



ABN 82 111 005 282

## INTERIM FINANCIAL REPORT

for the half-year ended 31 December 2018

*The information contained in this condensed report is to be read in conjunction with Dragon Mountain Gold Limited's 2015 annual report and announcements to the market by Dragon Mountain Gold Limited during the half-year period ending 31 December 2018*

## DRAGON MOUNTAIN GOLD LIMITED

AND CONTROLLED ENTITIES

ABN 82 111 005 282

INTERIM FINANCIAL REPORT 31 DECEMBER 2018

### Corporate Directory

#### Current Directors

Robert Gardner	<i>Executive Chairman</i>
Paul Piercy	<i>Non-executive Director</i>
Jay Stephenson	<i>Non-executive Director</i>

#### Company Secretary

Jay Stephenson

#### Registered Office

Street: 182 Claisebrook Road  
Perth WA 6000  
Postal: PO Box 52  
West Perth WA 6872  
Telephone: +61 (0)8 6141 3500  
Facsimile: +61 (0)8 6141 3599  
Email: [info@dragonmountain.com.au](mailto:info@dragonmountain.com.au)  
Website: [www.dragonmountain.com.au](http://www.dragonmountain.com.au)

#### Securities Exchange

Australian Securities Exchange  
Street: Level 40, Central Park  
152-158 St Georges Terrace  
Perth WA 6000  
ASX Code: DMG

#### Corporate Adviser

Wolfstar Group Pty Ltd  
Street: Barringtons House  
283 Rokeby  
West Perth WA 6005  
Telephone: +61 (0)8 6141 3500

#### Share Registry

Computershare Registry Services  
Street: Level 11, 172 St Georges Terrace  
Perth WA 6000  
Postal: GPO Box D182  
Perth WA 6840  
Telephone: 1300 850 505 (investors within Australia)  
+61 (0)3 9415 4000

#### Auditor










Crowe Horwarth Perth  
Street: level 5, 45 St Georges Terrace  
Perth WA 6000  
Postal: PO Box P1213  
Perth WA 6844  
Telephone: +61 0(8) 9481 1448

#### Solicitors to the Company

Hotchkin Hanly Lawyers  
Postal: PO Box Z5004 St Georges Terrace  
Perth WA 6831  
Telephone: +61 0(8) 9218 7700

## **INTERIM FINANCIAL REPORT 31 DECEMBER 2018**

### **Contents**

 Directors' Report .....	1
 Auditor's Independence Declaration .....	2
 Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income .....	3
 Condensed Consolidated Statement of Financial Position .....	4
 Condensed Consolidated Statement of Changes in Equity .....	5
 Condensed Consolidated Statement of Cash Flows .....	6
 Notes to the Condensed Consolidated Financial Statements .....	7
 Directors' Declaration .....	13
 Independent Auditor's Review Report .....	14

# DRAGON MOUNTAIN GOLD LIMITED

AND CONTROLLED ENTITIES

ABN 82 111 005 282




INTERIM FINANCIAL REPORT 31 DECEMBER 2018

## Directors' Report

Your Directors present their report together with the condensed consolidated financial statements of Dragon Mountain Gold Limited (**the Company**) and its controlled entities (**the Group**) for the half-year ended 31 December 2018.

### 1. Directors

The names of Directors in office at any time during or since the end of the half-year are:

	Mr Robert Gardner	<i>Executive Chairman</i>
	Mr Paul Piercy	<i>Non-executive Director</i>
	Mr Jay Stephenson	<i>Non-executive Director</i>
	<b>(the Board)</b>	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### 2. Review of Operations

The company is continuing its due diligence on one potential acquisition and anticipate completion of its investigation at the end of March 2019 and will inform the market of its findings at that time.

The Group had \$1,952,193 in cash reserves at the end of the half-year. Directors are continuing to manage the Group's cash flow in this difficult capital raising environment for junior exploration companies.

#### 2.1. Operating results

The loss of the Company for the half-year amounted to \$326,764 (31 December 2017: \$327,617), The consolidated loss of the Group for the half-year excluding minority equity interests amounted to \$326,764 (December 2017: \$327,617). The increase is wholly attributable to the reduction in interest received during the current financial year.

#### 2.2. Financial position

The net assets of the Group have decreased by \$326,764 from \$2,122,896 at 30 June 2018 to \$1,796,132 at 31 December 2018.

As at 31 December 2018, the Group's cash and cash equivalents decreased from \$2,584,935 at 30 June 2018 by \$632,742 to \$1,952,193 and had working capital of \$1,778,600 (June 2018: \$2,105,524 working capital).

### 3. Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the half-year ended 31 December 2018 has been received and can be found on page 2 of the half year report.



**ROBERT GARDNER**

Chairman

Dated this Thursday, 14 March 2019



**AUDITOR'S INDEPENDENCE DECLARATION**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Dragon Mountain Gold Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect to Dragon Mountain Gold Limited and the entities it controlled during the period.

A handwritten signature in blue ink, appearing to read "Cyrus Patell", written over the printed name.

**CROWE HORWATH PERTH**

A handwritten signature in blue ink, appearing to read "Cyrus Patell", written over the printed name.

**CYRUS PATELL**  
Partner

Signed at Perth, 14 March 2019

*Crowe Horwath Perth is a member of Crowe Horwath International, a Swiss Verein. Each member of Crowe Horwath is a separate and independent legal entity. Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omissions of financial services licensees.*



# DRAGON MOUNTAIN GOLD LIMITED

AND CONTROLLED ENTITIES

ABN 82 111 005 282

INTERIM FINANCIAL REPORT 31 DECEMBER 2018

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the half-year ended 31 December 2018

	Note	31 December 2018 \$	31 December 2017 (restated) \$
<b>Continuing operations</b>			
Revenue	3	22,108	34,214
		22,108	34,214
Accounting and audit fees		(42,032)	(41,757)
Computers and communications		(4,436)	(6,341)
Depreciation		(525)	(138)
Employee benefits expenses	4	(212,126)	(212,126)
Exploration expenditure expensed	10	-	(23,502)
Insurance		(6,861)	(6,187)
Impairment		-	-
Occupancy Expenses		(55,300)	(55,360)
Professional fees		(11,953)	(298)
Regulatory expenses		(15,149)	(13,475)
Other expenses		(490)	(2,647)
Loss before tax	4	(326,764)	(327,617)
Income tax benefit / (expense)		-	-
<b>Loss from continuing operations</b>		<b>(326,764)</b>	<b>(327,617)</b>
<b>Net loss for the year</b>		<b>(326,764)</b>	<b>(327,617)</b>
<b>Other comprehensive income, net of income tax</b>			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss:			
Foreign currency movement		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to members of the parent entity</b>		<b>(326,764)</b>	<b>(327,617)</b>
<b>Profit/(loss) for the period attributable to:</b>			
Non-controlling interest		-	-
Owners of the parent		(326,764)	(327,617)
<b>Total comprehensive income/(loss) attributable to:</b>			
Non-controlling interest		-	-
Owners of the parent		(326,764)	(327,617)
<b>Earnings per share:</b>			
Basic loss per share (cents per share)	5	¢ (0.12)	¢ (0.10)

The condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

## Condensed Consolidated Statement of Financial Position

as at 31 December 2018

	Note	31 December 2018 \$	30 June 2018 \$
<b>Current assets</b>			
Cash and cash equivalents	6	1,952,193	2,584,935
Trade and other receivables	7	88,678	23,819
Other current assets	8	12,122	11,436
<b>Total current assets</b>		2,052,993	2,620,190
<b>Non-current assets</b>			
Plant and equipment	9	5,410	5,936
Exploration and evaluation assets	10	-	-
<b>Total non-current assets</b>		5,410	5,936
<b>Total assets</b>		2,058,403	2,626,126
<b>Current liabilities</b>			
Trade and other payables	11	261,744	498,679
Short-term financial liabilities		527	4,551
<b>Total current liabilities</b>		262,271	503,230
<b>Total liabilities</b>		262,271	503,230
<b>Net assets</b>		1,796,132	2,122,896
<b>Equity</b>			
Issued capital	12	33,081,803	33,081,803
Reserves		1,040	1,040
Accumulated losses		(31,286,711)	(30,959,947)
<b>Total equity</b>		1,796,132	2,122,896

The condensed consolidated statement of financial position is to be read in conjunction with the accompanying notes.

## DRAGON MOUNTAIN GOLD LIMITED

AND CONTROLLED ENTITIES

ABN 82 111 005 282

INTERIM FINANCIAL REPORT 31 DECEMBER 2018

### Condensed Consolidated Statement of Changes in Equity

for the half-year ended 31 December 2018

	Issued Capital \$	Accumulated Losses \$	Foreign Exchange Translation Reserve \$	Total \$
Balance at 1 July 2017 (restated)	33,081,803	(30,303,445)	1,040	2,779,398
Loss for the half-year attributable to the owners of the parent	-	(327,617)	-	(327,617)
Other comprehensive income for the half-year attributable to the owners of the parent	-	-	-	-
<b>Total comprehensive income for the half-year attributable to the owners of the parent</b>	-	(327,617)	-	(327,617)
Transactions with owners, directly in equity				
Shares issued during the half-year	-	-	-	-
Transaction costs	-	-	-	-
Options issued during the half-year	-	-	-	-
<b>Balance at 31 December 2017</b>	<b>33,081,803</b>	<b>(30,631,062)</b>	<b>1,040</b>	<b>2,451,781</b>
Balance at 1 July 2018	33,081,803	(30,959,947)	1,040	2,122,896
Loss for the half-year attributable to the owners of the parent	-	(326,764)	-	(326,764)
Other comprehensive income for the half-year attributable to the owners of the parent	-	-	-	-
<b>Total comprehensive income for the half-year attributable owners of the parent</b>	-	(326,764)	-	(326,764)
Transactions with owners, directly in equity				
Shares issued during the half-year	-	-	-	-
Transaction costs	-	-	-	-
Options issued during the half-year	-	-	-	-
<b>Balance at 31 December 2018</b>	<b>33,081,803</b>	<b>(31,286,711)</b>	<b>1,040</b>	<b>1,796,132</b>

The condensed consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.



## Condensed Consolidated Statement of Cash Flows

for the half-year ended 31 December 2018

	Note	31 December 2018 \$	31 December 2017 \$
Cash flows from operating activities			
Payments to suppliers and employees		(650,826)	(328,508)
Interest received		22,108	36,419
<b>Net cash used in operating activities</b>		<b>(628,718)</b>	<b>(292,089)</b>
Cash flows from investing activities		-	-
<b>Net cash used in investing activities</b>		<b>-</b>	<b>-</b>
Cash flows from financing activities			
Payment of borrowings		(4,024)	-
<b>Net cash provided by financing activities</b>		<b>(4,024)</b>	<b>-</b>
Net increase/(decrease) in cash held		(632,742)	(292,089)
Cash and cash equivalents at the beginning of the year		2,584,935	3,019,956
Change in foreign currency held		-	-
<b>Cash and cash equivalents at the end of the year</b>	6	<b>1,952,193</b>	<b>2,727,867</b>

*The condensed consolidated statement of cash flows is to be read in conjunction with the accompanying notes.*

# DRAGON MOUNTAIN GOLD LIMITED

AND CONTROLLED ENTITIES

ABN 82 111 005 282

INTERIM FINANCIAL REPORT 31 DECEMBER 2018

## Notes to the Condensed Consolidated Financial Statements

for the half-year ended 31 December 2018

### NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These are the condensed consolidated financial statements and notes of Dragon Mountain Gold Limited (**the Company**) and its controlled entities (**the Group**). Dragon Mountain Gold is a public company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The financial statements were authorised for issue on 14 March 2019 by the Directors of the Company.

#### a. Basis of preparation

This interim financial report is intended to provide users with an update on the latest annual financial statements of Dragon Mountain Gold Limited and controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in combination with the annual financial statements of the Group for the year ended 30 June 2018, together with any public announcements made during the half-year.

##### i. Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

##### ii. Financial position

The consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

##### iii. Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

#### b. Critical Accounting Estimates and Judgments

The critical estimates and judgements are consistent with those applied and disclosed in the 30 June 2018 annual report.

## Notes to the Condensed Consolidated Financial Statements

for the half-year ended 31 December 2018

### NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### c. Adoption of new and revised accounting standards

In the half year ended 31 December 2018, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2018. It has been determined by the Group that, there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to Group accounting policies, including:

##### AASB 9 Financial Instruments

*AASB 9 Financial Instruments* introduces new classification and measurement models for financial assets and is applicable to annual reporting periods beginning on or after 1 January 2018.

The Group previously and currently accounts for its financial assets and financial liabilities at amortised cost which is consistent with a treatment permitted under *AASB 9 Financial Instruments*. The Group has no financial assets or financial liabilities that are required to be measured at fair value.

The Group does not consider there to be any material impact from the adoption of *AASB 9 Financial Instruments*.

##### AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018.

The Group does not currently have any contracts with customers in place.

The Group does not consider there to be any material impact from the adoption of *AASB 15 Revenue from Contracts with Customers*.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2018. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

### NOTE 2 PRIOR PERIOD CORRECTION

During the year management rectified an error in its rent accruals, which has arisen in prior periods due to an oversight of the financial statements which previously did not include this. The financial statements have been restated to include rent payable totaling \$385,000 excluding GST for prior periods dated back to 1 January 2015.

Details in relation to the impact of this correction on comparative financial information are disclosed as follows:

#### a. Statement of profit or loss and other comprehensive income (extract)

##### For the year ended at 31 December 2018

Loss before income tax  
Income tax benefit  
  
Loss from continuing operations  
  
Other comprehensive income, net of income tax  
  
Total comprehensive income attributable to members of the parent entity

Previously reported 31 December 2017 \$	Effect of accounting correction \$	31 December 2017 (restated) \$
(272,617)	(55,000)	(327,617)
-	-	-
(272,617)	(55,000)	(327,617)
-	-	-
(272,617)	(55,000)	(327,617)

# DRAGON MOUNTAIN GOLD LIMITED

AND CONTROLLED ENTITIES

ABN 82 111 005 282

INTERIM FINANCIAL REPORT 31 DECEMBER 2018

## Notes to the Condensed Consolidated Financial Statements

for the half-year ended 31 December 2018

### NOTE 3 REVENUE AND OTHER INCOME

#### a. Revenue

Interest revenue

Total revenue

31 December 2018 \$	31 December 2017 \$
22,108	34,214
22,108	34,214

### NOTE 4 LOSS BEFORE INCOME TAX

The following significant revenue and (expense) items are relevant in explaining the financial performance:

#### a. Employee benefits:

- ▶ Wages and salaries
- ▶ Superannuation expenses

Total personnel expenses

31 December 2018 \$	31 December 2017 \$
209,089	209,089
3,037	3,037
212,126	212,126

### NOTE 5 EARNINGS PER SHARE (EPS)

#### a. Reconciliation of earnings to profit or loss

Loss for the year attributable to owners of the Company

Loss attributable to non-controlling equity interest (NCI)

Loss used in the calculation of basic EPS

31 December 2018 \$	31 December 2017 \$
(326,764)	(327,617)
-	-
(326,764)	(327,617)

#### b. Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS

31 December 2018 No.	31 December 2017 No.
263,530,515	263,530,515

#### c. Earnings per share

Basic EPS (cents per share)

5c.i

31 December 2018 ¢	31 December 2017 ¢
(0.12)	(0.10)

- i. The Group does not report diluted earnings per share, as dilution is not applied to annual losses generated by the Group, and the company has no dilutionary equity instruments on issue as at 31 December 2018 (31 December 2017: nil).

## Notes to the Condensed Consolidated Financial Statements

for the half-year ended 31 December 2018

### NOTE 6 CASH AND CASH EQUIVALENTS

	31 December 2018 \$	30 June 2018 \$
Cash at bank	123,055	510,797
Short-term term deposits	1,829,138	2,074,138
	1,952,193	2,584,935

### NOTE 7 TRADE AND OTHER RECEIVABLES

	Note	31 December 2018 \$	30 June 2018 \$
<b>Current</b>			
Value-added tax receivable	7a	79,347	14,000
Other receivables		9,331	9,819
		88,678	23,819

a. Value-added tax (VAT) is a generic term for the broad-based consumption taxes that the Group is exposed to such as: Australia (GST) and in China (VAT).

### NOTE 8 OTHER ASSETS

	31 December 2018 \$	30 June 2018 \$
<b>Current</b>		
Prepayments	12,122	11,436
	12,122	11,436

### NOTE 9 PLANT AND EQUIPMENT

	31 December 2018 \$	30 June 2018 \$
<b>Non-current</b>		
Furniture and fittings	16,740	16,740
Accumulated depreciation	(12,161)	(11,844)
	4,579	4,896
Office equipment	54,213	54,213
Accumulated depreciation	(53,382)	(53,173)
	831	1,040
Leasehold improvements	211,499	211,499
Accumulated amortisation	(211,499)	(211,499)
	-	-
Software	4,940	4,940
Accumulated depreciation	(4,940)	(4,940)
	-	-
Total plant and equipment	5,410	5,936

# DRAGON MOUNTAIN GOLD LIMITED

AND CONTROLLED ENTITIES

ABN 82 111 005 282

INTERIM FINANCIAL REPORT 31 DECEMBER 2018

## Notes to the Condensed Consolidated Financial Statements

for the half-year ended 31 December 2018

### NOTE 10 EXPLORATION AND EVALUATION ASSETS

#### Non-current

Exploration expenditure capitalised:

Exploration and evaluation phase at cost

Net carrying value

#### a. Movements in Carrying Amounts

Balance at the beginning of year

Expenditure during the period

Exploration written off

Carrying amount at the end of year

Note	31 December 2018 \$	30 June 2018 \$
	-	-
10a	-	-
	-	-
	-	-
	-	-
	-	-

### NOTE 11 TRADE AND OTHER PAYABLES

#### Current

Unsecured

Trade payables

Other creditors and accruals

Related party rent payable

31 December 2018 \$	30 June 2018 \$
8,978	93,551
71,266	20,128
181,500	385,000
261,744	498,679

a. Trade payables are non-interest bearing and usually settled within the lower of terms of trade or 30 days.

### NOTE 12 ISSUED CAPITAL

Note

Fully paid ordinary shares at no par value

12a

31 December 2018 No.	30 June 2018 No.	31 December 2018 \$	30 June 2018 \$
263,530,515	263,530,515	33,081,803	33,081,803
6 months to 31 December 2018 No.	12 months to 30 June 2018 No.	6 months to 31 December 2018 \$	12 months to 30 June 2018 \$
263,530,515	263,530,515	33,081,803	33,081,803
-	-	-	-
263,530,515	263,530,515	33,081,803	33,081,803

#### a. Ordinary shares

At the beginning of the period

Shares issued during the period:

At reporting date

### NOTE 13 EVENTS SUBSEQUENT TO REPORTING DATE

There have been no material events subsequent to reporting date.



**Notes to the Condensed Consolidated Financial Statements**

for the half-year ended 31 December 2018

**NOTE 14 FINANCIAL INSTRUMENTS**

The Group's financial instruments consist of those which are measured at amortised cost including trade and other receivables and trade and other payables. The carrying amounts of these financial assets and liabilities approximate their fair value.

**NOTE 15 COMMITMENTS**

There are no changes in the Company's commitments or contingencies reported at 30 June 2018.

**NOTE 16 OPERATING SEGMENTS****a. Identification of reportable segments**

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors on a regular basis and in determining the allocation of resources. Management continually assesses the Group's segments and has identified the operating segments based on the one principal location based on geographical areas and therefore different regulatory environments – Australia (December 2017: Australia). The Group operates predominantly in the minerals exploration and evaluation industry.

Due to its reduced activity, the Group currently operates materially in one business segment being Australia and one geographical segment as described above. Accordingly, the financial information presented in the statement of comprehensive income and statement of financial position is the same as that presented to the chief operating decision maker.

## DRAGON MOUNTAIN GOLD LIMITED

AND CONTROLLED ENTITIES

ABN 82 111 005 282


INTERIM FINANCIAL REPORT 31 DECEMBER 2018

### Directors' Declaration

The Directors of the Group declare that:

1. The condensed financial statements and notes, as set out on pages 3 to 12, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Accounting Standard AASB 134: *Interim Financial Reporting*; and
  - (b) give a true and fair view of the financial position as at 31 December 2018 and of the performance for the half-year ended on that date of the Consolidated Group.
2. In the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 303(5) of the *Corporations Act 2001* and is signed for and on behalf of the directors by:



**ROBERT GARDNER**

Chairman

Dated this Thursday, 14 March 2019



**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF DRAGON MOUNTAIN GOLD LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Dragon Mountain Gold Ltd and the entities it controlled during the half-year (the Consolidated Entity) which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors declaration for the consolidated entity.

*Directors' Responsibility for the Financial Report*

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

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2018 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Dragon Mountain Gold Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

*Independence*

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

Crowe Horwath Perth is a member of Crowe Horwath International, a Swiss Verein. Each member of Crowe Horwath is a separate and independent legal entity. Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omissions of financial services licensees.

## DRAGON MOUNTAIN GOLD LIMITED

AND CONTROLLED ENTITIES

ABN 82 111 005 282

INTERIM FINANCIAL REPORT 31 DECEMBER 2018



### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Dragon Mountain Gold Limited is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in blue ink, appearing to read "Crowe Horwath Perth".

**CROWE HORWATH PERTH**

A handwritten signature in blue ink, appearing to read "Cyrus Patell".

**CYRUS PATELL**

Partner

Signed at Perth, 14 March 2019

Crowe Horwath Perth is a member of Crowe Horwath International, a Swiss Verein. Each member of Crowe Horwath is a separate and independent legal entity. Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omissions of financial services licensees.

