EUROGOLD LIMITED

ANNUAL REPORT 2014

Contents

CORPORATE DIRECTORY

Directors

Peter Gunzburg	Executive Chairman/Managing Director
Arthur Dew	Non-Executive Director
Carlisle Procter	Non-Executive Director

Company Secretary
Pauline Collinson

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Facsimile: 08 93817559
Website: www.eurogold.com.au

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Perth Western Australia 6850

Share Registry - Australia
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Level 2, Reserve Bank Building
45 St George's Terrace
Perth Western Australia 6000
Telephone: 08 93232000
Facsimile: 08 93232033

Auditors - Australia
Ernst & Young
11 Mounts Bay Road
Perth Western Australia 6000

Solicitors - Australia
Hardy Bowen
Level 1, 28 Ord Street
West Perth Western Australia 6005

Bankers - Australia
BankWest
853 Hay Street
West Perth Western Australia 6000

ASX Code
EUG - Fully Paid Ordinary Shares

DIRECTORS' REPORT

Your directors submit their report for the year ended 30 June 2014.

DIRECTORS

The names and details of the directors of the Company in office during the financial year and until the date of this report are as follows.

Directors were in office for this entire period unless otherwise stated.

Peter Gunzburg - Executive Chairman B Com.

Mr Gunzburg has over 20 years experience as a stockbroker. He has a Commerce Degree from the University of Western Australia and has previously been a director of Resolute Limited, the Australian Stock Exchange Limited, Eyres Reed Limited and CIBC World Markets Australia Limited.

Mr Gunzburg is a Non-Executive Director of ASX listed entities Fleetwood Corporation Limited (ASX:FWD) and Dragon Mining Limited (ASX:DRA) and a Non-Executive Director of Newzulu Limited (ASX:NWZ).

Arthur Dew - Non-Executive Director B.A., L.L.B.

Mr Arthur Dew has a broad range of corporate and business experience and has served as a Director, and in some instances Chairman of the Board of Directors, of a number of publicly listed companies in Australia, Hong Kong and elsewhere.

He is Chairman of the Allied Group Limited since January 2007. The Allied Group is Eurogold's largest shareholder. He graduated from the Law School of the University of Sydney, Australia, and was admitted as a solicitor and later as a barrister of the Supreme Court of New South Wales. He is currently a non-practising barrister. He is the Chairman and a Non-Executive Director of Allied Properties (H.K.) Limited and a Non-Executive Director of each of SHK Hong Kong Industries Limited and ASX listed Tanami Gold NL (ASX:TAM) and a Non-Executive Director and Chairman of ASX listed Dragon Mining Limited (ASX:DRA). Mr Dew resigned as the Chairman and a Non-Executive Director of Allied Overseas Limited in January 2014.

Carlisle C Procter – Non-Executive Director B.Ec, M.Ec, FFin

Mr Carlisle Procter graduated from the University of Sydney with a Bachelor's Degree and a Master's Degree in Economics. He is a fellow of the Financial Services Institute of Australasia (FFin.). Based in Australia, Mr Procter worked in the Reserve Bank of Australia for over 30 years, holding various senior management positions. Since leaving the Reserve Bank, he has worked as a consultant to the International Monetary Fund and the Asian Development Bank and has also undertaken private consulting work in the Philippines, Indonesia and Papua New Guinea in the areas of bank supervision, anti-money laundering and corporate governance respectively. Mr Procter is a Non-Executive Director of ASX listed Tanami Gold NL (ASX:TAM).

Mark Wong – Alternate Director B.Bus, FCPA, FCCA, FCIS, FCSHK (appointed 7 December 2012)

Mr. Mark Wong Tai Chun acts as an alternate for Mr Arthur Dew. He was appointed an Executive Director of Allied Properties Limited (APL) in June 2010. He is also director of certain subsidiaries of APL.. Mr. Wong has a Master's Degree in Business Administration and is a fellow of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. He is an executive director of SHK HK IND and the director of investment of AGL. Mr. Wong also acts as an alternate director to Mr. Arthur George Dew in ASX listed Tanami Gold NL.
Mr. Wong resigned as an executive director and the chief executive officer of AOL in January 2014.

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

As at the date of this report, the interests of the directors in the shares and options of Eurogold Limited ("Eurogold") were:

	Ordinary Shares
Peter Gunzburg	4,207,067
Arthur Dew	Nil
Carlisle Procter	Nil

COMPANY SECRETARY

Pauline Collinson
Mrs Collinson has been employed by the Company for 22 years and has held an executive position for 12 years. She is also the Company Secretary of ASX listed Tanami Gold NL.

PRINCIPAL ACTIVITIES

The principal activity of the consolidated group during the financial year was to hold strategic investment positions in companies within the resource sector and to evaluate opportunities within the resource sector. There were no significant changes in the nature of the consolidated groups' principal activities during the year.

OPERATING RESULTS

	2014 $	2013 $
Revenue and other income	40,939	67,716
Loss	(758,929)	(10,515,219)

Included in the operating loss after taxation are the following material items:

	2014 $	2013 $
- Movement on the fair value of investments classified as held for trading	(2,762)	(35,992)
- Reversal of impairment of investment in associate	2,594,845	-
- Impairment of investment in associate	-	(10,274,032)
- Share of associates gains (losses)	(2,139,915)	618,095

CORPORATE INFORMATION

Corporate structure

Eurogold Limited is a Company limited by shares that is incorporated and domiciled in Australia. Eurogold Limited is the ultimate parent entity and has prepared a consolidated financial report incorporating the entities that it controlled during the financial year (refer note 23 in the financial report).

REVIEW AND RESULTS OF OPERATIONS AND PRINCIPAL ACTIVITIES

CORPORATE

In February 2012, the Company entered into a loan facility with the Allied Group of Hong Kong, the Company's largest shareholder.

The term of the loan expired on 7 February 2013 and the Company entered into a Variation of Loan Agreement to vary the facility amount to HK$8,200,000 (A$1,023,196) and extended the term for another 12 months. A renewal fee of A$50,000 was paid to AP Finance Limited in consideration of the Lender agreeing to the Variation. Outstanding interest for the 12 months was paid in full in February 2013.

The Company entered into a Second Variation of Loan Agreement with AP Finance Limited effective from 1 August, 2013 to increase the facility amount to HK$11,800,000 (A$1,700,000).

The term of the loan was extended to 31 December 2014. The interest rate of 12% per annum is calculated on the amount of the loan amount drawn-down daily from the drawn-down date. An A$60,000 renewal fee was paid to AP Finance Limited for agreeing to the variation.

On 13 March 2014, the Company entered into a Third Variation of Loan Agreement with AP Finance Limited to extend the term of the loan to 31 December 2015. The loan facility of HK$11,800,000 has been drawn down in full.

On 13 March 2014, the Company entered into a new Loan Agreement with AP Finance Limited with a total facility of HK$3,920,000 (A$0.6 million). A draw down of HK$1,120,000 (A$0.2 million) was made during the period. The term of the loan is to 15 December 2015 with interest at 12% per annum. This further loan amount of HK$2,800,000 remains undrawn as at 30 June 2014.

Investment in Dragon Mining Limited (ASX:DRA)

Eurogold owns 24.34% of the issued capital of Dragon Mining Limited ("Dragon").

The equity accounted carrying value of Eurogold's investment in Dragon was reduced to nil due to the Company taking up its share of Dragon's losses as an associate. A reversal of impairment of $2.6 million was recognised to reflect the investment at its fair value at 30 June 2014 based on the market value of the shares at that date.

The market value of Eurogold's investment held in Dragon at the date of this report is $2.16 million (based on the current Dragon share price of $0.10 on the 30 September 2014).

In December 2013, Eurogold provided notice under section 249D of the *Corporations Act (Cth)* requesting that the directors of Dragon call a general meeting of shareholders to consider resolutions for the removal of four of Dragon's directors.

Eurogold believes that the DRA board had not taken adequate and timely steps to develop and implement a clear strategy to reduce DRA's costs and restructure its operations in the light of the major decline in the gold price in early 2013.

Eurogold also proposed resolutions for the appointment of Messrs Arthur Dew and Brett Smith to the board of Dragon.

The Takeovers Panel declined to conduct proceedings on an application from Dragon in relation to the notice served by Eurogold.

A general meeting of Dragon's shareholders was held on 7 February 2014 whereby all resolutions were passed and Messrs Dew and Smith were appointed to the Dragon board.

On 28 February, 2014 Dragon announced its audited financial results for the full year ending 31 December 2013 which include a reported net loss after tax of $15.8 million compared to $4.3 million in the 2012 financial year.

On 5 August 2014, Dragon announced a restatement of the results to 31 December 2013 increasing its total comprehensive loss by $6.9m to $34.2m.

On 27 August 2014, Dragon released its results for the half year to 30 June 2014 restating a total comprehensive loss for the period of $1.6m.

It was further reported that the 2013 result was dominated by the effects of lower gold prices, which were partially offset by significantly higher production, movements in exchange rates and higher operating depreciation and costs resulting from the predominately underground mining during the year at both the Svartliden Production Centre and the Vammala Production Centre.

Further information about Dragon's activities and results can be found at www.asx.com.au or at Dragon's website at www.dragon-mining.com.au.

Resource Invest LLC Transaction

Pursuant to Shareholder approval authorising the sale of the Saulyak Gold Project the Company disposed of its Ukrainian gold mining asset to Resource Invest LLC ("RIL") in July 2007.

The Company received an initial payment of US$2,000,000 (A$2,254,767) from RIL and is entitled to receive a further US$3,000,000 no later than 30 days upon RIL meeting a key regulatory milestone relating to the advancement of the Saulyak Gold Project. This regulatory approval remains outstanding.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Subsequent to year end $191,382 (HK$1.4 million) was advanced by Allied Group of Hong Kong pursuant to the loan facility between the parties.

FINANCIAL POSITION

The net assets of the consolidated entity at 30 June 2014 totalled $888,128 (2013: $2,917,052).

Total assets at 30 June 2014 totalled $2,824,254 (2013: $4,226,139). No amount has been recognised in respect of the contingent consideration of USD$3,000,000 to be received if RIL meet key regulatory milestones. The consolidated entity had cash reserves of $29,906 at 30 June 2014 with available funds which could be drawn on the loan facility with AP Finance Limited of $600,000.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 1 September 2014, Eurogold announced that it intends to sell its 24.34% stake in Dragon Mining Limited. The Company intends to offer its Dragon shares to Eurogold shareholders on a pro-rata basis. Eurogold shareholders will be able to subscribe for additional Dragon Shares in excess of their entitlement. Any Dragon Shares not purchased by Eurogold shareholders will be purchased by Allied Properties Resources Limited ("Allied") pursuant to the terms of an underwriting agreement entered into by the Company and Allied.

The sale price is $0.13 per Dragon Share and it is expected that a total of $2,811,077 (before costs) will be raised.

It is intended that the funds raised by the disposal of the Dragon Shares will be used to repay the Company's outstanding loan with AP Finance Limited. The remainder of the funds will be used by the Company to explore prospective investment opportunities for Eurogold, and working capital.

The Company believes that the disposal of the Dragon Shares and repayment of the AP Finance Limited debt will be an important step in the process of restoring the Company's quotation on ASX.

Following the completion of the transaction described above, the Company will give consideration to conducting a small capital raising by way of private placement or rights issue, in order to strengthen further the Company's financial position.

At the date of this report, there have been no other matters or circumstances that have arisen since the end of the financial year which significantly, or may significantly effect:

- The consolidated group’s operations in future years;
- The results of those operations in future years; or
- The consolidated entity’s state of affairs in future years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Strategy Going Forward

On 4 June 2013, the Company’s securities were suspended from trading until such time as the Company has sufficient activities to warrant re-quotation.

Despite the best efforts of management to locate a suitable project and after reviewing numerous opportunities, the Company was not able to identify a project which it believed would deliver adequate value to its Shareholders. The challenging market conditions experienced during the year have severely affected the ability of market participants in the small-cap resources sector to raise funds.

The Company is continuing to explore opportunities which could facilitate re-quotation and deliver value to Shareholders.

Proceeds from the sale of the Company’s Dragon shares after repayment of loans will be used for this purpose.

DIVIDENDS

No dividend has been declared, provided for or paid in respect of the year ended 30 June 2014.

SHARE OPTIONS

Unissued shares
There are no unissued shares at the date of this report.

Shares issued as a result of the exercise of options
No options were exercised during the financial year and up to the date of the directors' report.

Options issued during the financial year
There were no options issued during the financial year and up to the date of the directors' report.

Option holders do not have any right, by virtue of the options, to participate in any share issue of the Company or any related body corporate.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company does not currently have any insurance for the indemnification of directors and officers.

INDEMNIFICATION OF AUDITORS
To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

INTERESTS IN CONTRACTS OR PROPOSED CONTRACTS WITH THE COMPANY

During the financial year, no director has had any interest in a contract or proposed contract with the Company being an interest the nature of which has been declared by the director in accordance with Section 300(11)(d) of the *Corporations Act 2001*.

DIRECTORS' MEETINGS

The following table sets out the number of meetings of the Company's directors held during the year ended 30 June 2014 and the number of meetings attended by each director.

	Directors' Meetings	
	No. of meetings held while in office	Meetings attended
Peter Gunzburg	1	1
Arthur Dew	1	1
Carlisle Procter	1	0

REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purposes of this report Key Management Personnel (KMP) of the Group are defined as those persons having the authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

Key Management Personnel
Peter Gunzburg (Executive Chairman)
Arthur Dew (Non-Executive Director)
Carlisle Procter (Non-Executive Director)

Remuneration Policy
The Board recognises that the performance of the Company depends upon the quality of its Directors and Executives and to this end the Company is aware that it must attract, motivate and retain experienced Directors and Executives. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team. Such officers are given the opportunity to receive their base emolument in the form of salary and fringe benefits such as motor vehicle allowances.

In accordance with best practice governance, the structure of Non-Executive Directors and senior executive remuneration is separate and distinct. It should be noted that the amount of salary and the grant of options is at the discretion of the board of directors.

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

The Company's Constitution and ASX Listing Rules specify that aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting of Shareholders. Approval by Shareholders was granted at a general meeting on 12 August 2008 to pay Non-Executive Directors an aggregate amount of $200,000 per annum. The Board considers fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process. Each Non-Executive Director may also receive an equity based component where approval has been received from Shareholders in a general meeting.

There are no employment contracts in place between the Company and directors and executives.

The Company does not currently have a remuneration committee, the functions of which are carried out by the full board. Remuneration for directors and executives are not linked directly to the performance of the economic entity.

Company Performance

The table below shows the performance of the Group as measured by the Group's share price and EPS over the last five years.

	2010	2011	2012	2013	2014
Share price 30 June	$0.18	$0.20	$0.09	$0.03	N/A
EPS (cents per share)	(2.50)	(2.02)	(12.04)	(12.11)	(0.87)

Remuneration of directors and key management personnel

Directors' Remuneration

		Short Term Benefits									
		Salary And Fees	Annual Leave Accrued	Cash Bonus	Other	Post Employment Superannuation	Long Service Leave Accrued	Share based Payments Options	Total	Remuneration consisting of Options for the year %	% Performance related
P Gunzburg	2014	50,000	-	-	-	4,625	-	-	54,625	-	-
Chairman	2013	139,423	-	-	-	12,548	-	-	151,971	-	-
A Dew	2014	-	-	-	-	-	-	-	-	-	-
Non-Executive	2013	-	-	-	-	-	-	-	-	-	-
C Procter	2014	-	-	-	-	-	-	-	-	-	-
Non-Executive	2013	-	-	-	-	-	-	-	-	-	-
Total	**2014**	**50,000**	**-**	**-**	**-**	**4,625**	**-**	**-**	**54,625**	**-**	**-**
Total	**2013**	**139,423**	**-**	**-**	**-**	**12,548**	**-**	**-**	**151,971**	**-**	**-**

Options Granted and Vested During the Year

There were no options granted, vested, exercised or lapsed during the year.

Interests in the Shares and Options of the Company and related Bodies Corporate

At 30 June 2014 the interests of the directors in the shares and options of Eurogold Limited were:

Ordinary Shares	**Balance 30 June 2013**	**Granted as Remuneration**	**On exercise of options**	**Net change other**	**Balance 30 June 2014**
Peter Gunzburg	4,207,067	-	-	-	4,207,067
Arthur Dew	-	-	-	-	-
Carlisle Procter	-	-	-	-	-

Options	**Balance 30 June 2013**	**Expiration of Options**	**Balance 30 June 2014**	**% Vested**
Peter Gunzburg	500,000	(500,000)	-	-
Arthur Dew	-	-	-	-
Carlisle Procter	-	-	-	-

(d) Options granted to Key Management Personnel

The Company currently has an Options Scheme in place.

(e) Loans to Key Management Personnel

There are no loans between the entity and KMP.

** END OF REMUNERATION REPORT **

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Consolidated Entity's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. The Board believes that the Company has adequate systems in place for the management of environmental requirements and is not aware of any breach of environmental requirements as they apply to the Consolidated Entity.

NON-AUDIT SERVICES

During the year ended 30 June 2014 no fees were paid to external auditors Ernst & Young for non-audit services.

AUDITORS INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2014 has been received and can be found on page 9.

Signed in accordance with a resolution of the directors

Peter Gunzburg
Executive Chairman
30 September 2014

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Auditor's independence declaration to the Directors of Eurogold Limited

In relation to our audit of the financial report of Eurogold Limited for the financial year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

G H Meyerowitz
Partner
30 September 2014

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Eurogold Limited is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of Eurogold Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

To ensure the Board is well equipped to discharge its responsibilities it has established guidelines for the nomination and selection of Directors and for the operation of the Board.

The Board and management are committed to sound corporate governance and accordingly they have adopted the second edition of the "Corporate Governance Principles and Recommendations" established by the ASX Corporate Governance Council and published by the ASX in August 2007.

Where there has been any variation from the recommendations it is because the Board believes that the Company is not as yet of a size, nor are its financial affairs of such complexity, as to justify some of those recommendations. Those practices continue to be the subject of the scrutiny of the full Board.

Composition of the Board

The Board is comprised of three Directors, of which the Chairman and Managing Director is the only Executive Director. The ASX favour that the Chairman be an Independent Director. However, as Mr Peter Gunzburg has been primarily concentrating on the Company's development over the past thirteen years, and has extensive knowledge of the capital markets in Australia and overseas, the Board believes that his role as an Executive Chairman is appropriate.

The skills, experience and expertise relevant to the position of each Director who is in office at the date of the annual report, their attendances at meetings and their term of office are detailed in the Directors' Report.

The majority of the Board are Independent Directors. The table below sets out the detail of the tenure of each Director at the date of this report.

Director	Role of Director	Date Appointed	Independent
Peter Gunzburg	Executive Chairman	24 September 2001	No
Arthur Dew	Non-Executive	23 October 2012	Yes
Carlisle Procter	Non-Executive	29 November 2013	Yes

When determining whether a Director is independent, the Board has determined that the Director must not be an executive and:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three last years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal or employee of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a significant supplier or customer;
- has no material contractual relationship with the Company or another group member other than as a Director of the Company;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

Independent Directors' have the right to seek independent professional advice in the furtherance of their duties as Directors, at the Company's expense. Written approval must be obtained from the Chairman prior to incurring expense on behalf of the Company.

The Board and Board Nominations

The Company does not presently operate a Nomination Committee. The full Board (subject to members voting rights in general meeting) is responsible for selection of new members and has regard to a candidates experience and competence in areas such as mining, exploration, geology, finance and administration that can assist the Company in meeting its corporate objectives and plans.

Under the Company's Constitution:

- the maximum number of Directors on the Board is ten;
- a Director (other than the Executive Chairman/Managing Director) may not retain office for more than three years without submitting for re-election; and

- at the Annual General Meeting each year effectively one third of the Directors in office (other than the Executive Chairman/Managing Director) retire by rotation and must seek re-election by shareholders.

Code of Conduct
The Board acknowledges the need for the highest standards of corporate governance and ethical conduct by all Directors and employees and as such the Company's Code of Conduct applies to all Directors and employees of the Company. The Directors and senior executives have the responsibility to carry out their functions with a view to maximising financial performance of the Company, handle ethically decision making in conflict of interest situations, and engage in quality decision making for the benefit of shareholders.

Diversity Policy
The Board is committed to workplace diversity and r ecognises the benefits arising from employee and board diversity. Diversity includes, but is not limited to, gender, age, ethnicity and background and the Company is committed to ensure its workplace is free from all forms of discrimination and harassment.

Securities Trading Policy
The Company has adopted a Securities Trading Policy (which is driven by the Corporations Act 2001 requirements) that applies to all Directors, Executives (Key Personnel), Employees and Contractors ("Relevant Persons"). Under this policy and the Corporations Act 2001 Key Personnel and Relevant Persons are prohibited from trading in the Company's Securities while in possession of unpublished price sensitive information and must adhere to Close Out periods outlined in the Policy. Strict compliance with the Policy is mandatory for all Key Personnel and Relevant Persons.

Corporate Reporting
In accordance with ASX Principle 7, the Chairman, Financial Consultant and Company Secretary have made the following certifications to the Board:

- That the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and Group; and

- That the above statement is founded on a sound system of internal control and risk management which implements the policies adopted by the Board and that the Company's risk management and internal control is operating effectively in all material aspects.

Remuneration Committee and Policies
The Company has not as yet appointed a Remuneration Committee. All matters which might be dealt with by such a committee are subject to full scrutiny of Board meetings. This decision will be reviewed on a regular basis as the Company develops.

All compensation arrangements for Directors and Executives are determined and approved by the Board, after taking into account the current competitive rates prevailing in the market.

The amount of remuneration for all Directors including the full remuneration packages, comprising all monetary and non-monetary components of the Executive Directors and executives, are detailed in the Director's Report.

There are no schemes for retirement benefits other than statutory superannuation for Directors.

External Auditors
The auditors of the Company, Ernst & Young, have open access to the Board of Directors at all times.

Audit Committee
The Company presently does not have an Audit Committee as the directors believe that the Company is not of a size, nor are its financial affairs of such complexity to justify a separate Audit Committee. All matters which might be dealt with by such a committee are subject to full scrutiny of Board Meetings. This decision will be reviewed as the Company develops. Notwithstanding this, it is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information as well as non-financial considerations.

Managing Risks
The Board evaluates, controls, reviews and implements the Company's operations and objectives.

Regular controls established by the Board include:

- delegation of authority to the Executive Chairman to ensure approval of expenditure obligations;
- implementation of operating plans, cash flows and budgets by management and Board monitoring of progress against projections; and
- procedures to allow Directors, and management in the furtherance of their duties, to seek independent professional advice via the utilisation of various external technical consultants.

The Board recognises the need to identify areas of significant business risk and to develop and implement strategies to mitigate these risks.

Commitment to Shareholders & Ethical Standards

The Board supports the highest standards of corporate governance and requires its members and the management and staff of the Company to act with integrity and objectivity in relation to:

- Compliance with laws and regulations affecting the Company's operations;
- The ASX's Corporate Governance Council's principles and recommendations;
- Employment practices;
- Responsibilities to the community;
- Responsibilities to the individual;
- The environment;
- Conflict of interests;
- Confidentiality;
- Ensuring that shareholders and the financial community are at all times fully informed in accordance with the spirit and letter of the ASX's continuous disclosure requirements;
- Corporate opportunities and opportunities arising from these for personal gain or to compete with the Company;
- Protection of and proper use of the Company's assets; and
- Active promotion of ethical behaviour.

Continuous Disclosure

In accordance with ASX Principle 5, the Board has established a disclosure policy and the Company is committed to:

- Ensuring that Shareholders have the opportunity to access externally available information issued by the Company;
- Providing full and timely information to the market about the Company's activities; and
- Complying with the obligations contained in the ASX Listing Rules and Corporations Act 2001 relating to continuous disclosure.

The Executive Chairman and the Company Secretary have been nominated as the people responsible for communication with the ASX.

Monitoring of the Board's Performance and Communication to Shareholders

The Company does not presently have an evaluation of the Board, and Board members, performed by an independent consultant but may do so once the Company develops.

The Board of Directors aims to ensure that all shareholders receive information about the Company's activities. Information is communicated to the shareholders through:

- the Annual Report which is distributed to all shareholders;
- the availability of the Company's Quarterly Report to shareholders so requesting;
- the Half-Yearly Report distributed to shareholders so requesting;
- adherence to continuous disclosure requirements;
- the Annual General Meeting and ot her meetings called to obtain shareholder approval for Board action as appropriate; and
- the provision of the Company's website containing all of the above mentioned reports, corporate governance practices and policies and its constant update and maintenance.

	Notes	Consolidated Group 2014 $	Consolidated Group 2013 $
Revenue	3	331	7,550
Other income	3	40,608	60,166
Depreciation expense		(1,444)	(1,749)
Administration expenses		(283,521)	(352,605)
Employee benefits expense	3	(169,098)	(211,584)
Movement in the fair value of investments classified as held for trading		(2,762)	(35,992)
Share of (loss)/profit of associate	8	(2,139,915)	618,095
Impairment of investment in associate		-	(10,274,032)
Reversal of impairment of investment in associate	8	2,594,845	-
Foreign exchange loss		(45,967)	(156,216)
Interest expense		(119,619)	(118,852)
Loan drawdown fees		(118,817)	(50,000)
Impairment of available for sale financial assets	14	(388,570)	-
Impairment of other assets		(125,000)	-
Loss before income tax expense		**(758,929)**	**(10,515,219)**
Income tax expense	4	-	-
Loss after income tax expense		**(758,929)**	**(10,515,219)**
Other comprehensive income			
Items that may be subsequently reclassified to operating result			
Fair value loss on available for sale financial assets	14	(338,754)	(84,688)
Impairment loss reclassified to the profit and loss	14	388,570	-
Share of other comprehensive income of associate	8	(1,319,811)	(1,588,672)
Other comprehensive loss for the period, net of tax		**(1,269,995)**	**(1,673,360)**
Total comprehensive loss attributable to the members of Eurogold Limited		**(2,028,924)**	**(12,188,579)**
- basic and diluted loss per share (cents per share) for the year attributable to members of Eurogold Limited	19	(0.87)	(12.11)

The accompanying notes form part of these financial statements.

		Consolidated Group	
	Notes	2014 $	2013 $
Current Assets			
Cash and cash equivalents	16	29,906	74,721
Trade and other receivables	5	24,791	22,353
Investments classified as held for trading	6	3,890	6,653
Prepayments		-	26,663
Other		-	125,000
Total Current Assets		**58,587**	**255,390**
Non-Current Assets			
Available for sale investment	7	169,379	508,136
Plant and equipment	9	1,443	2,887
Investment in associate	8	2,594,845	3,459,726
Total Non-Current Assets		**2,765,667**	**3,970,749**
TOTAL ASSETS		**2,824,254**	**4,226,139**
Current Liabilities			
Trade and other payables	10	86,489	135,010
Interest bearing liabilities	11	1,821,074	1,155,800
Provisions	12	28,563	18,277
Total Current Liabilities		**1,936,126**	**1,309,087**
TOTAL LIABILITIES		**1,936,126**	**1,309,087**
NET ASSETS		**888,128**	**2,917,052**
SHAREHOLDERS' EQUITY			
Contributed equity	13	60,039,582	60,039,582
Reserves	14	(2,309,315)	(1,039,320)
Accumulated losses	15	(56,842,139)	(56,083,210)
TOTAL SHAREHOLDERS' EQUITY		**888,128**	**2,917,052**

The accompanying notes form part of these financial statements.

For the year ended 30 June 2014

Consolidated	Issued Capital	Accumulated Losses	Net Unrealised Gain Reserve	Foreign Currency Translation Reserve	Employee Benefit Reserve	Total Equity
Balance at beginning of year	60,039,582	(56,083,210)	15,411	(1,100,411)	45,680	**2,917,052**
Loss for the period	-	(758,929)	-	-	-	**(758,929)**
Other comprehensive income	-	-	(338,754)	(1,319,811)	-	**(1,658,565)**
Impairment loss reclassified to loss for the period	-	-	388,570	-	-	**388,570**
Total comprehensive income/(loss) for the year	-	**(758,929)**	**49,816**	**(1,319,811)**	-	**(2,028,924)**
Balance at 30 June 2014	**60,039,582**	**(56,842,139)**	**65,227**	**(2,420,222)**	**45,680**	**888,128**

For the year ended 30 June 2013

Consolidated	Issued Capital	Accumulated Losses	Net Unrealised Gain Reserve	Foreign Currency Translation Reserve	Employee Benefit Reserve	Total Equity
Balance at beginning of year	60,039,582	(45,567,991)	34,869	553,492	45,680	**15,105,632**
Loss for the period	-	(10,515,219)	-	-	-	**(10,515,219)**
Other comprehensive income	-	-	(19,458)	(1,653,903)	-	**(1,673,361)**
Total comprehensive income/(loss) for the year	**-**	**-**	**(19,458)**	**(1,653,903)**	**-**	**(1,673,361)**
Balance at 30 June 2013	**60,039,582**	**(56,083,210)**	**15,411**	**(1,100,411)**	**45,680**	**2,917,052**

The accompanying notes form part of these financial statements.

	Notes	Consolidated Group 2014 $	2013 $
Cash Flows from Operating Activities			
Receipts from customers		40,608	-
Payments to suppliers and employees (GST inclusive)		(514,019)	(666,589)
Interest received		331	7,550
Interest paid		(119,619)	(59,503)
Net cash flows used in operating activities	16(b)	**(592,699)**	**(718,542)**
Cash Flows from Investing Activities			
Payment for shares in associates		-	(515)
Proceeds on sale of other held for sale assets		-	278,735
Sale of investment held for trading		-	470
Net cash flows from investing activities		**-**	**278,690**
Cash Flows from Financing Activities			
Proceeds from borrowings		666,701	-
Financing fees		(118,817)	(50,000)
Net cash flows from financing activities		**547,884**	**(50,000)**
Net decrease in cash and cash equivalents		**(44,815)**	**(489,852)**
Cash and cash equivalents at the beginning of the financial year		74,721	564,573
Cash equivalents at the end of the financial year	16(a)	**29,906**	**74,721**

The accompanying notes form part of these financial statements.

1. CORPORATE INFORMATION

The financial report of Eurogold Limited (the Company) for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the directors on 30 September 2014.

Eurogold Limited is a Company limited by shares incorporated and domiciled in Australia and whose shares are publicly traded on the Australian Securities Exchange. The company is a for-profit entity. The nature of the operation and principal activities of the consolidated entity are described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The financial report has been prepared on a historical cost basis, except for held for trading and available for-sale investments, which have been measured at fair value.

The financial report is prepared in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated.

(b) Going Concern

This report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group realised a net loss after tax for the year ended 30 June 2014 of $758,929 (2013: $10,515,219) and experienced net cash outflows from operating activities of $592,699 (2013: $768,542). As 30 June 2014, the Group had net assets of $888,128 (2013: $2,917,052) and net current liabilities of $1,877,539 (2013: net current liabilities of $1,053,697).

The Group entered into a Second Variation of Loan Agreement with AP Finance Limited effective from 1 August 2013 to increase the facility amount to HK$11,800,000 (A$1,700,000). The term of the loan was extended to 31 December 2014. On 13 March 2014, the Company entered into a Third Variation of Loan Agreement with AP Finance Limited to extend the term of the loan to 31 December 2015. The loan facility of HK$11,800,000 has been drawn down in full.

On 13 March 2014, the Company entered into a new Loan Agreement with AP Finance Limited with a total facility of HK$3,920,000 (A$0.6 million). A draw down of HK$1,120,000 (A$0.2 million) was made during the period. The term of the loan is to 15 December 2015 with interest at 12% per annum. This further loan amount of HK$2,800,000 remains undrawn as at 30 June 2014.

The Group's cash flow forecasts for the twelve months ending 30 September 2015 indicate that the ability of the Group to continue as a going concern is reliant on securing additional working capital through further draw-downs of the Group's loan with AP Finance Limited and/or the realisation of its investments.

In consideration of the above matters, including the recent increase in the loan facility limit and the value of the Group's investments in listed companies at 30 June 2014, the directors have determined that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate that the going concern method of accounting be adopted in the preparation of the financial statements. In the event that the Group is unable to continue as a going concern (due to inability to raise future funding requirements), it may be required to realise its assets at amounts different to those currently recognised, settle liabilities other than in the ordinary course of business and make provisions for onerous contracts which may arise as a result of cessation or curtailment of normal business operations.

Accordingly, the financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the group not continue as a going concern.

(c) Compliance Statement

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(d) New Accounting Standards and Interpretations applied

The accounting policies adopted are consistent with those of the previous financial year, except for the following Accounting Standards and Interpretations, mandatorily adopted for annual period beginning on 1 July 2013:

Reference	Title
AASB 10	**Consolidated Financial Statements** AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and UIG-112 *Consolidation - Special Purpose Entities.* The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. AASB 10 had no impact on the Group as all subsidiaries are 100% controlled.
AASB 11	**Joint Arrangements** AASB 11 replaces AASB 131 *Interests in Joint Ventures* and UIG-113 *Jointly- controlled Entities - Non-monetary Contributions by Ventures*. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method. AASB 11 had no impact on the group as the Group has no joint arrangements.
AASB 12	**Disclosure of Interests in Other Entities** AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates, structured entities and subsidiaries with non-controlling interests. AASB12 has only impacted certain disclosures.
AASB 13	**Fair Value Measurement** AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. AASB 13 has not had a significant impact on the Group’s disclosures.

AASB 119 (Revised 2011)	**Employee Benefits** The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. AASB 119 has not had a significant impact on the group's disclosures.
AASB 2012-2	**Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities** AASB 2012-2 principally amends AASB 7 *Financial Instruments: Disclosures* to require disclosure of the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position, when all the offsetting criteria of AASB 132 are not met. AASB 2012-2 has not had a significant impact on the group's disclosures.
AASB 2011-4	**Amendments to Australian Accounting Standards to *Remove Individual Key Management Personnel Disclosure Requirements* [AASB 124]** This amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies. It also removes the individual KMP disclosure requirements for all disclosing entities in relation to equity holdings, loans and other related party transactions. AASB 2011-4 has resulted in a change to the Group's disclosures.

(e) New Accounting Standards and Interpretations that are not yet mandatory

Australian Accounting Standards and Interpretations that have been recently issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ending 30 June 2014. These are outlined in the table below:

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 2012-3	Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities	AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	1 January 2014	1 July 2014

AASB 9/IFRS 9	Financial Instruments	On 24 July 2014 The IASB issued the final version of IFRS 9 which replaces IAS 39 and includes a logical model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The final version of IFRS 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.	1 January 2018	1 July 2018
AASB 2013-3	Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets	AASB 2013-3 amends the disclosure requirements in AASB 136 Impairment of Assets. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.	1 January 2014	1 July 2014
AASB 2014-1 Part A -Annual Improvements 2010–2012 Cycle	Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2010–2012 Cycle	AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle. Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items: ► AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'. ► AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137. ► AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets. ► AASB 116 & AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts. ► AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.	1 July 2014	1 July 2014

AASB 2014-1 Part A -Annual Improvements 2011–2013 Cycle	Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2011–2013 Cycle	Annual Improvements to IFRSs 2011–2013 Cycle addresses the following items: ▶ AASB13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132. ▶ AASB140 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3.	1 July 2014	1 July 2014
AASB 1031	Materiality	The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed. AASB 2014-1 Part C issued in June 2014 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031. The amendments are effective from 1 July 2014.	1 January 2014	1 July 2014
AASB 2013-9	Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments	The Standard contains three main parts and makes amendments to a number Standards and Interpretations. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards. Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 Financial Instruments.	Part B: 1 January 2014 Part C: 1 January 2015	Part B: 1 July 2014 Part C: 1 July 2015
AASB 2014-4 Amendments to AASB 116 and AASB 138	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	AASB 116 and AASB 138 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The AASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The AASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.	1 January 2016	1 July 2016

IFRS 15*	Revenue from Contracts with Customers	In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which replaces IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations (IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue—Barter Transactions Involving Advertising Services) The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation Early application of this standard is permitted.	1 January 2017	1 July 2017

* This IFRS amendment has not yet been adopted by the AASB.

The potential effect of these Standards is yet to be fully determined. For Standards and Interpretations effective from 1 July 2014, it is not expected that the new Standards and Interpretations will significantly affect the Group's financial position or performance.

(f) Statement of Significant Accounting Policies

(i) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Eurogold Limited (Eurogold) and its subsidiaries as at 30 June 2014 (the Group).

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Business combinations are accounted for using the acquisition method.

(ii) Investment in associate

The Group's investment in associate is accounted for using the equity method of accounting in the consolidated financial statements. The associates are entities over which the Group has significant influence and that are neither subsidiaries nor joint ventures.

The financial statements of associates are used by the Group to apply the equity method of accounting.

Investment in the associate is carried at cost plus post acquisition changes in the Group's share of net assets of the associate, less any impairment of value.

(iii) Revenue recognition

Revenue is recognised and measured at the amount received or receivables to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of Services
Revenue is recognised as the services are rendered in accordance with the terms and conditions of the contract.

Interest
Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset) to the net carrying amount of the financial asset.

(iv) Income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

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

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- where the deferred income tax arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary difference associated with investments in subsidiaries, deferred tax asset are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(v) Goods and services tax
Revenues, expenses and assets (other than receivables) are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(vi) *Plant and equipment*

Cost

Plant and equipment is stated at cost less any accumulated depreciation and any impairment losses.

The cost of an item of plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation

Depreciation is provided on a straight-line basis on all plant and equipment. Major depreciation periods are:

	Life	Method
Plant & equipment	3 – 5 years	straight line

Impairment

The carrying values of plant and equi pment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an a sset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any indication of impairment exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset.

Derecognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period the item is derecognised.

(vii) *Impairment of non-financial assets*

At each reporting date, the consolidated entity assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the consolidated entity makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

As assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

(viii) *Trade and other receivables*

All trade and other receivables are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the receivable.

Receivables from related parties are recognised and carried at the nominal amount due. Interest is taken up as income on an accrual basis.

Allowance for doubtful debts are made based on an assessment made by directors on the recoverability of receivables.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Consolidated Entity will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(ix) *Investments and other financial assets*

Investments and financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale assets. The classification depends on the purpose for which the investments were acquired.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Recognition and Derecognition

All regular way purchases and sales of financial assets are recognised on the trade date, ie the date that the Group 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 market place. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or been transferred.

(i) 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 with the intention of making a profit. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on financial assets held for trading are recognised in profit or loss and the related assets are classified as current assets in the statement of financial position.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets, principally equity securities that are designated as available-for-sale or are not classified as any of the two preceding categories. After initial recognition available-for-sale securities are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance date.

(x) *Leased assets*

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the specific asset or assets and the arrangement conveys a right to use the asset.

Operating Leases
Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Payments made under operating leases are expensed in the profit or loss on a straight-line basis over the term of the lease.

(xi) Trade and other payables
Liabilities for trade creditors and other amounts are carried at amortised cost and represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year that are unpaid and arise when the consolidated entity becomes obliged to make future payments in respect of the purchase of these goods and services.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accruals basis.

(xii) Foreign currency translation
Both the functional and presentation currency of Eurogold Limited is Australian dollars (A$).

Transactions in foreign currencies are initially recorded in the functional currency at 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. All exchange differences in the consolidated financial report are taken to the profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the original transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(xiii) Employee benefits
Liabilities arising in respect of wages and salaries, annual leave and any other employee entitlements expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates expected to be paid when the liability is settled. All other employee entitlement liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the interest rates attaching to national government bonds that have terms to maturity approximating the terms of the related liability are used.

(xiv) Provisions
A provision is recognised when a legal or constructive obligation exists as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the consolidated entity expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(xv) Cash and cash equivalents
Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the statement of financial position.

(xvi) Issued Capital
Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity, net of tax, as a reduction of the proceeds received.

(xvii) *Earnings Per Share*

Basic earnings per share (EPS) is calculated by dividing the net profit attributable to members of the Company for the reporting period, after excluding any costs of servicing equity (other than dividends on ordinary shares), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and other non-discretionary changes in revenues and expenses that would result from the dilution of potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares of the Company adjusted for any bonus issue.

(xviii) *Interest-bearing loans and borrowings*

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

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised.

(xix) *Judgements in applying accounting policies and key sources of estimation uncertainty*

(i) *Significant accounting estimates and assumptions*

The carrying value of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are outlined below.

(ii) *Impairment of plant and equipment*

Plant and equipment is reviewed for impairment if there is any indication that the carrying amount may not be recoverable. Where a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of 'value in use' (being the net present value of expected cash flows of the relevant cash generating unit) and 'fair value less costs to sell'.

Variations to the expected cash flows, and the timing thereof, could result in significant changes to any impairment losses recognised, if any, which could in turn impact future financial results.

(iii) *Impairment of available-for-sale assets*

The Group holds a number of available-for-sale financial assets and follows the requirements of *AASB 139 Financial Instruments: Recognition and Measurement* in determining when an available-for-sale asset is impaired.

In making these estimates of assumptions the Group assessed the duration and extent to which the fair value is less than cost.

(iv) *Brinkley Mining PLC Functional Currency*

Under the accounting standards, each entity within the group is required to determine its functional currency. As Brinkley does not represent a foreign operation and is an extension of the parent entity, it has been determined that its functional currency is Australian dollars.

(xx) *Share based payment transactions*

Equity settled transactions

The Group provides benefits to its employees, including key management personnel (KMP), in the form of share based payments, whereby employees render services in exchange for shares or rights over shares (equity settled transactions).

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 (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the profit or loss is the product of:

the grant date fair value of the award;

(i) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and

(ii) the expired portion of the vesting period.

The charge to the profit or loss for the period is the cumulative amount as calculated above less the amounts already charged to previous periods. There is a corresponding entry to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised if the terms had not been modified. An additional 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 a cancelled award and designated as a replacement award on the date that it was granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share

		Consolidated Group	
		2014	**2013**
3.	**REVENUE AND EXPENSES**	**$**	**$**
(i)	**Revenue and other income**		
	Revenue		
	Interest received	331	7,550
	Total revenue	**331**	**7,550**
	Other income		
	Other income	40,608	60,166
(ii)	**Employee benefits expense**		
	Salaries and wages	150,481	189,807
	Superannuation	13,919	17,221
	Provision for employee entitlements	4,698	4,556
		169,098	**211,584**
4.	**INCOME TAX**		
(a)	Major components of income tax expense for the years ended 30 June 2014 and 2013 are:		
	Statement of comprehensive		
	Current income tax		
	Current income tax charge	-	-
	Deferred income tax		
	Relating to origination and reversal of temporary differences	-	-
	Income tax expense/(benefit) reported in the Statement of Comprehensive Income	**-**	**-**
(b)	Amounts charged or credited directly to equity		
	Deferred income tax related to items charged (credited) directly to equity		
	Gain on available for sale investments	-	-
	Income tax reported in equity	-	-
(c)	A reconciliation of income tax expense applicable to accounting loss before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate for the years ended 30 June 2014 and 2013 is as follows:		
	Accounting loss before tax	(758,929)	(10,515,219)
	At statutory income tax rate of 30% (2013: 30%)	(227,679)	(3,154,566)
	Temporary timing differences	(82,103)	(150,864)
	Deferred tax assets not brought to account	309,781	3,305,430
	Income tax expense / (benefit) reported in the Statement of Comprehensive Income	**-**	**-**
	Tax Losses		
	Unused tax losses for which no tax loss has been booked as a deferred tax asset	2,736,271	1,787,175
	Potential benefit at 30%	820,881	536,152

(d) **Deferred income tax**

Deferred income tax at 30 June relates to the following:

	Statement of Financial Position 2014 $	Statement of Financial Position 2013 $
CONSOLIDATED		
Deferred tax liabilities		
Available for sale asset	-	-
Deferred tax assets		
Provision for employee entitlements	8,569	5,483
Listed investments held for trading	66,933	29,954
Investment in associate	2,648,360	5,162,437
Accruals	7,500	7,500
Tax Losses (Australia)	820,881	641,221
Tax Losses (UK)	22,007	22,007
Unrealised losses on shares	623,224	585,959
Net deferred tax asset	4,197,474	6,454,561
Temporary differences not recognised	(4,197,474)	(6,454,561)
Deferred tax benefit recognised	-	-

Deferred tax assets have not been brought to account at 30 June 2014 (other than to offset deferred tax liabilities) because the directors do not believe it is appropriate to regard realisation of the future tax benefit as probable. These benefits will only be obtained if:

(i) the Consolidated Entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the loss to be realised;
(ii) the Consolidated Entity complies with the conditions for the deductibility imposed by law including the continuity of ownership and/or business tests; and
(iii) no changes in tax legislation adversely affect the Consolidated Entity in realising the benefit from the deduction for the loss.

	Consolidated Group 2014 $	Consolidated Group 2013 $

5. TRADE AND OTHER RECEIVABLES

	2014 $	2013 $
Current		
Other receivables	24,791	22,353
	24,791	**22,353**

Terms and conditions relating to the above financial instruments:
(i) There are no receivables that are aged past the payment terms, and all receivables are current.

6. INVESTMENTS CLASSIFIED AS HELD FOR TRADING

	2014 $	2013 $
Shares in listed entities classified as held for trading	3,890	6,653
	3,890	**6,653**

Investments classified as held for trading consist of investments in ordinary shares. The fair value has been determined by Level 1 in accordance with the hierarchy disclosed in Note 26(c).

	Consolidated Group 2014 $	2013 $
7. AVAILABLE FOR SALE FINANCIAL ASSETS		
Shares in listed entities classified as available for sale (1)	169,379	508,136
	169,379	**508,136**

(1) Investments classified as available for sale consist of investments in ordinary shares. The fair value has been determined by Level 1 in accordance with the hierarchy disclosed in Note 26(c).

8. INVESTMENT IN ASSOCIATE

	2014 $	2013 $
Listed		
Dragon Mining Limited	2,594,845	3,459,726
	2,594,845	**3,459,726**

At 30 June 2014, the group held a 24.34% (2013: 24.34%) interest in Dragon Mining Limited ("Dragon"). Significant influence is achieved as Mr Gunzburg and Mr Dew are also directors of Dragon and therefore, Dragon is equity accounted.

During the year the previous impairment charge of the investment was reversed by $2,594,845.

a) Movements in the carrying amount of the Group's investment in associates

	2014 $	2013 $
Dragon Mining Limited		
Carrying value - opening	3,459,726	14,703,822
Cost of shares purchased during the year	-	513
Share of (loss)/gain after income tax	(2,139,915)	618,095
Share of other comprehensive income	(1,319,811)	(1,588,672)
Impairment of carrying value	-	(10,274,032)
Reversal of previous impairment	2,594,845	-
Carrying value – end of the year	**2,594,845**	**3,459,726**
Fair value of investment	**2,594,845**	**3,459,726**

The equity accounted carrying value of Eurogold's investment in Dragon was reduced to nil due to the Company taking up its share of Dragon's losses as an associate. A reversal of impairment of $2.6 million was recognised to reflect the investment at its fair value at 30 June 2014 based on the market value of the shares at that date.

On 28 February, 2014 Dragon announced its audited financial results for the full year ending 31 December 2013 which include a reported net loss after tax of $15.8 million compared to $4.3 million in the 2012 financial year.

On 5 August 2014, Dragon announced a restatement of the results to 31 December 2013 increasing its total comprehensive loss by $6.9 million to $34.2 million. This restatement is reflected in Eurogold's share of Dragon's losses as above.

On 27 August 2014, Dragon released its results for the half year to 30 June 2014 restating a total comprehensive loss for the period of $1.6 million. This restatement is reflected in Eurogold's share of Dragon's losses as above.

	Consolidated Group	
	2014	**2013**
	$	**$**

b) Summarised financial information

The following table illustrates summarised financial information of Dragon Mining Limited for the year ended 30 June 2014:

	$000's	**$000's**
Extract from the associate's statement of financial position		
Current assets	26,571	33,190
Non-current assets	13,630	32,145
	40,201	65,335
Current liabilities	(12,523)	(16,584)
Non-current liabilities	(12,660)	(8,150)
Net assets	15,018	40,601
Share of associate's net assets	**3,655**	**9,882**

Extract from the associate's statement of comprehensive income	**2014 $000**	**2013 $000**
Revenue	82,286	82,721
Expenses	(100,593)	(85,350)
Loss for the period before taxation	(18,307)	(2,629)
Income tax expense	1,056	(2,351)
Loss for the period after income tax	(17,251)	(4,980)
Adjustment for accounting policy differences*	3,575	7,524
	13,676	2,544
Share of associate's (loss)/profit after income tax	(3,323)	618
Less amount not booked due to carrying value reducing to zero**	1,183	-
Share of associate's (loss)/profit after income tax shown in Statement of Comprehensive Income	**(2,140)**	**618**
Other comprehensive income	(8,421)	(6,527)
Share of associate's other comprehensive income	(2,050)	(1,588)
Less amount not booked due to carrying value reducing to zero**	730	-
Share of other comprehensive income shown in Statement of Comprehensive Income	**(1,320)**	**(1,558)**

*Dragon Mining Limited's accounting policy is to expense exploration and evaluation expenditure as incurred, while the Group's accounting policy is to capitalise exploration and evaluation expenditure on qualifying areas of interest.
** Share of associates profit/(loss) after income tax and other comprehensive income reduced proportionately.

	Consolidated Group 2014 $	2013 $
9. PROPERTY, PLANT AND EQUIPMENT		
Plant and Equipment - at cost	26,802	26,802
Accumulated depreciation	(25,359)	(23,915)
	1,443	**2,887**
Net carrying amount at end of year	**1,443**	**2,887**

Reconciliation
Reconciliations of the net carrying amounts of property, plant and equipment at the beginning and end of the current and previous financial year.

	2014 $	2013 $
Plant and equipment		
Net carrying amount at beginning of year	2,887	4,636
Additions	-	-
Depreciation expense	(1,444)	(1,749)
Net Carrying amount at end of year	**1,443**	**2,887**

10. PAYABLES AND ACCRUALS

	2014 $	2013 $
Sundry accruals	86,489	135,010
	86,489	**135,010**

Trade and other payables are generally unsecured, interest free and on 30 day terms.

11. LOAN PAYABLE

	2014 $	2013 $
Loan payable	1,821,074	1,155,800
	1,821,074	**1,155,800**

As a consequence of the Dragon rights issue conducted in 2012 Eurogold entered into a loan facility with the Allied Group of Hong Kong, the Company's largest shareholder, to accept an offer of finance to cater for any shortfall in the Dragon issue which might exceed Eurogold's cash reserves.

The term of the loan expired on 7 February 2013 and the Company entered into a Variation of Loan Agreement to vary the facility amount to HK$8,200,000 (A$1,023,196) and extended the term for a further 12 months. A renewal fee of A$50,000 was paid to AP Finance Limited on 18 February 2013 in consideration of the Lender agreeing to the Variation. Outstanding interest for the 12 months was paid in full in February 2013.

A second variation to the loan facility was entered into on 1 August 2013 to increase the loan amount to HK$11,800,000 (A$1,700,000) and extended the term to 31 December 2014. A renewal fee of A$60,000 was charged.

A third variation to the loan facility was entered into on 13 March 2014 to extend the term of the loan to 31 December 2015. At 30 June 2014, the loan facility of HK$11,800,000 has been drawn down in full.

On 13 March 2014, the Company entered into a new Loan Agreement with AP Finance Limited with a total facility of HK$3,920,000 (A$0.6 million). A draw down of HK$1,120,000 (A$0.2 million) was made during the period. The term of the loan is to 15 December 2015 with interest at 12% per annum. The term of the loan is to 15 December 2015 with interest at 12% per annum. This further loan amount of HK$2,800,000 remains undrawn as at 30 June 2014.

The total amount outstanding at 30 June 2014 is HK$12,920,000 (A$1,821,074).

12. PROVISIONS

	2014 $	2013 $
Annual Leave	10,394	5,701
Long Service Leave	18,169	12,576
	28,563	**18,277**

	Consolidated Group 2014 $	2013 $
13. CONTRIBUTED EQUITY		
Issued and paid up capital		
Ordinary shares fully paid	60,039,582	60,039,582
	60,039,582	60,039,582

a) Movements in fully paid ordinary shares on issue:	**Number of Shares**	**Total $**
Balance at 1 July 2013	86,805,402	60,039,582
Shares issued	-	-
Balance at 30 June 2014	86,805,402	60,039,582

(b) Terms and conditions of contributed equity

Ordinary Shares
Ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(c) Share based payment plans

Recognised Share Based Payment Expenses
The expense recognised for employee services received during the year for equity–settled share based payment transactions was $NIL (2013: $NIL).

Type of Share Based Payment Plans
Share options are issued at the discretion of the board and subject to shareholder approval, as required. The Company has in place an Employee Option Scheme. To date no options have been issued under this plan.

Summary of Options Granted Under Share Based Payment Plan

(i) The opening balance of options on issue was 4,000,000
(ii) The 4,000,000 options on issue expired on 30 June 2014.

(d) Capital management

When managing capital, defined as equity and debt facilities, management's objective is to ensure that the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders.

14. RESERVES	Consolidated Group 2014 $	2013 $
Employee benefit reserve	45,680	45,680
Foreign currency translation reserve	(2,420,222)	(1,100,411)
Net unrealised gain reserve	65,227	15,411
	(2,309,315)	(1,039,320)
Employee Benefit Reserve		
Balance at beginning of year	45,680	45,680
Value of options granted and expensed	-	-
Balance at the end of the year	**45,680**	**45,680**
Foreign Currency Translation Reserve		
Balance at beginning of year	(1,100,411)	553,492
Share of foreign currency translation reserve of associate	(1,319,811)	(1,653,903)
Balance at the end of the year	**(2,420,222)**	**(1,100,411)**

14. RESERVES (CONT)

	Consolidated Group 2014 $	Consolidated Group 2013 $
Net Unrealised Gain Reserve		
Balance at beginning of year	15,411	34,869
Fair value loss on available for sale financial assets	(338,754)	(84,689)
Share of net unrealised gain reserve of associate	-	65,231
Impairment loss reclassified to profit and loss	388,570	-
Balance at end of year	**65,227**	**15,411**

* The employee benefit reserve is used to record the value of share based payments made to employees.
** The net unrealised gain reserve is used to record the movements in the fair value of available for sale investments.
*** The foreign currency translation reserve is used to record the translation of foreign subsidiaries.

15. ACCUMULATED LOSSES

	Consolidated Group 2014 $	Consolidated Group 2013 $
Balance at the beginning of the year	(56,083,210)	(45,567,991)
Net loss attributable to members	(758,929)	(10,515,219)
	(56,842,139)	**(56,083,210)**

16. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents in the Statement of Financial Position

	2014	2013
Cash balances comprises		
Cash at bank	**29,906**	**74,721**

(b) Reconciliation of the net loss after tax to the net cash flows from operations

	2014	2013
Net loss after income tax	(758,929)	(10,515,219)
Depreciation	1,444	1,749
Share of associate's loss/(profit)	2,139,915	(618,095)
Gain on sale of investments	-	(60,166)
Fair value adjustment on investments classified as held for trading	2,762	35,992
(Reversal)/impairment in investment in associate	(2,594,845)	10,274,032
Draw down fees	118,817	50,000
Foreign exchange loss	45,967	156,216
Impairment of available for sale financial assets and other assets	513,570	-
Changes in Assets & Liabilities:		
Receivables	(2,438)	(2,383)
Prepayments	26,663	(7,015)
Payables	(95,911)	7,349
Provisions	10,286	(41,002)
Net cash used in operating activities	**(592,699)**	**(718,542)**

17. EXPENDITURE COMMITMENTS

There are no expenditure commitments not recorded in the Financial Statements.

18. SEGMENT INFORMATION

For management purposes, the Group is organised into one main operating segment, which invests in equity securities. All the Group's activities are interconnected and all significant operating decisions are based on analysis of the Group as one segment. The financial results of the segment are the equivalent of the financial statements as a whole. All revenues and non-current assets are considered to be derived and held in one geographical area being Australia.

19. LOSS PER SHARE

Basic earnings per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year adjusted by any bonus issue.

Diluted earnings per share amounts are calculated by dividing the net loss attributable to ordinary equity holders of the parent adjusted for the weighted average number of ordinary shares and dilutive potential ordinary shares of the Company adjusted by any bonus issue.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Consolidated Group	
	2014	**2013**
Net Loss used in calculating basic and diluted EPS	(758,929)	(10,515,219)
Weighted average number of ordinary shares for basic earnings per share	86,805,402	86,805,402
Effect of dilution:		
Share options	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	**86,805,402**	**86,805,402**
Basic and diluted loss per share (cents per share) for the year attributable to members of Eurogold Limited	(0.87)	(12.11)

20. DIRECTORS & KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel

(i) 2014

P L Gunzburg	Executive Chairman	
A Dew	Director (Non-Executive)	
C Procter	Director (Non-Executive)	

(ii) 2013

P L Gunzburg	Executive Chairman	
A Dew	Director (Non-Executive)	(appointed 23 October 2012)
C Procter	Director (Non-Executive)	(appointed 29 November 2012)
B Montgomery	Director (Non-Executive)	(resigned 29 November 2012)
N MacLachlan	Director (Non-Executive)	(resigned 23 October 2012)

(b) Employment Contracts

There are no employment contracts in place between the Company and directors and executives.

(c) Compensation by Category: Key Management Personnel

	Consolidated Group	
	2014	**2013**
	$	**$**
Short-Term employee benefits	50,000	139,423
Post Employment	4,625	12,548
	54,625	**151,971**

Key management personnel are those directly accountable and responsible for the operational management and strategic direction of the Company and the consolidated entity.

(d) Options granted to Key Management Personnel

The Company currently has an Options Scheme in place however during the year no options were under the scheme.

(e) Loans to Key Management Personnel

There are no loans between the entity and KMP.

	Consolidated 2014 $	Consolidated 2013 $
21. AUDITORS' REMUNERATION		
Amounts received or due and receivable by Ernst & Young Australia for:		
- an audit or review of the financial report of the entity and any other entity in the consolidated entity	**38,500**	**38,500**

22. RELATED PARTY DISCLOSURES

Other related party transactions

(a) **Wholly Owned Group Transactions**

Details of interests in controlled entities are set out in Note 23. Details of dealings are set out below.

(b) **Ultimate Parent Company**

Eurogold Limited is the ultimate Australian holding Company.

(c) **Transactions with Other Related Parties**

Dragon Mining Limited is a related party as Messrs Gunzburg and Dew are also directors of Dragon. The Company rents office space on an arms-length basis from Dragon Mining Limited. The total amount paid to Dragon Mining for the year ended 30 June 2014 was $44,509 (2013: $35,401).

23. CONTROLLED ENTITIES

Consolidated entities of Eurogold Limited	Country of Incorporation	Equity Interest held by consolidated entity %	
		2014	2013
Eurogold Holdings (Bermuda) Limited (i)	Bermuda	100.0	100.0
Eurogold (Bermuda) Limited (i)	Bermuda	100.0	100.0
Esmeralda Mining Limited (i)	Cyprus	100.0	100.0
Brinkley Mining PLC (i)	UK	100.0	100.0

All interests in controlled entities are in the ordinary shares of these entities
(i) These entities are not audited locally by Ernst & Young

24. EVENTS SUBSEQUENT TO BALANCE DATE

On 1 September 2014 Eurogold announced that it intends to sell its 24.34% stake in Dragon Mining Limited. The Company intends to offer its Dragon shares to Eurogold shareholders on a pro-rata basis. Eurogold shareholders will be able to subscribe for additional Dragon Shares in excess of their entitlement. Any Dragon Shares not purchased by Eurogold shareholders will be purchased by Allied Properties Resources Limited ("Allied") pursuant to the terms of an underwriting agreement entered into by the Company and Allied.

The sale price is $0.13 per Dragon Share and it is expected that a total of $2,811,077 (before costs) will be raised.

ASX has confirmed that the proposed transaction will not require shareholder approval under Chapter 11 of the Listing Rules. In addition, ASX has also provided a waiver from the operation of Listing Rule 10.1.

It is intended that the funds raised by the disposal of the Dragon Shares will be used to repay the Company's outstanding loan with AP Finance Limited. The remainder of the funds will be used by the Company to explore prospective investment opportunities for Eurogold, and working capital.

The Company believes that the disposal of the Dragon Shares and repayment of the AP Finance Limited debt will be an important step in the process of restoring the Company's quotation on ASX.

Following the completion of the transaction described above, the Company will give consideration to conducting a small capital raising by way of private placement or rights issue, in order to strengthen the Company's position to investigate new investment opportunities.

25. PARENT ENTITY – EUROGOLD LIMITED

Information relating to Eurogold Ltd:	**2014** **$**	**2013** **$**
Current assets	43,755	240,585
Total assets	2,802,210	4,204,136
Current liabilities	1,914,082	1,287,082
Non-current liabilities	-	-
Total liabilities	1,914,082	1,287,082
Issued capital	60,039,582	60,039,582
Accumulated losses	(59,197,134)	(57,118,390)
Reserves	45,680	(4,138)
Total shareholders' equity	888,128	2,917,054
Loss of the parent entity	(2,078,260)	(834,482)
Total comprehensive loss of the parent entity	(2,102,464)	(84,638)

Refer to note 27 for disclosure of contingent asset and liabilities of the parent entity.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Financial Risk Management Objectives & Policies

The Group's principal financial instruments comprise cash, investments in listed companies, some of which are classified as held for trading and some considered long term investments and trading assets and short term borrowings.

The main purpose of these financial instruments is to raise finance for the Group operations. The Group has various other financial assets and liabilities such as receivables and payables, which arise directly from its operations.

The Executive Chairman is responsible for managing the risks associated with the Group's financial investments and reporting to the board of directors.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

(b) Interest Rate Risk - Consolidated

The consolidated entity's exposure to interest rate risks and the effective interest rates of financial assets (excluding investments in controlled entities and associates) and financial liabilities are as follows:

Financial Instrument	Floating Interest Rate		Non-Interest Bearing		Fixed Interest Rate		Total	
	2014 $	2013 $	2014 $	2013 $	2014 $	2013 $	2014 $	2013 $
(i) Financial Assets								
Cash assets	29,906	74,721	-	-		-	29,906	74,721
Receivables	-	-	24,792	22,233	-	-	24,792	22,233
Total financial assets	**29,906**	**74,721**	**24,792**	**22,233**	**-**	**-**	**54,698**	**96,954**
(ii) Financial Liabilities								
Payables	-	-	86,489	135,010	1,821,074	1,155,800	1,907,563	1,290,810
Total financial liabilities	**-**	**-**	**86,489**	**135,010**	**1,821,074**	**1,155,800**	**1,907,563**	**1,290,810**

The effect of a 1% increase in interest rates on the cash assets would be to decrease the loss after tax by $299 (2013: $747) and increase equity by $299 (2013: $747)
The effect of a 1% decrease in interest rates on the cash assets would be to increase the loss after tax by $299 (2013: $747) and decrease equity by $299 (2013: $747).

c) Fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements at amortised cost approximates their respective fair values.

The Fair Value Hierarchy assigns rankings to the level of judgment which is applied in deriving inputs for valuation techniques used to measure fair value. The three levels of the Fair Value Hierarchy are as follows:

Level 1 is the preferred input for valuation and reflects unadjusted quoted prices in active markets for identical assets or liabilities which the economic entity can access at the end of the reporting period. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 is the valuation of assets and liabilities either directly or indirectly based upon market observables other than quoted prices. For example: financial assets with fair values based on broker quotes; investments in private equity funds with fair values obtained via fund managers; and assets that are valued using the economic entities' own models whereby the majority of assumptions are market observable.

Level 3 relates to inputs that are unobservable. Unobservable inputs means that fair values are determined in whole or in part using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Investments classified as held for trading and held for sale consist of investments in ordinary shares. Fair value of the investments has been determined as described in Level 1 above.

(d) Credit Risk Exposures

The consolidated entity's maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the carrying amount, net of any allowance for doubtful debts, of those assets as indicated in the statement of financial position.

Concentration of Credit Risk

The consolidated entity is not materially exposed to any individual overseas country or individual customer.
The company only banks with reputable financial institutes with good credit ratings.

(e) Liquidity Risk

The consolidated entity's objective is to maintain consistency of funding via the raising of equity or short term loans as and when required. The contractual maturity analysis of trade payables of $86,489 is set out in note 10 and $1,821,074 interest bearing liabilities as set out in note 11. Refer to note 27 in reference to the royalty payment guaranteed by the Company.

(f) Market Price Risk on Held for Trading and Available for Sale Investments

The amount of investments recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 2.

At 30 June 2014 and prior year 30 June 2013 had share prices moved, as illustrated in the table below, after tax loss would have decreased/(increased) and equity would have been impacted as follows:

2014	**Carrying Value**	**Share Price Movement +5%**		**Share Price Movement -5%**	
		Loss	**Equity**	**Loss**	**Equity**
Shares in listed entities held for trading *	3,890	194	194	(194)	(194)
Shares in listed entities held available for sale*	169,379	8,469	8,469	(8,469)	(8,469)
Total	**173,269**	**8,663**	**8,663**	**(8,663)**	**(8,663)**

2013	**Carrying Value**	**Share Price Movement +5%**		**Share Price Movement -5%**	
		Loss	**Equity**	**Loss**	**Equity**
Shares in listed entities held for trading *	131,653	6,583	-	(6,583)	-
Shares in listed entities held available for sale*	508,136	-	25,407	-	(25,407)
Total	**639,789**	**6,583**	**25,407**	**(6,583)**	**(25,407)**

* All investments reflect unadjusted quoted prices in an active market and are classified as level 1

(f) Foreign Exchange Risk

As set out in Note 11 the Company's outstanding loan from it major shareholder at 30 June 2014 is HK$12,920,000.

At 30 June 2014 had the $AUD:$HK moved, as illustrated in the table below, after tax loss would have decreased/(increased) would have been impacted as follows:

	Carrying Value	**AUD Strengthen 5%**		**AUD Weaken 5%**	
		Loss	**Equity**	**Loss**	**Equity**
Amount due to Major shareholder	1,821,074	86,846	86,846	(95,840)	(95,840)

27. CONTINGENT ASSET AND LIABILITIES

a) On 10 July 2007 the Group disposed of its Ukrainian gold mining assets for US$5,000,000. US$3,000,000 of this amount remains outstanding and will only be received upon the purchaser meeting a regulatory milestone relating to the advancement of the Saulyak Gold Project. With the sale of its Ukrainian gold mining assets the Group is no longer exposed to operating in the Ukraine other than in relation to the receipt of US$3,000,000 which is still due in relation to the sale of assets.

b) The Company has guaranteed the payment of a royalty by Saulyak Limited Liability Company based on gold output from the Saulyak Gold Project which was disposed of by the Company on 10 July 2007. The royalty is up to 2% net smelter royalty per ounce of gold produced form the Saulyak Gold Project payable only in respect of ounces of gold produced over 750,000 ounces in total. Gold production from the Saulyak Gold Project has not yet commenced with the current owners of the project yet to secure a mining licence. At the time of the sale of the project by the Company total reserves identified at the project were not in excess of 750,000 ounces.

C) The Company is a defendant in proceedings commenced by the Republic of Yugoslavia in Yugoslavia seeking damages for the accidental overflow of treatment water from the tailings dam spillage on 30 January 2000. Eurogold believes that it has no liability to the Republic of Yugoslavia with respect to those proceedings.

The Directors' of the Company declare that:

1) In the opinion of the directors:

   (a) the financial statements, notes and additional disclosures included in the directors' report designated as audited, of the Company and of the consolidated entity are in accordance with the *Corporations Act 2001,* including:

   (b) complying with Accounting Standards and the Corporations Regulations 2001; and

   (c) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2014 and of their performance for the year ended on that date;

2) The financial report also complies with International Financial Reporting Standards.

3) Subject to the matters set out in Note 2(b), in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

4) 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 made in accordance with a resolution of the Board of Directors signed on 30 September 2014.

Peter Gunzburg
Executive Chairman
30 September 2014

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Independent auditor's report to the members of Eurogold Limited

Report on the financial report

We have audited the accompanying financial report of Eurogold Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated 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 of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply 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 about 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 judgment, 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 controls relevant to the entity'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 the entity's internal controls. 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.

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*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

a. the financial report of Eurogold Limited is in accordance with the *Corporations Act 2001*, including:

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

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

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

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.

Opinion

In our opinion, the Remuneration Report of Eurogold Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001.*

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2(b) in the financial report. The matters set forth in Note 2(b) indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Ernst & Young

G H Meyerowitz
Partner
Perth
30 September 2014

Additional information as required by the Australian Securities Exchange and not shown elsewhere in this Report is as follows. The information is current as at 27 October 2014.

Statement of Listed Shareholdings

The distribution of ordinary fully paid shares in the Company is as follows:

Spread of Holdings			Number of Holdings	Number of Units	Percentage Issued Capital
1	-	1,000	82	29,809	0.03
1,001	-	5,000	114	338,598	0.39
5,001	-	10,000	51	388,211	0.45
10,001	-	100,000	95	3,717,448	4.28
100,0001	&	Over	57	82,331,336	94.85
			399	**86,805,402**	**100.00**

Unmarketable Parcels

The number of shareholders holding less than a marketable parcel is 268 totalling 1,026,143 shares.

Number of Securities on Issue

The following equity securities were on issue as at 27 October 2014.

- 86,805,402 fully paid ordinary shares

Top 20 Shareholders as a 27 October 2014

Name	Number of Shares	% Shares Held
Allied Properties Resources Limited	31,567,706	36.37
Sun Hung Kai Investment Services Ltd (Client Katong Assets Ltd A/C)	5,112,810	5.89
Paul Gabriel Sharbanee (The Scorpion Fund)	5,048,704	5.82
HSBC Custody Nominees (Australia) Limited	3,627,755	4.18
Citicorp Nominees Pty Limited	3,252,031	3.75
Supergun Pty Ltd (Bricklanding Super A/C)	3,200,942	3.69
Shah Nominees Pty Ltd	3,000,000	3.46
Jay Hughes and Linda Hughes (Inkese Super A/C)	2,561,588	2.95
Fitel Nominees Limited	2,529,953	2.91
UOB Kay Hian (Hong Kong) Limited (Clients A/C)	1,700,000	1.96
JP Morgan Nominees Australia Limited (Cash Income A/C)	1,445,532	1.67
Rivista Pty Ltd (Trading Account)	1,275,000	1.47
Ianaki Semerdziev	1,148,123	1.32
Nicholas Charles Richards	1,043,535	1.20
Mikado Corporation Pty Ltd (JFC Superannuation A/C)	1,000,000	1.15
DJ Super WA Pty Ltd (DJ Super WA Fund A/C)	956,125	1.10
ABN Amro Clearing Sydney Nominees Pty Ltd (Custodian A/C)	914,292	1.05
Sun Hung Kai Investment Services Ltd (Clients A/C)	909,000	1.05
Nefco Nominees Pty Ltd	876,145	1.01
National Nominees Limited	857,016	0.99
	72,026,257	**82.97**

The portion of shares held by the 20 largest shareholders in the Company is 82.97%.

Voting Rights

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

Restricted Securities

There are no restricted securities.

Substantial Holders as at 27 October 2014

The substantial shareholders pursuant to the provisions of the Corporations Act and listed in the Company's register is as follows:

Name	Number of Shares	% Shares Held
Allied Properties Resources Limited	31,567,706	36.37
Mr Paul Gabriel Sharbanee	8,048,704	9.28
Sun Hung Kai Investment Services Ltd (Client Katong Assets Ltd A/C)	5,112,810	5.89

Option Holders as at 27 October 2014

Nil