851 |

| | 2014 | | 2013 | |
|---|---|---|---|---|
| | **No.** | **$** | **No.** | **$** |
| ***Movement in ordinary shares on issue*** | | | | |
| Balance at beginning of financial year | 482,358,913 | 15,961,851 | 482,358,913 | 15,961,851 |
| Balance at end of financial year | 482,358,913 | 15,961,851 | 482,358,913 | 15,961,851 |

At shareholders' meetings each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

**Unlisted Options (as at Balance date)**

At balance date, the following options over unissued ordinary shares were outstanding:

- 302,452,828 options expiring 30 June 2015, exercisable at 1 cent each

During the year 4,500,000 options exercisable at $0.15 each and 80,000,000 options exercisable at $0.10 each, expired. No options over ordinary shares in the Company were issued during the year.

| ***11. RESERVES*** | 2014 $ | 2013 $ |
|---|---|---|
| Share based payments reserve | 314,100 | 4,219,301 |
| | | |
| Balance at beginning of financial year | 4,219,301 | 4,219,301 |
| Transfer of reserve on option expiry | (3,905,201) | - |
| Balance at end of financial year | 314,100 | 4,219,301 |

The share based payments reserve records the value of options issued using the Binomial option pricing model.

## *12. SHARE BASED PAYMENTS*

### (a) Summary of share-based payments

Set out below are the summaries of options granted as share based payments:

| Grant Date | Expiry Date | Exercise Price | Balance at start of the year | Granted during the year | Exercised during the year | Expired | Balance at end of the year | Vested and exercisable at end of the year |
|---|---|---|---|---|---|---|---|---|
| 30/9/2008 | 31/10/2013 | $0.15 | 4,500,000 | - | - | (4,500,000) | - | - |
| 23/12/2008 | 22/12/2013 | $0.10 | 60,000,000 | - | - | (60,000,000) | - | - |
| 23/12/2008 | 30/11/2013 | $0.10 | 20,000,000 | - | - | (20,000,000) | - | - |
| 29/3/2012 | 30/6/2015 | $0.01 | 45,000,000 | - | - | - | 45,000,000 | 45,000,000 |
| 29/5/2012 | 30/6/2015 | $0.01 | 30,000,000 | - | - | - | 30,000,000 | 30,000,000 |
| | | | 159,500,000 | - | - | (84,500,000) | 75,000,000 | 75,000,000 |
| Weighted average exercise price | | | $0.059 | - | - | - | $0.01 | $0.01 |

No options were granted as equity compensation benefits to Key Management Personnel during the year.

### (b) Weighted average remaining contractual life

The weighted average remaining contractual life of share-based payment options that were outstanding as at 30 June 2014 was 1 year.

### (c) Weighted average fair value

No share-based payment options were issued during the year.

## *13. FINANCIAL INSTRUMENTS*

### (a) Financial risk management objectives

The Company did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives was governed by the Company's policies approved by the Board of directors, which provide written principles on the use of financial derivatives. Compliance with policies and exposure limits is reviewed by the directors on a continuous basis.

The carrying amounts of financial assets and financial liabilities approximate their fair value.

| 2014 | Variable interest rate | Maturity dates | | Non interest bearing | Total |
|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | | |
| | $ | $ | $ | $ | $ |
| **Financial assets:** | | | | | |
| Cash and cash equivalents | 597,534 | - | - | - | 597,534 |
| Trade receivables | - | - | - | 1,644 | 1,644 |
| **Financial liabilities:** | | | | | |
| Trade payables | - | - | - | 30,006 | 30,006 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### 13. FINANCIAL INSTRUMENTS (continued)

| 2013 | Variable interest rate | Maturity dates | | Non interest bearing | Total |
|---|---|---|---|---|---|
| | | Less than 1yr | 1-2 years | | |
| | $ | $ | $ | $ | $ |
| **Financial assets:** | | | | | |
| Cash and cash equivalents | 969,305 | - | - | - | 969,305 |
| Trade receivables | - | - | - | 3,986 | 3,986 |
| **Financial liabilities:** | | | | | |
| Trade payables | - | - | - | 38,124 | 38,124 |

**(b) Interest rate risk sensitivity analysis**

The Company is not materially affected by changes in interest rates.

**(c) Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

**(d) Liquidity risk management**

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Management monitor the rolling forecasts of the Company's liquidity on the basis of expected cash flow. Forecasted liquidity for the financial year following 30 June 2014 is as follows:

The following table details the expected maturity of the Company's financial assets and liabilities based on the earliest date of maturity or payment respectively. The amounts are stated on an undiscounted basis and include interest.

***NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014***

## *13. FINANCIAL INSTRUMENTS (continued)*

| | Less than 1 month $ | 1 – 3 Months $ | 3 months – 1 year $ | 1 – 5 years $ |
|---|---|---|---|---|
| **2014** | | | | |
| *Financial Assets:* | | | | |
| Non-interest bearing | 1,644 | - | - | |
| Variable interest rate | 597,534 | - | - | - |
| Fixed interest rate | - | - | - | - |
| | 599,178 | - | - | - |
| *Financial Liabilities:* | | | | |
| Non-interest bearing | 30,006 | - | - | - |
| | 30,006 | - | - | - |
| **2013** | | | | |
| *Financial Assets:* | | | | |
| Non-interest bearing | 3,986 | - | - | |
| Variable interest rate | 969,305 | - | - | - |
| Fixed interest rate | - | - | - | - |
| | 973,291 | - | - | - |
| *Financial Liabilities:* | | | | |
| Non-interest bearing | 38,124 | - | - | - |
| | 38,124 | - | - | - |

### (e) Capital Risk Management

The Board does not deem necessary a formal Capital Risk Management Charter. The Company manages its capital to ensure that it will be able to continue as a going concern whilst maximising the return to shareholders.

## *14. EARNINGS / (LOSS) PER SHARE*

| | | 2014 $ | 2013 $ |
|---|---|---|---|
| (a) | (Loss) used in the calculation of basic and dilutive loss per share | (290,217) | (311,843) |
| | | ***Number of Shares*** | ***Number of Shares*** |
| (b) | Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share: | 482,358,913 | 482,358,913 |
| | Basic (loss)/earnings per share (cents per share) | (0.06) | (0.06) |

There are no potential ordinary shares on issue that are considered to be dilutive, therefore basic earnings per share also represents diluted earnings per share.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### 15. CASH FLOW INFORMATION

| | 2014<br>$ | 2013<br>$ |
|---|---|---|
| **(a) Reconciliation of cash and cash equivalents** | | |
| For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments. Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows: | | |
| Cash at bank | 597,534 | 969,305 |

**(b) Reconciliation of net cash flow used in operating activities with profit / (loss) after income tax**

| | 2014 | 2013 |
|---|---|---|
| (Loss) for year | (290,217) | (311,843) |
| Non-cash flows in operating (loss)/profit | | |
| - Depreciation and amortisation expense | 336 | 5,220 |
| - Foreign exchange losses | 15,778 | 18,915 |
| Changes in assets and liabilities: | | |
| - (Increase)/Decrease in trade and other receivables | 2,342 | 64,521 |
| - Increase/(Decrease) in trade payables and other accruals | (4,493) | (36,707) |
| **Net cash (used in)/provided by operating activities** | (276,254) | (259,894) |

### 16. AUDITORS' REMUNERATION

The auditors of the Company are HLB Mann Judd

| | 2014 | 2013 |
|---|---|---|
| Remuneration of the auditor for: | | |
| - Auditing or reviewing the financial report | 20,250 | 24,000 |
| - Tax compliance services | 3,000 | 6,750 |
| | 23,250 | 30,750 |

### 17. COMMITMENTS

***Exploration Expenditure Commitments***

In order to maintain current rights of tenure to mining tenements, the Company has the following discretionary exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable:

| | 2014<br>$ | 2013<br>$ |
|---|---|---|
| Not longer than one year | 47,650 | 67,640 |
| Longer than one year, but not longer than five years | - | - |
| Longer than five years | - | - |
| | 47,650 | 67,640 |

***NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014***

### *17. COMMITMENTS (continued)*

If the Company decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

### *18. SEGMENT REPORTING*

The Company has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision maker) in assessing performance and in determining the allocation of resources.

The operating segments are identified by the Board based on the phase of operation within the mining industry. For management purposes, the Company has organised its operations into two reportable segments on the basis of stage of development as follows:

- Development assets
- Exploration and evaluation assets, which includes assets that are associated with the determination and assessment of the existence of commercial economic reserves.

The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

During the year ended 30 June 2014, the Company had no development assets. The Board considers that it has only operated in one segment, being mineral exploration within Australia.

Where applicable, corporate costs, finance costs, interest revenue and foreign currency gains and losses are not allocated to segments as they are not considered part of the core operations of the segments and are managed on a group basis.

The Company is domiciled in Australia. All revenue from external customers is generated from Australia only. Segment revenues are allocated based on the country in which the customer is located.

### *19. RELATED PARTY INFORMATION*

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

***Transactions with director related entities:***

There were no related party transactions during the year. Details of directors' interests in shares and over options in the Company are disclosed in note the Remuneration Report.

### *20. EVENTS SUBSEQUENT TO REPORTING DATE*

There are no matters or circumstances that have arisen since 30 June 2014 that have affected or may significantly affect the operations, results, or state of affairs of the Company in future financial years.

### *21. CONTINGENT LIABILITIES*

As at the 30 June 2014 the Company did not have any contingent liabilities.

HLB Mann Judd

Accountants | Business and Financial Advisers

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Gleneagle Gold Limited for the year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

**Perth, Western Australia**
**24 September 2014**

**W M Clark**
**Partner**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**
**Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.**
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**Liability limited by a scheme approved under Professional Standards Legislation**

**HLB Mann Judd (WA Partnership) is a member of HLB International, a worldwide organisation of accounting firms and business advisers.**

HLB Mann Judd

Accountants | Business and Financial Advisers

**INDEPENDENT AUDITOR'S REPORT**

To the members of Gleneagle Gold Limited

**Report on the Financial Report**

We have audited the accompanying financial report of Gleneagle Gold Limited ("the company"), which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Gleneagle Gold Limited.

***Directors' responsibility for the financial report***

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

In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

***Auditor's responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

***Independence***

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

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**
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HLB Mann Judd

Accountants | Business and Financial Advisers

***Auditor's opinion***

In our opinion:

(a) the financial report of Gleneagle Gold Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

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

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a).

**Report on the Remuneration Report**

We have audited the remuneration report included in the directors' report for the year ended 30 June 2014. 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.

***Auditor's opinion***

In our opinion the remuneration report of Gleneagle Gold Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

**HLB Mann Judd**
**Chartered Accountants**

WMClark

**W M Clark**
**Partner**

**Perth, Western Australia**
**24 September 2014**

## *ASX ADDITIONAL INFORMATION*

Additional information as required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is current as at 19 September 2014.

**Distribution of equity security holders (number of holders)**

| Category | Ordinary Shares | Listed Options |
|---|---|---|
| 1-1,000 | 597 | 55 |
| 1,001-5,000 | 125 | 11 |
| 5,001-10,000 | 25 | 9 |
| 10,000-100,000 | 199 | 56 |
| 100,000 and over | 229 | 87 |
| TOTAL | 1,175 | 218 |

There are 1,023 holders of shares holding less than a marketable parcel.

**Quoted equity securities**

| Equity Security | Quoted |
|---|---|
| Ordinary Shares | 482,358,913 |
| Options | 302,452,828 |

**Voting rights**

Ordinary shares carry one vote per share. There are no voting rights attached to the options in the Company.

**Restricted equity securities**

There are no restricted securities.

**Substantial shareholders**

The Company has been notified of the following substantial shareholdings:

| | |
|---|---|
| Mr Wayne Loxton | 63,040,480 |
| Mr Jason Peterson | 52,618,874 |

## Twenty largest holders of quoted shares

| | Name | No. of Shares | % |
|---|---|---|---|
| 1. | Mr Wayne Gregory Loxton <Loxton Investment A/C> | 60,750,000 | 12.59 |
| 2. | Celtic Capital Pte Ltd <Trading 1 A/C> | 35,000,000 | 7.26 |
| 3. | JP Morgan Nominees Australia Limited <Cash Income A/C> | 34,169,060 | 7.08 |
| 4. | Mr Jason Peterson & Mrs Lisa Peterson <J & L Peterson S/F A/C> | 27,850,000 | 5.77 |
| 5. | Hao Yun Limited | 17,329,546 | 3.59 |
| 6. | SDG Nominees Pty Ltd <T J Strapp Super Fund A/C> | 16,500,000 | 3.42 |
| 7. | Wiseplan Investments Pty Ltd <Leon Davies Investment A/C> | 13,012,456 | 2.70 |
| 8. | Professional Payment Services Pty Ltd | 10,868,874 | 2.25 |
| 9. | Mr John Della Bosca <JA & JG Della Bosca Family A/C> | 10,000,000 | 2.07 |
| 10. | Mandevilla Pty Ltd | 10,000,000 | 2.07 |
| 11. | Mr Anthony Grant & Mrs Elaine Sandra Melville <Melville Family Super A/C> | 10,000,000 | 2.07 |
| 12. | Mitchell Grass Holdings Singapore Pte Ltd | 10,000,000 | 2.07 |
| 13. | Caperange Investments Pty Ltd <Southbank Equity Super A/C> | 8,844,591 | 1.83 |
| 14. | Metallica Investments Pty Ltd | 8,437,500 | 1.75 |
| 15. | Briant Nominees Pty Ltd <Briant Super Fund A/C> | 8,000,000 | 1.66 |
| 16. | Mr Leon Davies & Mrs Jennifer Anne Davies <L & J Davies Superfund A/C> | 7,845,000 | 1.63 |
| 17. | BNP Paribas Noms Pty Ltd <DRP> | 7,586,618 | 1.57 |
| 18. | Tisia Nominees Pty Ltd <The Henderson Family A/C> | 6,500,000 | 1.35 |
| 19. | Ardlussa Pty Ltd <V&V Pendal Super Fund A/C> | 6,000,000 | 1.24 |
| 20. | IOOF Investment Management Limited <IIML IPS 305414M A/C> | 6,000,000 | 1.24 |
| | **TOTAL** | **314,693,645** | **65.24** |

## Twenty largest holders of listed options

| | Name | Number of Options | % |
|---|---|---|---|
| 1. | Celtic Capital Pte Ltd <Investment 1 A/C> | 56,000,000 | 18.52 |
| 2. | Mr Wayne Gregory Loxton <Loxton Investment A/C> | 20,250,000 | 6.70 |
| 3. | Celtic Capital Pte Ltd <The Celtic Capital A/C> | 20,000,000 | 6.61 |
| 4. | Mr Leon Davies | 15,000,000 | 4.96 |
| 5. | Mr Ian David Love | 15,000,000 | 4.96 |
| 6. | Mr Wayne Gregory Loxton | 15,000,000 | 4.96 |
| 7. | Wiseplan Investments Pty Ltd <Leon Davies Investment A/C> | 13,012,456 | 4.30 |
| 8. | Mr John Della Bosca <JA & JG Della Bosca Family A/C> | 10,000,000 | 3.31 |
| 9. | Mandevilla Pty Ltd | 10,000,000 | 3.31 |
| 10. | Mitchell Grass Holdings Singapore Pte Ltd | 10,000,000 | 3.31 |
| 11. | Professional Payment Services Pty Ltd | 9,868,874 | 3.26 |
| 12. | Reeve Ventures Pty Ltd <The Vega A/C> | 8,000,000 | 2.65 |
| 13. | Tisia Nominees Pty Ltd <The Henderson Family A/C> | 8,000,000 | 2.65 |
| 14. | SDG Nominees Pty Ltd <T J Strapp Super Fund A/C> | 5,500,000 | 1.82 |

| | | | |
|---|---|---|---|
| 15. | Brijohn Nominees Pty Ltd <Nelsonio A/C> | 5,000,000 | 1.65 |
| 16. | Caperange Investments Pty Ltd <Southbank Equity Super A/C> | 4,843,961 | 1.60 |
| 17. | IOOF Investment Management Limited <IIML – IPS 321686MD501 A/C> | 4,500,000 | 1.49 |
| 18. | Mr John Ceccon & Ms Maria Lynn McLean <MCCM Super Fund A/C> | 4,000,000 | 1.32 |
| 19. | Mr Timothy James Flavel <The Flavel Investment A/C> | 4,000,000 | 1.32 |
| 20. | Jomima Pty Ltd | 4,000,000 | 1.32 |
| | **TOTAL** | **241,975,291** | **80.00** |

**Stock Exchange**

The Company is listed on the Australian Securities Exchange and has been allocated the code "GLN". The "Home Exchange" is Perth.

**Other information**

Gleneagle Gold Limited, is incorporated and domiciled in Australia, and is a publicly listed company limited by shares.

**On-market buy-back**

There is no current on-market buy-back.

## *SCHEDULE OF MINERAL TENEMENTS*
## *AS AT 24 September 2014*

| ***Project*** | ***Tenement*** | | ***Interest held by Gleneagle Gold Limited*** |
|---|---|---|---|
| Christmas Gift | P52/1166 | | 100% |
| Milly Well | EL20/742 | | 100% |
| Berring Pool | ELA20/833 | | 100% |
| Chester North | PL20/2095 | | 100% |
| Chester South | PL20/2096 | | 100% |

P = Prospecting Licence
E = Exploration Licence