ANNUAL REPORT
2014

MINERA
GOLD LIMITED

Corporate Directory

Directors

Ryan Welker
Non-Executive Chairman

Ashley Pattison
Managing Director and CEO

Angeline Hicks
Executive Director
and Company Secretary

Brett Heath
Non-Executive Director

Miguel Cardozo
Non-Executive Director

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MINERA
GOLD LIMITED

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Chairman's Report

Dear Shareholder,

I present to you the ninth annual report for Minera Gold Limited. Whilst only new to the Chairman position, I have been a director of Minera Gold since October 2013. It is my primary goal as Chairman of your company to regain the confidence of the market by focusing on simplifying our operations and businesses to make them more cost effective with a keen focus on return on investment. I am committed to making Minera Gold a very lean and nimble company, which uses capital effectively to generate returns for investors, despite difficult market conditions.

Today your company is 100% focused on its copper and gold operations in Southern Peru that now comprise more than 23,000ha of concessions and mining rights following the completion of the San Santiago de Acari copper/gold processing plant and copper exploration asset acquisition in September 2014.

The settlement of the acquisition and securing of the associated funding of US$7.5M over the six months more than 12 months in the making and was achieved primarily from non-dilutive funding sources for our shareholders in extremely difficult market conditions for small to mid-cap miners and explorers globally.

My fellow directors and our senior management team at Minera Gold are very excited that we can now focus our attention on 2015 and most importantly delivering on our aspirations of being in total control of its copper and gold mining operations and processing through its 100% owned centralised processing plant.

Importantly, our implemented business plan is designed to make sure that we are profitable at today's commodity prices and that the business can also weather any falls in copper and gold prices from where they are today for the long term through sustaining low cost operations in both our copper and gold businesses. Conversely, this plan will also see Minera Gold in a very strong position financially should copper and gold prices reverse their recent downward trend in 2015 in addition to a declining Australian dollar versus the US dollar which a majority of our revenue is denominated in.

In addition to our processing plant asset, the Company's substantial exploration portfolio in Southern Peru is very exciting as evidenced by recent results released form the Brasil copper mine in close proximity to the processing plant. These assets cannot be forgotten irrespective of the current environment. Not only is exploration paramount to building a resource and reserve base to support ongoing production in our copper and gold businesses, it is also crucial for our exploration team to follow up on important discoveries made over the past 18 months within our Torrecillas and Tumi properties and to with the current work on the San Santiago copper concession packages.

Whilst the environment for Minera Gold and our fellow explorers and miners has been extremely trying over the past 24 months, we as a board are of the firm belief that the asset base of Minera Gold combined with very supportive financial backing of SilverStream SEZC and our shareholders that 2015 will be a major turning point for your company.

Whilst the company has had it challenges, the tireless work of your board and the management team will in my opinion reap rewards for all shareholders in 2015.

Ryan Welker

Chairman

Review of Operations

OPERATING RESULTS AND FINANCIAL PERFORMANCE

Consolidated operating result for the period

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

Consolidated	December 2014 $'000	December 2013 $'000
Loss before income tax – continuing operations	(8,958)	(1,824)
Income tax expense	-	-
Loss attributable to equity holders of the company	(8,958)	(1,824)

The consolidated entity reported a consolidated EBITDA (excluding non-cash impairment of assets charges) for the financial year ended 31 December 2014 of $4.95 million (loss) (31 December 2013: $4.99 million loss).

A reconciliation of EBITDA to loss before tax from continuing operations is provided as follows:

	December 2014 $'000	December 2013 $'000
EBITDA (1)	(4,947)	(4,985)
Asset Impairments	(95)	(763)
Brazil deconsolidation adjustment	-	5,799
Interest and finance charges	(3,733)	(1,137)
Depreciation and amortisation	(183)	(732)
Share-based employee expenses	-	(6)
Tax expense	-	-
Loss after income tax	(8,958)	(1,824)

(1) Earnings before interest, tax, depreciation and amortisation

During the period, the Company operated predominantly in Peru. On 19 September 2014 the Group acquired the San Santiago gold and copper processing plant in Peru, and the surrounding copper exploration and mining concessions. The acquisition of the Processing Plant and surrounding concessions provides commodity diversification and immediate cash flow to Minera.

Operations in Peru earned a net loss after tax of $2.6 million for the twelve months ending 31 December 2014 (31 December 2013: $2.8 million loss).

Review of Operations

CORPORATE UPDATE

Key management personnel

On the 23 July 2014, Mr Kevin Puil, a nominated appointee of SilverStream SEZC, resigned from his position as non-executive director following his resignation from the CEO role of SilverStream SEZC. On 13 October 2014, Mr Brett Heath, the President and a Director of SilverStream SEZC, was appointed as the replacement nominee.

On 8 April 2015, Dr Alex Losada-Calderon stepped down from the role of Chairman and Director, but is to remain a technical consultant to the Company during a transition period. Following the resignation of Dr Losada-Calderon, Mr Ryan Welker assumed the role of Chairman and Ms Angeline Hicks joined the board as an Australian based Executive Director.

On 8 April 2015, the Board also welcomed the appointment of Dr Miguel Cardozo as a new Peruvian based Non-Executive Director.

Equity raisings

During the year ending 31 December 2014, the Company completed one capital raising, by way of a placement of shares to existing institutional investors, raising $0.77 million (2013: $0.76 million). On 18 December 2014, the Company issued 221,428,571 fully paid ordinary shares in Minera Gold Limited at $0.0035 per share, raising $775,000. The placement shares were issued with one free attaching quoted MIZOA option on the basis of one option for every two shares issued. On 10 February 2015, the Company issued 110,714,287 MIZOA options in respect of this.

FINANCING ARRANGEMENTS

SilverStream SEZC financing

On 3 September 2014, Minera entered into a binding financing agreement to acquire 100% of the San Santiago de Acari gold-copper processing plant located in Otapara, Southern Peru. The funding package was a combination of funding from Minera's existing precious metals streaming partner, SilverStream SEZC and through a mezzanine debt facility with an existing shareholder of Minera Gold, DCF Capital LLC.

Minera entered into two key agreements with SilverStream SEZC during the year to fund the ongoing operations in Peru as follows:

Gold Streaming Agreement

The gold purchase agreement (GPA) covers the Torrecillas Gold Project and surrounding concessions and US$5 million will be provided over four instalments as follows;

a) US$1.6 million was provided upon the signing of the agreement in April 2014;
b) US$1.4 million on achieving two consecutive months of 1,000 ounces or more of production at a cash cost of less than US$1,300;
c) US$1.0 million on achieving three consecutive 1,600 ounces or more of production at a cash cost of less than US$1,300; and
d) US$1.0 million on achieving three consecutive months of 2,000 ounces or more of production at a cash cost of less than US$1,300.

To date, the Company has received US$3.0M in payments from SilverStream under the GPA, following the performance milestones on the second tranche being waived by SilverStream on 14 September 2014 so that the Company could use this finance as part of the acquisition financing for the San Santiago de Acari Plant. The third and fourth drawdown milestones have not been satisfied by the Company as of yet.

SilverStream's commitment under the GPA is secured by a registered mortgage over the concessions of the Torrecillas Gold Project until such time that 2,500 ounces have been delivered to SilverStream under the GPA agreement.

Silver Purchase Agreement

Under the silver purchase agreement (SPA) SilverStream has committed a total financing package of US$4.5M, of which US$3M was used towards the acquisition of the San Santiago de Acari processing plant, with the remaining US$1.5M to be drawn on satisfaction of the Company receiving both regulatory approval and supply commitments to process a minimum of 500tpd of copper through the plant.

Review of Operations

SilverStream's commitment under the GPA is secured by registered mortgages over:

1. The fixed and moveable equipment comprising the San Santiago de Acari processing plant;
2. The concessions acquired and leased;
3. A share pledge over the five entities acquired as part of the acquisition and also Mundo Peru Gold SAC, the entity licenced to operate the gold CIL circuit.

More details on this financing arrangement can be found at Note 15.

Anglo Pacific Group plc financing

On 16 December 2014, the Anglo Pacific Group PLC and Minera Gold Limited signed a ninth amendment to the standstill and forbearance deed that has resulted in final repayment of the debt owing to APG being deferred until 31 December 2015.

The following additional conditions and amendments to the debt facility have been agreed:

(i) repayment of A$0.1 million of the principal was completed on 18 December 2014 by way of issue of 28,571,429 fully paid ordinary shares at a deemed issue price of $0.0035; and
(ii) a repayment of $150,000 in cash, which was completed on 29 January 2015; and
(iii) a repayment of $250,051.80 which was due on 31 March 2015 (representing $182,000 of the Principal and $68,051.80 of interest), and
(iv) by 30 June 2015 a repayment of $400,149.12 (representing $355,000 of the Principal and $45,149.12 of interest), and
(v) by 30 September 2015 a repayment of $482,526 (representing $450,000 of the Principal and $32,526 of interest), and
(vi) the remainder of the outstanding balance on or before 31 December 2015.

The payment due on 31st March has not been met. Minera Gold will incur a facility fee of $50,000 to ensure that the ninth amendment to the standstill and forbearance deed is kept in good standing. More details on this financing arrangement can be found at Note 13.

Convertible loan facilities

During the period the Company received $5.5 million (2013: $2.5 million) in new funds through the issue of new convertible notes which were subscribed for by major shareholders and new investors in the Company.

In September 2014, the outstanding unsecured convertible loan facilities which were entered into in September 2013 and April 2014 were renegotiated and extended until 30 June 2015. These convertible loans are on substantially the same terms however note holders can only convert their loan positions into equity after a period of six months from the date the loan variations were executed.

As part of the San Santiago de Acari processing plant acquisition, DCF Capital LLC, a major shareholder of the Company provided a secured mezzanine convertible loan to Minera Gold. The Loan is for an amount of US$1.25M and is secured pari passu with the SPA security packaged granted to SilverStream SEZC. The facility with DCF Capital is interest only at a rate of 18% per annum and has a term of 2 years. The facility can convert into equity in the Company at any time, at the lower of $0.004 per share or a 20% discount to the 10 day VWAP prior to conversion.

More details on this financing arrangement can be found at Note 13.

April 2015 recapitalisation

In April 2015 Minera announced a funding package totalling US$1.55 million. Capital raised will be used to progress the copper and gold mining operations at the San Santiago de Acari Processing Plant in Peru.

The raising was completed with the ongoing support of our major shareholders and also the introduction of new investors to the Company.

The new convertible loan series, with existing major shareholders raised $1.4m cash. The term of the loans is for twelve months and they expire on 31 March 2016. Further details can be found in Note 13.

The Company has also secured the financial backing of a new investor syndicate who have provided a secured term debt commitment of US$1.0M that can be drawn by the Company at any time before 30 June 2015 for the purpose of acquiring gold from third party suppliers. The facility, once put in place will rank pari passu with the SilverStream SPA security in accordance with the terms of an agreement signed between the Company, DCF Capital LLC and SilverStream SEZC on 23 March 2015.

Review of Operations

PRODUCTION AND EXPLORATION ASSET OVERVIEW

Safety

The Company reported 3 LTI's for the year (2013: 5 LTI's). The Company is pleased to report that the safety performance at Torrecillas Gold operations has vastly improved over previous periods. We continue striving to reach international safety benchmarks.

In addition, the safety performance at the San Santiago plant since acquisition in September 2014 also improved with no LTI's since acquisition.

Acquisition of San Santiago De Acari processing plant and surrounding copper concessions

On 19 September 2014, the Company acquired the fully permitted San Santiago de Acari gold/copper processing plant and surrounding mining concessions for an acquisition price of US$5.0 million post purchase price adjustments. The plant is located just 180kms from the Company's Torrecillas Gold Project, in the well-known Iron Copper Oxide Gold (ICOG) district of Cobrepampa.

The purchase was primarily non-dilutive to Minera shareholders and immediately earnings accretive, saving the Company approximately US$1m per annum on the Company's previous gold processing arrangements.

The acquisition provides project and commodity diversification for the Company, including access to historical copper mines (that the Company is evaluating for recommencement of production) and control of an operating copper toll treatment business generating positive cash flow for Minera.

After the Company's recent upgrade to the gold circuit at the plant that was completed by the Company prior to acquisition, the processing plant complex consists of three operational processing circuits including:

- 100 tonnes per day (TPD) CIP gold circuit refurbished and commissioned in August at a cost of US$900k
- 250TPD copper sulphide circuit (allowing the transition from toll treatment to mix of owner operator and toll treatment)
- 80TPD copper oxide circuit (currently idle – studies underway to source oxide ore from within the acquired concessions)

The operations have national grid power, sufficient water supply from controlled bores and are located within a supportive mining community.

Review of Operations

COPPER BUSINESS OPERATIONAL REVIEW

Copper flotation circuit

The mill's copper floatation operations continue today as 100% toll treatment of third party ore that is primarily sourced from within concessions controlled by the Company.

Twenty-six groups are permitted to mine within these concessions on the basis that all ore is processed through the San Santiago processing plant at fixed fees and parties pay a participation fee on the concentrate produced.

The Company treated more than 13,900 tonnes of copper sulphide ore for since acquisition of the plant on a toll treatment basis. In addition, the Company sold 244 tonnes of premium concentrate that it either owned outright or under marketing agreements for some of our customers.

Copper Oxide Circuit

An internal study has been completed by the Company on re-opening the mill's third business stream – its copper oxide circuit. The results are encouraging, given the supply of high grade ore available from within the Company's concession packages and the competitive pricing of key consumables secured for this processing route.

Subsequent to period end, the study finalising the CAPEX and working capital requirements for re-commencing processing with this circuit was completed and a decision to recommence the processing of copper oxides is pending Board approval.

The circuit was last active in October 2014 under the control of a third party. Reopening of the copper oxide circuit would see a third revenue stream come on line for the Company.

As at 31 December 2014, a stockpile of approximately 900 tonnes of copper oxide material at an average grade of 3.2% Cu is on the ROM pad owned by Minera. In addition to this ore, the Company has received strong enquiries from local miners to recommence copper oxide purchasing and processing.

Tailings Dam Project

The Company and its consultants are currently finalising the technical design and implementation plan to enable our tailings management to transition from wet tails storage to dry stacking of tails at the processing plant. Quality second hand equipment has been identified and ordered with the project plan working towards commissioning by the end of the June 2015.

The dry stacking of tails is essential for the following reasons:

1. improving the stability of existing facility – phase 1;
2. decommission of the existing wet tails dams – phase 2; and
3. improving water and re-agent management – water, flocculants and re-agents are re-used in the processing circuit rather than going to the tailings.

Current designs indicate that this project will provide the Group with 5-7 years of additional tailings storage within the existing processing plant concession boundaries.

Copper Exploration

As part of the San Santiago acquisition, mining rights were acquired by Minera Gold for historical mines that were partially developed at a historical cost of approximately US$3.5M. The principal focus of mining today from these veins is sulphide material that has averaged approximately 4.5% Cu with gold and silver credits based on historical processing.

Minera is focusing its owner operator efforts on the Brasil and Decimo Quinto mines where high grade copper sulphide and oxide potential with large ore shoots have been identified and intersected at depth by previous mining activities.

A technical review of Brasil and Decimo Quinto continued during the period since acquisition of the concessions and is ongoing by the Company's team in conjunction with potential contractors for the re-commencement of mining of those two mines in the first half of the current financial year. Small-scale production is being undertaken at these mines by contracted artisanal groups while the Company assesses the mine plans and equipment requirements to increase mining on a larger scale.

Exploration results on the Brasil mine released subsequent to period end illustrate why this mine is a very exciting development opportunity for the Company and ore deliveries processed in January and February had an average feed grade of more than 7% Cu, based on processing results and produced a very clean premium concentrate for sale to the Company's interim offtake partner.

Review of Operations

GOLD BUSINESS OPERATIONAL REVIEW

Gold Operations – Peru (100% owned)

The gold business of Minera Gold transformed in late 2014 from relying upon third party toll treatment to owner operator processing at the CIP circuit within the San Santiago de Acari processing plant.

Up until 31 March 2014, the Company continued to mine and deliver gold ore from its Torrecillas gold project to a third party processing plant.

Gold sales of 394ozs were derived from the processing of more than 2,750 tonnes of low grade stock piles accumulated on the ROM pad at Torrecillas over the preceding 18 months. This ore averaged 6gt of contained gold and is a mixture of oxide and sulphide ore sourced from within the Torrecillas Gold Project. Revenue from the sale of low grade stockpiles was US$505,000 at a realised cash margin of US$702/oz, illustrating the high cost of current toll treatment charges and further supporting the decision to move to owner operator processing.

Financial Year	Gold Sales (US$)	Gold Production (ounces)	Average AISC cost (1) (US$)	EBITDA (prior to corporate overhead allocation)
31 December 2014	$0.96 million	952	$1,081(2)	$1.5 million loss(3)
31 December 2013	$5.37 million	4,234	$1,748	$1.4 million loss

(1) AISC refers to "all in sustainable cost"
(2) AISC for the 2014 Financial Year relates to gold production under the current toll treatment model, which is representative of the gold business going forward for the Company.
(3) Termination costs post closure of Torrecillas of US$612,000 are excluded from these numbers.

Post 31 March 2014, all ore mined from the Torrecillas gold project was stockpiled for future processing at the Company's owned gold processing plant.

In August 2014, the company commissioned the refurbished gold circuit producing the Company's first gold pour late in August 2014. Since commissioning, gold production for the remainder of the period was 558oz.

Gold production and processing was however constrained during the last quarter of the period as a result of working capital issues encountered in the business, post acquisition of the San Santiago operations. Ore deliveries from third parties were curtailed during that period also as the Company experienced issues with the existing toll treatment ore supply contracts in place at the time of the acquisition. The contracts previously signed with local mine operators were terminated due to sporadic or non-delivery of ore feed to the processing plant.

As a result of these issues the working capital required to restart the gold circuit was significantly higher and only resolved at the end of the December 2014 quarter via the successful capital raising of $1.1 million.

As at 31st December 2014, the Company had total ore stockpiles of 240 tonnes of high grade material (>25 grams per tonne gold (g/t Au)) on the run-of-mine (ROM) pad at Torrecillas, and at the plant.

Additional sources of quality gold ore continue to be assessed to ensure full compliance with local laws in relation to the processing of third party material.

Torrecillas Gold Project – Peru (100% owned)

Exploration activities at the Torrecillas gold project were limited during 2014 due to trial mining and development of the three new vein structures in production, being Tessie I, Ady and Rebeca.

Development of the Tessie I high grade vein recommenced during the March quarter and stoping activities continued for a six month period. The development associated with stoping continued to provide solid geological information confirming that the high grade veins are set within a much larger lower grade system that warrants a systematic exploration targeting the larger disseminated host system.

Mining crews also re-entered the Ady vein during the year locating good quality ore and furthering our geological knowledge of this structure.

At the Rebeca veins, the Company is also working with a small contracting team on the Rebeca I vein, at both the northern and southern end of the outcropping structure. The veins at Rebeca are narrower than the other systems within the Torrecillas Gold Project. However, with an almost vertical dip, superior grades compared to the other veins and a strike of more than 1.4km, this system is very interesting.

Review of Operations

Tumi Project – Peru (100% owned)

Work continued during 2014 to assess the potential of the breccia-hosted gold mineralised area that covers approximately 1.6 square kilometres, on surface. A ground-based induced polarisation (IP) program was undertaken to follow up on the results from the ground-based magnetic survey completed in December 2013 to define the potential size of the mineralised breccia target and to identify other potential anomalies and drill targets as shown below.

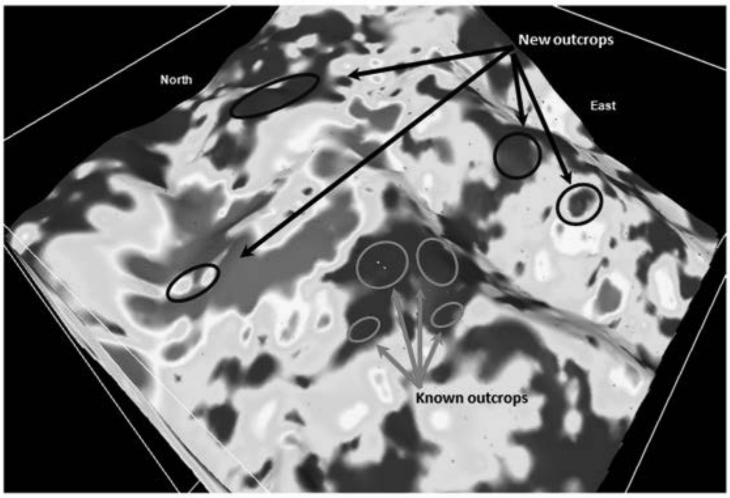

Figure 1: Areas of previously mapped and sampled breccia outcrops are in the brown colours, whereas in black are zones of small breccia outcrops that have been identified from the magnetic study.

The Tumi breccia itself appears as a magnetic low feature in the data products and the model results, suggesting magnetite destruction/depletion in the breccia. The key conclusion drawn from the magnetics covering the breccia is that the two outcrops previously mapped in 2013 are part of the same system, which provides strong support for a larger oxide system than previously believed.

A ground-based IP program was however undertaken early in the September 2014 quarter to follow up on the results from the ground-based magnetic survey completed in December 2013 to define the potential size of the mineralised breccia target and to identify other potential anomalies and drill targets. The interpreted results from the IP/resistivity survey completed during the quarter were considered inconclusive. The strong electromagnetic field produced by the commissioning of the new high tensile power line that traverses the Tumi concession, has masked the results. In the area immediately below and adjacent to the power line, the direct current input signal is being interfered with by the electromagnetic field associated with the high tension wires and has rendered a part of the survey data un-usable. The objective of the survey (defining an electrical response associated with the known breccias) was not attained by the IP survey.

Whilst inconclusive, the existence of gold, copper and silver mineralisation is known in the main Tumi breccia and exploration of Tumi will now be carried out through systematic surface sampling and drilling focusing on the previously released exploration target. The exploration program for 2015 is still pending Board approval.

GOLD OPERATIONS - BRAZIL (75% owned diluting to 40%)

Engenho Gold Project Joint Venture

On 30 May 2013, the Company signed a joint venture agreement on Mundo Mineração Ltdã whereby a new private investor will invest $4.5 million to earn a 60% interest in the entity. This investment may provide sufficient funds to meet the payment obligations of the Rucuperacao Judicial process. As of 1 June 2013, the Company was no longer responsible for funding working capital requirements in Brazil and no longer consolidates the Brazilian entity into the Group's results.

The Group equity accounts for its investment in this entity on an equity accounted basis and is recorded at a nil value.

During 2014, the JV partner reported no activity from Brazil.

Review of Operations

ANNUAL REVIEW

The Company has conducted a review of its mineral resources and ore reserves. As outlined below, this review did not reveal any material changes to the mineral resource and ore reserve information previously announced.

MINERAL RESERVES AND RESOURCES STATEMENT

Torrecillas Mine - Peru

The Company is the 100% owner of the Torrecillas Gold Project comprising over 13,000 hectares of Peruvian Mining Concessions. As at 31 December 2014, total JORC (2004) measured, indicated and inferred mineral resources were as follows:

Category	Tonnes ('000)	Grade (Au g/t)	In-situ Gold Ounces ('000)
Measured	69	18.1	40
Indicated	55	14.7	26
Inferred	73	15.3	36

As at 31 December 2014, total JORC (2004) measured, indicated and inferred mineral resources were:

Category	Tonnes ('000)	Grade (Au g/t)	In-situ Gold Ounces ('000)
Measured	12	5.94	2
Indicated	130	4.99	21
Inferred	20	4.60	3
Total	**162**	**5.00**	**26**

There was no material change in the mineral resource at Torrecillas since the Company's 2013 Annual Report. This was primarily as a result of all mining activities during 2014 being from areas either outside of the resource model at Torrecillas or from other vein structures that are being trial mined within the wider Torrecillas concession package, namely the Tessie and Rebeca veins which have no JORC compliant resources calculated on them.

Engenho Gold Project –Brazil

As at 31 December 2014, the Company was also a 75% owner of the Engenho Gold Project, comprising one 714 hectare Brazilian Mining Concession. As at 31 December 2014, total JORC (2004) probable ore reserves were:

Category	Tonnes ('000)	Grade (Au g/t)	In-situ Gold Ounces ('000)
Probable	167	4.08	22

At Engenho, there was also no material change in the reported ore reserve and mineral resource since the Company's 2014 Annual Report due to the fact that the project was on care and maintenance during this period.

Governance and Internal Controls – Reserve and Resource Calculations

The Company used third party consultants to estimate its ore reserves at Engenho and mineral resources at Torrecillas according to the 2004 JORC Code, as have previously been reported. BMGS Perth Pty Ltd was engaged as the geological consultants for the Torrecillas JORC (2004) mineral resource and NI 43-101 Report. AMC Consultants Pty Ltd was engaged as the geological consultants and engineers on the Crista open pit, forming part of the Engenho Gold Project.

No further mineral resource estimations or upgrading work has been undertaken on any of our projects since the mandatory introduction of the 2012 JORC Code on 1 December 2013, and the Company is not aware of any additional information that would have material effect on the estimates as reported.

Competent Person's Statement

The information in this report that relates to Mining and Mineral Exploration Results and Resources at Torrecillas and Tumi Projects is based on information compiled and reviewed by Dr Alex Losada-Calderon, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Losada-Calderon is employed by TAE Resources Pty Ltd, who acts as consulting geologist to Minera Gold Limited. Dr Losada-Calderon has sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Losada-Calderon consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Review of Operations

Forward Looking Statements

This document is provided on the basis that neither of Minera Gold Limited ACN 117 790 897 nor its respective officers, shareholders, related bodies corporate, partners, affiliates, employees, representatives and advisers make any representation or warranty (express or implied) as to the origin, validity, accuracy, reliability, relevance, currency or completeness of the material contained in the Document and no responsibility is taken for any errors or omissions. Nothing contained in the Document is, or may be relied upon as, a promise, representation or warranty, whether as to the past or the future. Minera Gold excludes all warranties (including implied warranties) and all liability that can be excluded by law for any loss, claim, damage, cost or expense of any nature arising out of the Document (or any accompanying or other information) whatsoever, nor by reason of any reliance upon it. Minera Gold does not accept any responsibility to update any person regarding any inaccuracy, omission or change in information in this Document or any other information made available to a person nor any obligation to furnish the person with any further information, other than to the extent required by law.

The Document may contain prospective financial material which is predictive in nature and based on certain assumptions. Accordingly, actual financial results may be affected by assumptions which prove to be inaccurate or by known or unknown risks and uncertainties, and are likely to differ, possibly materially, from results ultimately achieved. The Document may contain "forward-looking statements". All statements other than those of historical facts included in the Document are forward-looking statements including, without limitation, (i) estimates of future earnings, and the sensitivity of earnings to the gold and other metals prices; (ii) estimates of future gold and other metals production and sales; (iii) estimates of future cash costs; (iv) estimates of future cash flows, and the sensitivity of cash flows to gold and other metals prices; (v) estimates of future capital expenditures; and (vi) estimates of reserves, and statements regarding future exploration results and the replacement of reserves. Where Minera Gold expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade, recovery rates or other matters from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. Minera Gold does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of the Document, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws

Corporate Governance Statement

The Board of Directors are responsible for the overall strategy, governance and performance of Minera Gold Ltd (the Company). The Board has adopted a corporate governance framework which it considers to be suitable given the size, history and strategy of the Company. Minera Gold Limited have made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance.

To the extent that they are applicable, and given its circumstances, the Company adopts the eight essential Corporate Governance Principles and Best Practice Recommendations ('Recommendations') published by the Corporate Governance Council of the ASX. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for the adoption of its own practice, in compliance with the "if not, why not" regime.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be afforded further consideration.

The Board has chosen to prepare the Corporate Governance Statement in accordance with the third edition of the ASX Corporate Governance Council's Principles and Recommendations and accordingly, a copy of the company's Corporate Governance Statement is available on the company's website at www.mineragoldlimited.com under the "Corporate" section.

Directors' Report

The directors of Minera Gold Limited submit herewith the annual report of the Company (Consolidated entity or Group) for the financial year ended 31 December 2014. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS

The names and particulars of the directors of the Company in office during the period and until the date of this report are:

Name and Qualifications	Particulars
Ashley Pattison B.Bus. CA *GradDipAppFin*	***Managing Director and CEO*** Mr Pattison is a Chartered Accountant and has extensive experience in the provision of accounting and corporate finance advice to the Australian resources sector. He was formerly employed by Deloitte for eleven years in the audit division and later as a Director of Corporate Finance. He was also the head of Carmichael Capital Markets for two years, the corporate finance arm of resource focused stock broking firm DJ Carmichael. More recently, he was the Managing Director of Every Day Mine Services Ltd, an ASX listed mining service business. Mr Pattison is a member of the audit committee and nomination committee.
Ryan Welker *BA (Hons) International Finance and Accounting*	***Non-Executive Chairman*** Mr Welker acts as an independent director to uphold ongoing corporate governance practises within the Company. He is a graduate of the Regent's Business School London with a Bachelor (Hons) in International Finance and Accounting. Prior to his appointment as a non-executive director, Mr Welker worked for Standard Bank, Rio Tinto and Hancock Prospecting and more recently with a broad range of mining finance groups, mining companies and other mining industry service companies as a consultant. Mr Welker was also a former non-executive director of Mineral Resources Limited, and he specialises in formulating commercial development strategies, resource project acquisitions/divestments, joint ventures and debt finance arrangements for projects and companies with a heavy focus on developing nations. Mr Welker is the chairman of the audit committee and a member of both the remuneration committee and the nomination committee. Mr Welker was appointed Chairman on 8 April 2015, following the resignation of Dr Losada-Calderon.
Alex Losada-Calderon *PhD in Economic Geology* *(Hons) Geological Science*	***Executive Chairman*** *(resigned 8 April 2015)* Dr Alex Losada-Calderon has more than 25 years experience working worldwide as a geologist, project manager and country general manager. He has been involved with Minera as our competent technical person for the last three years. He holds a PhD in Geology from Monash University in Australia. Dr Losada-Calderon spent more than three years as the head of exploration for Southwestern Resources Corp who accumulated substantial landholdings and operations in Southern Peru prior to being taken over by Hochchild Mining PLC in 2009. His experience ranges from Greenfield discoveries through to feasibility studies and the development of major mining projects in the Caribbean, Latin America and China, primarily involving with IOCG and Porphyry deposits. Previous roles held by Dr Losada-Calderon include Non-Executive Director of Arafura Resources Ltd, Country Manager for Overseas Mining Investments Ltd, Project Manager for Ausenco (Latin America) and Project Manager for MIM Holdings Ltd (Latin America). Dr Losada-Calderon was the chairman of the nomination committee and a member of the audit and remuneration committees.
Brett Heath	***Non-Executive Director*** *(appointed 13 October 2014)* Mr. Heath is currently serving as the President and Director of SilverStream SEZC. Mr. Heath was a founding principal of KSIR Capital Management a hedge fund focused on small and micro-cap mining companies. Mr Heath has also advised several mining companies during project financing for their respective operations and provided key relationships and insight into that process, specifically from an equity perspective. Mr. Heath graduated from San Diego State University with a Bachelor's degree in Economics. Mr. Heath also attended the Johannes Kepler Universität Linz studying Austrian Economic Theory.

Directors' Report (continued)

DIRECTORS (continued)

Name and Qualifications	Particulars
Kevin Puil	***Non-Executive Director*** *(appointed 24 April 2014 and resigned 23 July 2014)* Mr Puil was the appointed nominee of Cayman Island based precious metals streaming company SilverStream during this term. Mr Puil is a Chartered Financial Analyst with over 15 years' experience in investment management. From 1996 to 2005 he was a financial advisor with Goepel McDermid (Raymond James), and a partner at Bolder Investment Partners in Vancouver, BC. From 2008 to 2013 he was a portfolio manager at Malcolm Gissen & Associates and Senior Analyst at the Encompass Fund in San Francisco, focusing on natural resources. He holds a degree in economics from the University of Victoria (and the University of British Columbia) and obtained the CFA designation in 2003.
Miguel Cardozo	***Non-Executive Director*** *(appointed 8 April 2015)* Dr. Cardozo has over 40 years of gold and base metals experience throughout the Americas, holding senior management roles with companies such as Newmont, North Ltd. and Teck Cominco, as well as in consulting roles to Placer Dome and AurionGold. Dr. Cardozo is currently the President & CEO, Director of Alturas Minerals Inc, a TSX-V and BVL listed company focused on exploration in Peru and was a previous director of a number of Peruvian focused exploration companies. He is a member of the Society of Economic Geologists, the Colegio de Ingenieros del Perú, the Instituto de Ingenieros de Minas del Perú, the Sociedad Geológica del Perú and the Society for Geology Applied to Mineral Deposits. Dr. Cardozo is a Director of the Canada Peru Chamber of Commerce and a former President of its Mining and Exploration Committee. Miguel is a member of the audit committee, the remuneration committee and the nomination committee.
Angeline Hicks B.Comm CA AGIA GradDipAppFin	***Executive Director*** *(appointed 8 April 2015)* **and Company Secretary** *(throughout period)* Ms Hicks is a Chartered Accountant and qualified Company Secretary with more than fifteen years experience. Beginning her career at Deloitte, as an auditor, Miss Hicks furthered her career in the banking industry in London for eight years working for key investment banks such as Barclays Capital, Credit Suisse and JP Morgan, focussing on managing compliance and corporate financial reporting. Miss Hicks was previously CFO and Company Secretary of AIM (UK) Listed Hot Tuna (International) PLC. She is an Associate of the Governance Institute of Australia and also performs the role of Group Financial Controller for Minera Gold Limited.

Unless otherwise indicated, all directors held their position as a director throughout the entire period and up to the date of this report.

DIRECTORSHIPS OF OTHER LISTED COMPANIES

Directorships of other listed companies held by the directors in office at the date of this report in the three years immediately before the end of the financial year are as follows:

Name	Company	Period of directorship
Miguel Cardozo	Rio Cristal Resources Corporation TSXV and Lima Stock exchange listed	Appointed 30 November 2006 Resigned 28 August 2014
	Tierra Grande Resources Inc – ASX	Appointed 21 June 2013

Directors' Report (continued)

DIRECTORS' MEETINGS

The following table sets out the number of Directors' meetings and committee meetings held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 22 Board meetings and 3 Audit Committee meetings were held. There were no matters during the period that were required to be brought before the Treasury Committee, the Nomination Committee or the Remuneration Committee.

	Board of Directors		Audit Committee		Remuneration Committee	
Director	Number eligible to attend	Attended	Number eligible to attend	Attended	Number eligible to attend	Attended
A Pattison	22	22	3	3	-	-
R Welker	22	22	3	3	-	-
A Losada-Calderon	22	22	3	3	-	-
B Heath	5	5	-	-	-	-
K Puil	3	2	-	-	-	-
A Hicks	-	-	-	-	-	-
M Cardozo	-	-	-	-	-	-

PRINCIPAL ACTIVITIES

The Group's principal activities during the course of the financial year were owner and operator of a gold and copper toll processing plant in Peru, including the ownership of copper and gold exploration concessions and development and production of a portfolio of medium sized gold projects in South America, with a primary focus on Peru.

REVIEW OF OPERATIONS

A detailed review of the operation for the period is included in the Review of Operations section of the report.

CHANGES IN STATE OF AFFAIRS

Acquisition of San Santiago processing plant

On 17 September 2014 the Company exercised its option to acquire the San Santiago processing plant in Peru. The processing plant contains a newly refurbished gold circuit and two copper circuits to treat both oxide and sulphide copper mineral. The acquisition also includes 9,000ha of surrounding mining and exploration rights.

Torrecillas

During December 2014, mining activities at the Torrecillas Gold Project were scaled back to care and maintenance. Economically, management considered that third party ore processing was considered to be more financially viable and also ongoing working capital requirements proved challenging.

Limited exploration and resource definition work has been undertaken on Tumi during the period, due to Minera's technical team devoting efforts to ongoing technical assessment of the copper concessions and mining rights being acquired.

Other than this, there was no other significant change in the state of affairs of the consolidated entity during the financial year.

EVENTS AFTER THE REPORTING PERIOD

There has not been any matter or circumstance, except for those matters referred to in Note 30 to the Financial Statements or noted above, that have arisen since the end of the financial year, that has significantly affected or may significantly affect, the operations of the Group, the results of the operations, or the state of the affairs of the Group in the future financial years.

Directors' Report (continued)

FUTURE DEVELOPMENTS

The primary focus for the Company in the interim is to embark on a short term program to gain a solid geological understanding of the three mines acquired and to assess both the sulphide and oxide mineralisation potential in each as the Company strives to achieve its stated target of achieving the optimal mix of toll treatment and owner-operator ore.

The focus of owner operator efforts will continue to be on the Brasil and Decimo Quinto mines. These prospects have high grade copper sulphide and oxide potential with large ore shoots that have been identified and intersected at depth by previous mining activities. Technical planning for the purpose of large scale mining at these mines continued. That planning process is ongoing by the Company's team in conjunction with potential mining contractors for the re-commencement of mining of those two mines in 2015.

The under-explored concessions acquired through the San Santiago transaction are in a highly prospective area for gold, copper and silver. There are a number of drill ready targets for testing over the next 12 months that the Company is currently reviewing to assess exploration priorities. This work will include the use of ground based geophysics and reverse circulation (RC) drilling utilising Minera's dedicated rig, which is now on site, to target the priority zones for mining in 2015.

ENVIRONMENTAL REGULATIONS

The Group is committed to a high standard of environmental performance and during the year has not received any fines or prosecutions under any environmental laws or regulations. The Group did not incur any reportable environmental incidents during the year.

DIVIDENDS

No amounts have been paid, declared or recommended by the directors by way of dividend since the commencement of the financial year.

IMDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year the Company paid a premium in respect of a contract insuring the directors of the Company, the Company secretary, Angeline Hicks and all executive officers of the Company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, except to the amount permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

SHARES UNDER OPTION OR ISSUED ON EXERCISE OF OPTIONS

As at the date of this report, the following table illustrates the number of unissued ordinary shares in respect of which options are outstanding:

	Number of Options (Unlisted)(1)	Number of Options MIZO (ASX listed)(2)	Number of Options MIZOA (ASX listed)(3)
Balance at the beginning of the period	244,920,000	150,796,444	-
Share options issued from 1 January 2014 to 31 December 2014	-	-	165,250,000
Share options cancelled from 1 January 2014 to 31 December 2014	(1,000,000)	-	-
Share options admitted to the ASX for trading 20 March 2014	(115,000,000)	-	115,000,000
Share options issued from 1 January 2015 to the date of this report	73,275,000	-	152,289,584
Share options exercised 29 April 2014	-	(6)	-
Share options lapsed 2 May 2014		(150,796,438)	-
Share options lapsed from 1 January 2015 to the date of this report	(15,920,000)		
Total number of options outstanding as at the date of this report	**186,275,000**	**-**	**432,539,584**

(1) These share options have various exercise prices and expiry dates. Refer to Note 24 for further details.
(2) The options were quoted on the ASX, they were exercisable at $0.18 per share on or before 2 May 2014 and have now lapsed.
(3) These options are quoted on the ASX and are exercisable at $0.012 per share on or before 4 December 2016.

None of these options entitle the holders to participate in any share issue of the Company or any other body corporate.

Directors' Report (continued)

SHARES UNDER OPTION OR ISSUED ON EXERCISE OF OPTIONS

Details of shares or interests issued during or since the end of the financial year as a result of exercise of an option are:

Issuing Entity	Date of Exercise	Number of Shares Issued	Class of Shares	Amount Paid for shares	Amount Unpaid on shares
Minera Gold Limited	29 April 2014	6	Ordinary shares	$0.18 each	nil

Other than the above there were no options were exercised during the period.

Unlisted Share Options

Directors, senior management, certain members of staff and financiers of the consolidated entity hold options over ordinary shares of the Company. Each option entitles the holder to one ordinary share upon exercise. The options were issued for nil consideration and are all 100% vested.

The unlisted share options cannot be transferred without the Company's prior approval and the Company does not intend to list the options on the ASX. None of the option classes provide dividend or voting rights to holders.

Details of unissued shares or unlisted interests under option on issue as at the date of this report are listed below, the issuing entity is Minera Gold Limited:

Number of shares under option	Class of shares	Exercise price of option	Issue date	Expiry date of option
2,000,000	Ordinary	10 cents	4 May 2012	30 June 2015
1,000,000	Ordinary	15 cents	4 May 2012	30 June 2015
1,000,000	Ordinary	20 cents	4 May 2012	30 June 2015
3,500,000	Ordinary	9 cents	4 May 2012	30 June 2015
2,500,000	Ordinary	15 cents	4 May 2012	30 June 2015
15,000,000	Ordinary	9 cents	4 May 2012	1 March 2015
920,000	Ordinary	9 cents	4 May 2012	31 March 2015
4,500,000	Ordinary	9 cents	14 September 2012	13 September 2017
4,500,000	Ordinary	15 cents	14 September 2012	13 September 2017
20,000,000	Ordinary	10 cents	13 December 2012	13 December 2015
4,000,000	Ordinary	10 cents	14 February 2013	15 February 2016
7,500,000	Ordinary	2 cents	4 December 2013	4 December 2016
5,000,000	Ordinary	2 cents	4 December 2013	4 December 2016
5,000,000	Ordinary	2 cents	4 December 2013	4 December 2016
5,000,000	Ordinary	2 cents	4 December 2013	4 December 2016
32,500,000	Ordinary	3 cents	29 August 2013	30 June 2016
15,000,000	Ordinary	1.2 cents	15 October 2013	15 October 2016
73,275,000	Ordinary	0.006 cents	8 February 2015	8 February 2018

All of these options have vested.
For further details on the share option scheme refer to Note 24, share-based payments.

Quoted Share Options

Details of unissued shares or quoted interests under option on issue as at the date of this report are listed below. The issuing entity is Minera Gold Limited:

Number of shares under option	Class of shares	ASX Code	Exercise price of option	Expiry date of option
432,539,584	Ordinary	MIZOA	$0.012	4 December 2016

Directors' Report (continued)

VOTING AND COMMENTS MADE AT THE COMPANY'S 2013 ANNUAL GENERAL MEETING

On 10 June 2014, at the 2013 Annual General Meeting, the resolution to adopt the Remuneration Report for the year ended 31 December 2013 was passed on a show of hands. The Company did not receive any specific feedback at the Annual General Meeting regarding its remuneration practices.

SHARE TRADING POLICY

The trading of shares issued to participants under any of the Group's employee equity plans is subject to, and conditional upon, compliance with the Group's employee share trading policy as per the Group's Corporate Governance Policy. Executives are prohibited from entering into any hedging arrangements over unvested options under the Group's employee option plan. The Group would consider a breach of this policy as gross misconduct which may lead to disciplinary action and potentially dismissal

ROUNDING OFF OF AMOUNTS

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998 and, in accordance with that Class Order, amounts in the Directors' Report and the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

REMUNERATION REPORT

This remuneration report, which forms part of the Directors' report, sets out information about the remuneration of Minera Gold Limited's Directors and senior management for the financial year ended 31 December 2014. The prescribed details for each person covered by this report are detailed below under the following headings:

- director and key management personnel details
- remuneration policy
- relationship between the remuneration policy and Company performance
- remuneration of directors and senior management
- key terms of employment contracts
- share-based compensation

(a) Details of director and key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, and include the individuals listed below, including directors and members of "senior management".

The following persons acted as directors during or since the end of the financial year:

Alex Losada-Calderon	Chairman, Executive Director (resigned 8 April 2015)
Ashley Pattison	Managing Director
Ryan Welker	Non-Executive Director (appointed Chairman on 8 April 2015)
Brett Heath	Non-Executive Director (appointed 13 October 2014)
Kevin Puil	Non-Executive Director (appointed 24 April 2014 and resigned 23 July 2014)
Miguel Cardozo	Non-Executive Director (appointed 8 April 2015)
Angeline Hicks	Executive Director (appointed 8 April 2015) Company Secretary and Financial Accountant

The term "senior management" is used in this remuneration report to refer to the following persons. These persons include the two members of senior management who received the highest remuneration during the period, as follows:

Jorge De Lama	Manager – Peru
Emilio Galvez Toullier	Operations Manager – Peru (resigned 31 October 2014)

Ashley Pattison and Angeline Hicks were the only members of senior management employed by the parent company. Except as noted, the named persons held their current positions for the whole of the financial year and since the end of the financial period.

(b) Remuneration policy

The Remuneration Committee is responsible for reviewing and making recommendations to the Board on compensation arrangements for the Directors and the executive team of both the Consolidated Entity and the Company. The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis. The overall objective is the retention of a high quality Board and executive team, to maximise value of the shareholders' investment.

Share options may also be issued as an added inducement to executives to maximise their efforts in achieving the highest possible return for shareholders. Details regarding the issue of share options are provided below.

Directors' Report (continued)

REMUNERATION REPORT (continued)

(c) Relationship between the remuneration policy and Company performance

In considering the Group's performance and benefits for shareholder wealth, the Remuneration Committee, when setting remuneration packages, has regard to the financial performance of the Group.

The tables below set out summary information about the consolidated entity's earnings and movements in shareholder wealth for the five years to 31 December 2014:

	31 Dec 2014 $'000s	31 Dec 2013 $'000s	31 Dec 2012 $'000s	30 June 2012 $'000s	30 June 2011 $'000s	30 June 2010 $'000s	30 June 2009 $'000s
Revenue	2,003	5,374	3,895(2)	16,503	31,536	32,057	28,513
Net profit/(loss) before tax	(8,958)	(1,824)	(786)	(34,559)	(17,061)	(1,629)	411
Net loss after tax	(8,958)	(1,824)	(786)	(35,255)	(18,115)	(2,948)	(367)
Share price at start of period	$0.007	$0.059	$0.043	$0.074	$0.105	$0.385	$0.610
Share price at end of period	$0.003	$0.007	$0.059	$0.043	$0.074	$0.105	$0.385
Dividends	-	-	-	-	-	-	-
Basic and diluted loss per share (cps)	(0.58)	(0.35)	(0.2)	(10.8)	(8.2)	(1.8)	(0.3)

(1) Minera Gold Limited was admitted to the official list of the Australian Stock Exchange in November 2006 with a share price of $0.30.

(2) Minera Gold changed their year-end to 31 December during 2012 and as a result the period ending 31 December 2012 is a shortened six month financial period. The comparative periods and current year, represent twelve month financial periods.

(d) Remuneration of directors and senior management

Non-Executive Directors' fees

Objective and Structure
Fees and payments to Non-Executive Directors reflect the demands made on, and the responsibilities of, the Directors. Remuneration is set 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 the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. The current shareholder approved limit for non-executive director remuneration is $270,000. Non-Executive Directors can receive a fee for being a Director of the Company. At present, Mr Heath is not being remunerated for his position as a director.

Executive salaries

Objective and Structure

The remuneration of executive directors and other senior management is reviewed annually with the review taking into consideration the contribution of the individual commensurate with the performance of the Group and comparable employment market conditions.
Remuneration may consist of the following key elements:

(i) fixed remuneration; and
(ii) variable remuneration in the form of short-term incentives (STI) or long-term incentives (LTI) or consultancy fees.

The proportion of fixed remuneration and variable remuneration is established for each executive by the Remuneration Committee. Current share options on issue (LTIs) granted to executives do not have performance conditions attached to them, however the strike price of the options are determined so as to ensure that the options only have value if there is an increase in shareholder wealth over time.

Directors' Report (continued)

REMUNERATION REPORT (continued)

Fixed remuneration
The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Remuneration Committee. The process consists of a review of the business and individual performance and relevant comparable remuneration in the mining industry.

There are no guaranteed base pay increases included in any executive contracts.

Benefits
Executives can salary sacrifice certain benefits including motor vehicle and remote area housing benefits.

Superannuation
Retirement benefits are paid to complying superannuation funds nominated by the executives. During the year ended 31 December 2014, the Company contribution rate was 9.25% to 30 June 2014 and 9.5% per annum from 1 July 2014.

Variable remuneration
Short-term incentives
The short-term incentive plan is designed to motivate and reward executives for the improvement of Company and individual employee performance. To this end, a cash bonus plan is in place to support the overall remuneration policy. This policy is designed to reward executives who have achieved agreed key performance indicators during the financial period and are linked to Company performance, however amounts are at the discretion of the Board.

Long-term incentives
The long-term incentive plan is designed to focus key employees on the performance factors that will drive the growth of the business while simultaneously helping to attract and retain talent within the business.

Key management personnel received the following amounts as compensation for their services as directors and senior management of the Company and/or the Group during the period:

31 Dec 2014	Short-term employee benefits		Post-employment benefits				
Name	Cash salary and fees $	Non-monetary $	Super-annuation $	Share-based payment – shares $	Share-based payment – options $	Total $	Consisting of options %
Directors							
A Pattison	380,000	3,998	27,500	66,667(1)	-	478,165	nil
A Losada	-	-	5,625	60,000(2)	-	65,625	nil
R Welker	-	-	-	40,000(3)	-	40,000	nil
A Hicks	81,825	-	14,213	-	-	96,038	nil
Senior management							nil
J De Lama	73,153	-	-	-	-	73,153	nil
E Galvez(4)	107,291	1,219	15,011	-	-	123,521	nil
TOTAL	642,269	5,217	62,349	166,667	-	876,502	nil

1. *On 4 December 2014 Mr Pattison was issued 10,000,000 fully paid ordinary shares in Minera Gold Limited at the market price of $0.008. This represents an $80,000 cash salary reduction over the course of twelve months.*
2. *On 10 February 2015 Dr Alex Losada-Calderon was issued 19,624,857 ordinary shares through his nominee company, TAE Resources Pty Ltd, representing a payment in lieu of $68,687outstanding directors fees for the 2014 ($60,000) and 2013 ($8,687) financial years. These shares were valued on market at $0.0035 per share.*
3. *On 10 February 2015 Mr Welker was issued 13,809,524 shares representing a payment in lieu of $48,333 outstanding directors fees for the 2014 ($40,000) and 2013 ($8,333) financial years. These shares had an assumed value of $0.0035 per share.*
4. Emilio Galvez resigned from the Group 31 October 2014.

Directors' Report (continued)

REMUNERATION REPORT (continued)

Remuneration of directors and senior management

Key management personnel received the following amounts as compensation for their services as directors and senior management of the Company and/or the Group during the twelve months ended 31 December 2013:

31 Dec 2013	Short-term employee benefits		Post-employment benefits				
Name	Cash salary and fees $	Non-monetary $	Super-annuation $	Share-based payment – shares $	Share-based payment – options $	Total $	Consisting of options %
Directors							
A Pattison	431,412	14,617	26,423	50,000(6)	8,141	530,593	1.5%
B Hurley (2)	32,288	-	2,933	-	-	35,221	nil
R McKenzie (2)	22,288	-	2,933	10,000(7)	-	35,221	nil
C Chalwell (2)	46,503	-	5,132	10,000(7)	-	61,635	nil
W Lamarque (2)	14,787	-	-	17,500(7)	-	32,287	nil
I Benavides (1)	36,282	-	-	-	1,262	37,544	3.3%
A Losada (3)	-	-	1,156	8,687(8)	5,427	15,270	35.5%
R Welker (3)	-	-	-	8,333	5,427	13,760	39.4%
Senior management							
R Lopez (4)	74,265	2,846	5,992	-	-	83,103	nil
J De Lama (5)	21,842	-	-	-	-	21,842	nil
E Galvez	121,308	1,310	15,518	-	-	138,136	nil
A Hicks	124,800	-	11,388	-	5,427	141,615	3.8%
TOTAL	925,775	18,773	71,475	104,520	25,684	1,146,227	2.2%

1. *Ismael Benavides resigned from the Group on 31 August 2013.*
2. *These directors resigned from the Group on 15 October 2013.*
3. *These directors joined the Group on 15 October 2013.*
4. *Ruth Lopez left the Company on 31 May 2013.*
5. *Jorge De Lama joined the Group 1 September 2013.*
6. *On 4 December 2013 Mr Pattison was issued 10,000,000 fully paid ordinary shares in Minera Gold Limited at an assumed share price of $0.008. This represents an $80,000 cash salary reduction over the course of twelve months. The share price on the date of issue was $0.005 per share.*
7. *Shares issued at fair value in settlement of outstanding directors fees.*
8. *The prior year reported number of $12,500 was an accrual. The actual payment in shares made after tax was to the value of $8,687.*

No director or member of senior management appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

Directors' Report (continued)

REMUNERATION REPORT (continued)

(e) Key terms of employment contracts

The Managing Director, Mr Ashley Pattison, is employed under contract. There is no termination date in his current employment contract. Under the terms of the contract Mr Pattison may resign from his position and thus terminate this contract by giving two months written notice. The Company may terminate this employment contract by providing six months' written notice or provide payment in lieu of the notice period (based on the fixed component of Mr Pattison's remuneration). The Company can terminate for cause immediately with no additional benefits. Mr Pattison receives fixed remuneration equivalent to A$400,000 per annum.

According to Mr Pattison's contract of employment, subject to meeting certain performance goals that are determined by the Board annually, Mr Pattison would be entitled to earn between 30% to 60% of his base salary in short and long term incentives. Mr Pattison has no automatic right to receive a STI. Having regard to the current size, nature and opportunities of the Company, the Board has come to an agreement with Mr Pattison to waive any rights to both STI's and LTI's for the year ending 31 December 2014.

In relation to our key management personnel in Peru and Australia, all employees are employed through countersigned letters of offer of employment. The letters of offer contain standard employment terms, including four weeks notice of termination by both parties, except where there is gross misconduct, where termination of employment is immediate. None of the key management personnel have contractual rights to a bonus and 100% of their remuneration during 2014 was 100% fixed.

All other terms are considered normal arms-length commercial terms. The Company has no other employment agreements in place.

(f) Share based compensation

The Group has an ownership-based compensation scheme for executives and senior employees of the Group. Each employee share option converts to one ordinary share of Minera Gold Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of expiry or within one month of the resignation of the executive or senior employee, whichever is the earlier.

During the financial year the following employee share-based payment arrangements were in existence:

Option series	Number	Issue date	Expiry date	Exercise price $	Weighted average fair value at grant	Vesting date
May 12	3,500,000	4 May 2012	30 Jun 2015	9 cents	0.01	4 May 2012
May 12	2,500,000	4 May 2012	30 Jun 2015	15 cents	0.01	4 May 2012
Sep 12	4,500,000	12 Sep 2012	13 Sep 2017	9 cents	0.01	14 Sep 2012
Sep 12	4,500,000	12 Sep 2012	13 Sep 2017	15 cents	0.02	14 Sep 2012
Dec 13	22,500,000	4 Dec 2013	4 Dec 2016	2 cents	0.001	4 Dec 2013

Employees who are issued with options under the Group's Employee Share Option Plan are required to comply with the Group's security trading policy. In particular, share trading by directors and senior management is limited to specific periods, such as following the release of an annual report or price sensitive information, to be identified from time to time. Directors and senior management may not trade in shares for short-term gains. Employees therefore need to manage equity risk in accordance with the Group's security trading policy.

Options issued after 1 July 2008 do not have any specific performance criteria and unless otherwise indicated vest on issue.

Directors' Report (continued)

REMUNERATION REPORT (continued)

SHARE OPTIONS GRANTED TO DIRECTORS AND SENIOR MANAGEMENT

During the financial year there were no options granted to directors and to officers of the Company as part of their remuneration. The following share options were cancelled on 27 November 2014, following departure of key management personnel:

Option series	Number	Issue date	Expiry date	Exercise price $	Weighted average fair value at grant date $	Vesting date
May 12	1,000,000	4 May 2012	30 Jun 2015	9 cents	0.01	4 May 2012

The issuing entity for all employees share options is Minera Gold Limited. No employee share options have lapsed or been exercised during the financial year. Further details of the Employee Share Options Plan (ESOP) are contained in Note 24 to the financial statements.

SECURITY HOLDINGS OF KEY MANAGEMENT PERSONNEL

Ordinary share holdings of key management personnel

Fully paid ordinary share holdings in Minera Gold Limited (MIZ) as at 31 December 2014:

31 Dec 2014	KMP	Balance at start of period	Granted as compensation	Received on exercise of options	Net other change	Balance at end of period
Ashley Pattison	Director	19,225,334	-	-	42,273,004	61,498,338
Alex Losada-Calderon	Director	1,355,486	-	-	-	1,355,486
Ryan Welker	Director	-	-	-	-	-
Brett Heath	Director	-	-	-	-	-
Miguel Cardozo	Director	-	-	-	-	-
Angeline Hicks	Director	222,222	-	-	-	222,222

Fully paid ordinary share holdings in Minera Gold Limited (MIZ) as at 31 December 2013:

31 Dec 2013	KMP	Balance at start of period	Granted as compensation	Received on exercise of options	Net other change	Balance at end of period
Ashley Pattison	Director	4,605,334	10,000,000	-	4,620,000	19,225,334
Alex Losada-Calderon	Director	-	-	-	1,355,486	1,355,486
Ryan Welker	Director	-	-	-	-	-
Angeline Hicks	Director	222,222	-	-	-	222,222

Directors' Report (continued)

SECURITY HOLDINGS OF KEY MANAGEMENT PERSONNEL (continued)

<u>Quoted share option holdings of key management personnel</u>

MIZO

Listed share option (MIZO) holdings in Minera Gold Limited as at 31 December 2014:

					At end of period				
31 Dec 2014	**Balance at start of period**	**Lapsed on 4 May 2014**	**Other acquisition**	**Cancelled**	**Balance**	**Balance vested**	**Vested but not exercise -able**	**Vested and exercise-able**	**Options vested during period**
	No	**No**	**No**	**No**	**No**	**No**	**No**	**No**	**No**
A Pattison	910,000	(910,000)	-	-	-	-	-	-	-
A Losada-Calderon	-	-	-	-	-	-	-	-	-
R Welker	-	-	-	-	-	-	-	-	-
B Heath	-	-	-	-	-	-	-	-	-
M Cardozo	-	-	-	-	-	-	-	-	-
A Hicks	-	-	-	-	-	-	-	-	-

These options were exercisable at 18c each, on or before the 2 May 2014. These options lapsed on 2 May 2014.

Quoted share option (MIZO) holdings in Minera Gold Limited as at 31 December 2013:

					At end of period				
31 Dec 2013	**Balance at start of period**	**Granted as compen-sation**	**Other acquisition**	**Cancelled**	**Balance**	**Balance vested**	**Vested but not exercise -able**	**Vested and exercise-able**	**Options vested during period**
	No	**No**	**No**	**No**	**No**	**No**	**No**	**No**	**No**
A Pattison	910,000	-	-	-	910,000	910,000	-	910,000	-
B Hurley	240,000	-	-	-	240,000	240,000	-	240,000	-
R McKenzie	540,000	-	-	-	540,000	540,000	-	540,000	-

<u>Quoted share option holdings of key management personnel</u>

MIZOA

Listed share option (MIZOA) holdings in Minera Gold Limited as at 31 December 2014:

					At end of period				
31 Dec 2014	**Balance at start of period**	**Granted as compen sation**	**Other acquisition**	**Cancelled**	**Balance**	**Balance vested**	**Vested but not exercise -able**	**Vested and exercise-able**	**Options vested during period**
	No	**No**	**No**	**No**	**No**	**No**	**No**	**No**	**No**
A Pattison	-	-	5,000,000(1)	-	-	5	-	-	5,000,000
A Losada-Calderon	-	-	-	-	-	-	-	-	-
R Welker	-	-	-	-	-	-	-	-	-
B Heath	-	-	-	-	-	-	-	-	-
M Cardozo	-	-	-	-	-	-	-	-	-
A Hicks	-	-	-	-	-	-	-	-	-

(1) These share options were issued for nil consideration on 16 October 2014.

This class of options were admitted to the ASX for trading on 20 March 2014. These options were exercisable at 1.2c each, on or before the 4 December 2016.

Directors' Report (continued)

SECURITY HOLDINGS OF KEY MANAGEMENT PERSONNEL (continued)

Unlisted share option holdings of key management personnel

Unlisted employee share options as at 31 December 2014:

				At end of period			
31 Dec 2014	**Balance at start of period**	**Granted as compen-sation**	**Canc-elled**	**Balance**	**Balance vested**	**Vested and exercise-able**	**Options vested during period**
	No	**No**	**No**	**No**	**No**	**No**	**No**
A Pattison	12,500,000	-	-	12,500,000	12,500,000	12,500,000	-
A Losada-Calderon	5,000,000	-	-	5,000,000	5,000,000	5,000,000	-
R Welker	5,000,000	-	-	5,000,000	5,000,000	5,000,000	-
A Hicks	6,000,000	-	-	6,000,000	6,000,000	6,000,000	-
B Heath	-	-	-	-	-	-	-
M Cardozo	-	-	-	-	-	-	-
E Galvez Toullier	1,000,000	-	(1,000,000)	-	-	-	-

No share options were exercised during the period. There are no options that have vested, but are not exercisable at 31 December 2014.

Unlisted employee share options as at 31 December 2013:

				At end of period			
31 Dec 2013	**Balance at start of period**	**Granted as compen-sation**	**Canc-elled**	**Balance**	**Balance vested**	**Vested and exercise-able**	**Options vested during period**
	No	**No**	**No**	**No**	**No**	**No**	**No**
A Pattison	5,000,000	7,500,000	-	12,500,000	12,500,000	12,500,000	7,500,000
A Losada-Calderon	-	5,000,000	-	5,000,000	5,000,000	5,000,000	5,000,000
R Welker	-	5,000,000	-	5,000,000	5,000,000	5,000,000	5,000,000
C Chalwell	3,000,000	-	-	3,000,000	3,000,000	3,000,000	-
W Lamarque	2,000,000	-	-	2,000,000	2,000,000	2,000,000	-
B Hurley	2,000,000	-	-	2,000,000	2,000,000	2,000,000	-
R McKenzie	2,000,000	-	-	2,000,000	2,000,000	2,000,000	-
I Benavides	-	2,000,000	2,000,000	-	-	-	2,000,000
A Hicks	1,000,000	5,000,000	-	6,000,000	6,000,000	6,000,000	5,000,000
E Galvez Toullier	1,000,000	-	-	1,000,000	1,000,000	1,000,000	-
R Lopez	150,000	-	150,000	-	-	-	-

No share options were exercised during the period. There are no options that have vested, but are not exercisable at 31 December 2014.
All options issued to key management personnel were made in accordance with the provisions of the employee share option plan.

Further details of the employee share option plan and of share options granted during the period can be found at Note 24.

Directors' Report (continued)

SECURITY HOLDINGS OF KEY MANAGEMENT PERSONNEL (continued)

The following tables set out each directors' relevant interest in shares or options over unissued ordinary shares of the Company as at the date of this report.

Director	Fully paid ordinary shares	Share options (unlisted)	Share options (MIZOA)
A Pattison	68,924,367	12,500,000	8,000,000
R Welker	nil	5,000,000	nil
A Hicks	222,222	6,000,000	nil
A Losada-Calderon	1,355,486	5,000,000	nil
M Cardozo	nil	nil	nil
B Heath	nil	nil	nil

TRANSACTIONS WITH RELATED PARTIES

(i) TAE Resources Pty Ltd

Dr Alex Losada-Calderon is the sole proprietor of TAE Resources Pty Ltd. This company provides geological consulting services. These services are provided to the Company at normal commercial rates. The amount invoiced during the year ending 31 December 2014 was $237,904 (31 December 2013: $165,000).

(ii) Torpedo Drilling Pty Ltd

Mr Ashley Pattison is a director of Torpedo Drilling Pty Ltd. This company is a drilling business which provides its clients with drill rigs. All products and services provided to the Company are at normal commercial rates. Fees invoiced relating to the hire purchase of a rig in Peru were $72,254 (31 December 2013: $nil) during the period.

(iii) SilverStream SEZC

Mr Brett Heath is the appointed nominee director of the precious metals streaming company SilverStream SEZC. SilverStream are involved with providing financing arrangements to the company. These services provided to the Company are at normal commercial rates and further details can be found in note 15.

Mr Miguel Cardozo has an open contract with SilverStream SEZC to review the property and assets of the San Santiago entities acquired by Minera Gold in September 2014.

All amounts advanced to or payable to related parties are unsecured. The amounts may be settled in cash or in shares. No guarantees have been given or received. No expense has been recognised during the period for bad or doubtful debts in respect of the amounts owed by related parties.

Directors' Report (continued)

NON-AUDIT SERVICES

Details of amounts paid or payable to the auditor for non-audit services provided during the period by the auditor are outlined in Note 28 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the period by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services disclosed in Note 28 to the financial statements do not compromise the external auditor's independence, based on advice received from the Audit Committee, for the following reasons:

- all non-audit services have been reviewed to ensure they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 11 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration is included on page 29 of the financial report.

Signed in accordance with a resolution of the directors made pursuant to s.298 (2) of the Corporations Act 2001.

A Pattison
Managing Director
Perth, 14 May 2015

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
Minera Gold Limited
45 Ventnor Avenue
West Perth WA 6005

14 May 2015

Dear Board Members

Auditor's Independence Declaration to Minera Gold Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Minera Gold Limited.

As lead audit partner for the audit of the consolidated financial statements of Minera Gold Limited for the year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Neil Smith

Neil Smith
Partner
Chartered Accountants

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Independent Auditor's Report to the members of Minera Gold Limited

Report on the Financial Report

We have audited the accompanying financial report of Minera Gold Limited, which comprises the statement of financial position as at 31 December 2014, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, 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 year as set out on pages 32 to 77.

Directors' Responsibility for the Financial Report

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation of the financial report that gives a true and fair view, 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Minera Gold Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Deloitte.

Opinion

In our opinion:

(a) the financial report of Minera Gold 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 31 December 2014 and of its performance for the year ended on that date; and

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

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 2 in the financial report which indicates that the consolidated entity incurred a net loss of $8,958,000 and experienced net cash outflows from operating and investing activities of $11,925,000 during the year ended 31 December 2014 and as of that date, the consolidated entity's current liabilities exceeded its current assets by $10,095,000. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the company's and the consolidated entity's ability to continue as going concerns and therefore the company and the consolidated entity may be unable to realise their assets and discharge their liabilities in the ordinary course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 18 to 23 of the directors' report for the year ended 31 December 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 Minera Gold Limited for the year ended 31 December 2014 complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Neil Smith
Partner
Chartered Accountants
Perth, 14 May 2015

Directors' Declaration

The directors declare that in the directors' opinion:

(a) the financial statements and notes set out on pages 33 to 77 are in accordance with the Corporations Act 2001, including:

- (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
- (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 2 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s.295 (5) of the Corporations Act 2001.

On behalf of the Directors

A Pattison
Managing Director

Perth, 14 May 2015

Consolidated Statement of Profit and Loss and Other Comprehensive Income
For the Financial Year Ended 31 December 2014

	Notes	Year Ended 31 December 2014 $'000s	Year Ended 31 December 2013 $'000s
Revenue	5(a)	2,003	5,374
Cost of sales		(3,588)	(6,076)
Gross (loss)/profit		(1,585)	(702)
Other revenue	5(a)	221	101
Occupancy expenses		(213)	(341)
Employee benefits expenses	5(b)	(964)	(1,470)
Depreciation and amortisation expenses	5(b)	(183)	(732)
Administration expenses		(1,622)	(2,483)
Share-based payments	5(b)	-	(6)
Finance costs	5(b)	(3,752)	(1,159)
Gain on Brazil	5(b)	-	5,799
Impairment expense	5(b)	(95)	(763)
Foreign exchange gains/(losses)		(765)	(68)
LOSS BEFORE INCOME TAX EXPENSE		(8,958)	(1,824)
Income tax expense	6	-	-
LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY FROM CONTINUING OPERATIONS		(8,958)	(1,824)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss		-	-
Exchange differences on translating foreign operations		(601)	2,109
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		(601)	2,109
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(9,559)	285
EARNINGS PER SHARE FROM CONTINUING OPERATIONS			
basic earnings (cents per share)	18	(0.56)	(0.35)
diluted earnings (cents per share)	18	(0.56)	(0.35)

Notes to the financial statements are included on pages 37 to 82.

Consolidated Statement of Financial Position
As at 31 December 2014

	Notes	31 December 2014 $'000s	31 December 2013 $'000s
CURRENT ASSETS			
Cash and cash equivalents	22(a)	414	315
Trade and other receivables	7	2,105	634
Prepayments		6	161
Inventories	8	464	-
TOTAL CURRENT ASSETS		2,989	1,110
NON-CURRENT ASSETS			
Property, plant and equipment	9	2,869	546
Mine assets	10	22,577	17,911
Deferred exploration and evaluation expenditure	11	741	-
Investment in joint venture	21	-	-
TOTAL NON-CURRENT ASSETS		26,187	18,457
TOTAL ASSETS		29,176	19,567
CURRENT LIABILITIES			
Trade and other payables	12	7,526	4,166
Borrowings	13	4,123	5,744
Provisions	14	230	353
Other liability	15	1,205	-
TOTAL CURRENT LIABILITIES		13,084	10,263
NON-CURRENT LIABILITIES			
Deferred tax liabilities	6	2,223	1,842
Borrowings	13	1,799	-
Provisions	14	292	268
Other liability	15	5,507	-
TOTAL NON-CURRENT LIABILITIES		9,821	2,110
TOTAL LIABILITIES		22,905	12,373
NET ASSETS		6,271	7,194
EQUITY			
Issued capital	16	77,554	69,083
Reserves	17	2,063	2,499
Accumulated losses		(73,346)	(64,388)
TOTAL EQUITY		6,271	7,194

Notes to the financial statements are included on pages 37 to 82.

Consolidated Statement of Changes in Equity
For the Financial Year Ended 31 December 2014

	Issued Capital $'000s	Other Reserve $'000s	Equity Settled Benefits Reserve $'000s	Foreign Currency Translation Reserve $'000s	Accumulated Losses $'000s	Total Equity $'000s
Balance at 31 December 2012	**67,231**	**(187)**	**2,223**	**(4,092)**	**(62,562)**	**2,611**
Loss for the period	-	-	-		(1,824)	(1,824)
Other comprehensive income for the period, net of income tax	-	-	-	2,109	-	2,109
Total comprehensive income for the period	**-**	**-**	**-**	**2,109**	**(1,824)**	**285**
Issue of shares for cash	765	-	-	-	-	765
Issue of shares in lieu of cash payment	201	-	-	-	-	201
Issue of shares as part of financing arrangement	844	-	-	-	-	844
Issue of shares to Anglo on loan extension	123	-	-	-	-	123
Issue of shares as consideration for loan repayment	120	-	-	-	-	120
Issue of shares as consideration for directors fees	140	-	-	-	-	140
Release Lind collateral shares	-	187	-	-	-	187
Share issue costs	(597)	-	-	-	-	(597)
Share issue costs written off	256	-	-	-	-	256
Recognition of share-based payments	-	-	280	-	-	280
Recycled to profit or loss on disposal of subsidiary	-	-	-	1,979	-	1,979
Balance at 31 December 2013	**69,083**	**-**	**2,503**	**(4)**	**(64,388)**	**7,194**
Loss for the period	-	- -	- -	-	(8,958)	(8,958)
Other comprehensive income for the period, net of income tax	-	-	-	(601)	-	(601)
Total comprehensive income for the period	**-**	**-**	**-**	**(601)**	**(8,958)**	**(2,365)**
Issue of shares for cash	775	-	-	-	-	775
Issue of shares in lieu of cash payment	225	-	-	-	-	225
Issue of shares as part of financing arrangement	290	-	-	-	-	290
Issue of shares on conversion of convertible loan	6,996	-	-	-	-	6,996
Issue of shares as consideration for loan repayment	100	-	-	-	-	100
Issue of shares on loan extension and variation	85	-	-	-	-	85
Issue of quoted options to financiers and brokers	-	-	165	-	-	165
Balance at 31 December 2014	**77,554**	**-**	**2,668**	**(605)**	**(73,346)**	**6,271**

Notes to the financial statements are included on pages 37 to 82.

Consolidated Statement of Cash Flows
For the Financial Year Ended 31 December 2014

	Notes	Consolidated 31 December 2014 $'000s	Consolidated 31 December 2013 $'000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,036	5,474
Payments to suppliers and employees		(6,568)	(8,676)
Interest paid		(221)	(2)
NET CASH USED IN OPERATING ACTIVITIES	22(b)	(4,753)	(3,204)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment	9	(978)	(32)
Payment for mine assets	10	(171)	(987)
Net cash outflow on acquisition of subsidiary	27	(5,427)	-
Payment to escrow account on acquisition of subsidiary	27	(601)	-
Interest received		5	3
NET CASH USED IN INVESTING ACTIVITIES		(7,172)	(998)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings – convertible note	13	5,523	2,957
Proceeds from borrowings – other loans	13	274	-
Proceeds from gold and silver streaming agreements	15	6,529	-
Payment of financing costs		(249)	-
Repayment of borrowings		(1,235)	(250)
Funds lend to joint venture partner		-	(100)
Proceeds from issue of shares	16	775	765
Payment of share issue costs		(47)	(77)
NET CASH PROVIDED BY FINANCING ACTIVITIES		11,570	3,295
Net (decrease) in cash and cash equivalents		(355)	(907)
Cash and cash equivalents at the beginning of the year		315	1,470
Effects of exchange rate changes on the balance of cash held in foreign currencies		454	(248)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	22(a)	414	315

Notes to the financial statements are included on pages 37 to 82.

Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

Minera Gold Limited is a for-profit listed public company, incorporated in Australia and operates in Australia (corporate office) and in South America. The registered office is located at 45 Ventnor Avenue, West Perth, 6005, Western Australia.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance
The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. The financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board (IASB). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial statements were authorised for issue by the Directors on 14 May 2015.

Basis of preparation
The financial statements have been prepared under the historical cost convention. 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. The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts are rounded off to the nearest thousand dollars, unless otherwise indicated.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Critical accounting judgements and key sources of estimation uncertainty
In the application of AIFRS management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Refer to Note 3 for a discussion of critical judgements in applying the entity's accounting policies and key sources of estimation uncertainty.

Going Concern
The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated Entity has incurred, for the 12 months ended 31 December 2014, a net loss after tax of $8.9 million (31 December 2013: loss $1.8 million) and experienced net cash outflows from operating and investing activities of $11.9 million (31 December 2013: outflows of $4.2 million). As at 31 December 2014 the Consolidated Entity had a working capital deficiency of $10.1 million (31 December 2013 deficiency: $9.2 million).
During the year to 31 December 2014 and for the period to the date of signing this report, the directors have taken steps to ensure the Company and the Consolidated Entity continue as going concerns. These steps include:

- The Company raised $7.1 million pursuant to convertible debt raisings during the year and subsequent to year end to fund ongoing working capital requirements as well as fund the repayment of borrowings.
- The Company completed an equity capital raising in December 2014 from existing shareholders to raise $800,000 before costs, with proceeds being used for working capital purposes.
- During the year, a number of supportive creditors and suppliers to the parent Company elected to take shares in the Company in lieu of cash settlements of amounts owing.
- On 16 December 2014, the Company successfully negotiated an extension on the repayment terms of the Anglo Pacific Group loan. Repayment of the principal and interest owing was restructured to be five defined payments on a quarterly basis including $250,000 on completion of the capital raising announced on 4 December 2014. As disclosed in Note 13, the repayment of $250,000 due on 31 March 2015 was not met and a $50,000 facility fee was paid by the Company to ensure the 9th Amendment to the Standstill and Forbearance Deed between the Company and Anglo Pacific Group remains in good standing. The $250,000 amount is now due by 31 December 2015.
- On 8 April 2014, the Company announced that it had entered into a Gold Streaming deal with Silverstream SEZC, a Cayman Island based fund who will pay US$5 million in four instalments for the right to purchase 10% of the production from Torrecillas for life of mine at a purchase price of the lower of US$400.00 per ounce or 80% of the prevailing spot price at the time. The Company received the first instalment of US$1.6 million less $70,000 in costs on 9 April 2014 and an additional US$1.4 million on 16 September 2014. Two further tranches are subject to certain production milestones being

Notes to the Consolidated Financial Statements

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

met within the gold operations of the Company prior to the drawdown. This funding agreement is subject to certain production and cost milestones being achieved. See Note 15 for further details.

- On 19 September 2014, the Company announced that it had completed and settled on the agreement to acquire the San Santiago de Acari gold-copper mill and surrounding copper concessions and mining rights in Southern Peru, in proximity to the Consolidated Entity's existing gold mines. The acquisition cost was US$5.5 million in cash, with US$500,000 of this amount being placed into an escrow account for post-acquisition adjustments identified. The acquisition was partly funded by SilverStream SEZC who provided US$4.1 million following the entering into of a second streaming transaction, this time covering silver production from the San Santiago copper circuits. The acquisition has added additional potential revenue streams to the Company and is also an integral part of the Consolidated Entity's cash cost reduction strategy for the gold business. This funding agreement is subject to certain production and cost milestones being achieved. See Note 15 for further details.
- Changing the strategy of the gold business from owner operator mining at the Torrecillas Gold Project, including mining of the Tessie, Rebeca and Tumi veins to 100% third party toll treatment. This strategy was implemented following the economic assessment of owner operator mining versus third party toll treating, which showed that at current gold prices, third party toll treatment was more economic to the Company, particularly with the current milling capacity at 100TPD.
- In March 2015, US$490,000 in cash was returned to the Consolidated Entity from the vendor of San Santiago de Acari Processing Plant from the purchase escrow account. The return of monies represents part of the initial vendor payment and was initiated following a comprehensive assessment of the San Santiago Processing Plant and mining concessions by our technical and legal advisors. The funds recovered from the vendor will be applied to working capital in the Peruvian operations.
- Ongoing management of the level of ore and concentrate purchasing and exploration expenditure in line with funds available to the Consolidated Entity.

The ability of the Company and the consolidated Entity to continue as going concerns is dependent on:

I. Completion by 31 May 2015 of US$0.5 million loan facility announced by the Company on 9 April 2015; and
II. Ratification at the Annual General Meeting of the Company, to be held on 28 May 2015, of approval to convert Convertible Loan Agreements with a face value totaling AU$0.73m and US$1.1m through the issue of shares in the Company, full details of which is set out in the Notice of Annual General Meeting circulated to shareholders on 29 April 2015; and
III. Ongoing management of the Consolidated Entity's operations for both the gold and copper circuits, including achieving planned significant increases in ore tons processed through the plant, and improved recovery rates and cost per ounce reductions from the new processing facility with the expectation that such operations will be cash flow positive commencing June 2015; and
IV. Ongoing management of the Consolidated Entity's exploration expenditure in Peru as well as corporate costs in line with funds available to the Company and the Consolidated Entity; and
V. The ability of the Company and the Consolidated Entity to satisfy milestones required, through either production or on-market purchase of gold dore, to receive the Second and Third instalments totalling US$2.0 million under the Silverstream Gold Purchase Agreement. The minimum requirements being production of 1,600oz, increasing to 2,000oz for 3 consecutive months and cash costs of less than US$1,300 per ounce; and
VI. Meeting the ongoing minimum monthly delivers of gold and silver as determined by the Gold Purchase Agreement and the Silver Purchase Agreement between the Company and SilverStream, further details of which are disclosed in Note 19 ; and
VII. Recapitalization of Peruvian subsidiaries as may be required to meet statutory requirements in Peru within the next 12 months; and
VIII. Ongoing management of existing creditors and third party loans in particular through deferral or payment arrangements as necessary to coincide with the Company's and the Consolidated Entity's ability to settle all outstanding obligations within agreed terms; and
IX. The raising of additional debt / equity funding by the Company and the Consolidated Entity if required.

The Directors have reviewed the Company's and the Consolidated Entity's overall position and outlook in respect of the matters identified above and are of the opinion that there are reasonable grounds to believe that the operational and financial plans in place are achievable and accordingly the Company and the Consolidated Entity will be able to continue as going concerns and meet their debts as and when they fall due.

Should the Directors not be successful in achieving the matters set out above, there is a material uncertainty whether the Company and the Consolidated will be able to continue as going concerns and therefore whether they will be able to realise their assets and extinguish their liabilities in the normal course of business.

The financial report does not include any 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 Company and the Consolidated entity not be able to continue as going concerns.

Notes to the Consolidated Financial Statements

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

Adoption of new and revised accounting standards
The directors have considered the impact of new accounting standards that are not yet applicable and do not believe they will have a material impact on the financial performance or state of affairs of the Group.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the "AASB")that are relevant to their operations and effective for the current year.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the group include:

List of Standards and Interpretations in issue not yet effective
At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective:

Date issued (sourced from AASB Media Release)	Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
Dec 2009/ Dec 2010/ Dec 2014	AASB 9 'Financial Instruments', and the relevant amending standards[1]	1 January 2018	31 December 2018
5 Mar 2013	AASB 1055 'Budgetary Reporting' and AASB 2013-1 'Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements'	1 July 2014	31 December 2015
17 Jun 2014	AASB 2014-1 'Amendments to Australian Accounting Standards' - Part A: 'Annual Improvements 2010–2012 and 2011–2013 Cycles' - Part B: 'Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)' - Part C: 'Materiality'	1 July 2014	31 December 2015
18 Aug 2014	AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	31 December 2016
18 Aug 2014	AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	31 December 2016
23 Dec 2014	AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	31 December 2017
21 Jan 2015	AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	31 December 2016
2 Feb 2015	AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	31 December 2016
2 Feb 2015	AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	31 December 2016
6 Feb 2015	AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception'	1 January 2016	31 December 2016

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued:

Date issued (sourced from IASB Media Release)	Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
	None at the time of publication		

Standards and Interpretations adopted with no effect on financial statements
The following new and revised standards and Interpretations have been adopted in these financial statements in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

AASB 10 'Consolidated Financial Statements', AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards'

AASB 11 'Joint Arrangements', AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards'

Notes to the Consolidated Financial Statements

2. **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)**

AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'

AASB 128 'Investments in Associates and Joint Ventures (2011)', AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards'

AASB 13 'Fair Value Measurement' and related 'AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13', and

AASB 127 'separate financial statements (2011 and AASB 2011-7 Amendments to Australian Accounting standards arising from the consolidation and Joint Arrangements Standards'

Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect those returns.

The Company reassesses 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 listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company 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 intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the firmer subsidiary as the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

Significant Accounting Policies

The following significant policies have been adopted in the preparation of the Financial Report:

(a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit 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.

Sale of goods

Revenue from sales of mineral production and toll treatment is recognised when there has been a passing of the significant risks and rewards of ownership, which means the following:

- The product is in a form suitable for delivery and no further processing is required by or on behalf of the consolidated entity;
- The quantity and quality (grade) of the product can be determined with reasonable accuracy;
- The product has been despatched to the customer and is no longer under the physical control of the consolidated entity;
- The selling price can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the consolidated entity; and
- The costs incurred, or expected to be incurred, in respect of the transaction can be measured reliably.

Notes to the Consolidated Financial Statements

2. **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)**

(b) Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(c) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

***(d)* Inventory**

Inventories are valued at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring and bringing the inventories to their existing condition and location but excludes overheads. Cost is accounted for as follows:

- *Bullion* - average fixed direct costs and variable direct costs.
- *Gold in circuit* - average cost.
- *Stores* - purchase cost on a first in first out cost method.
- *Ore stockpiles* - cost of mining on an average cost method.
- *Work in progress - cost of mining and processing at an average cost method.*

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value commencing from the date the asset is available for use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

Depreciation on assets utilised in exploration, evaluation and mine development during the pre-production phase is included in the carrying value of Deferred Exploration Expenditure and Mine Assets reflected on the balance sheet. On commencement of production, depreciation is expensed to the Income Statement.

The following estimated useful lives are used in the calculation of depreciation:

Plant and equipment – mine site	life of mine
Plant and equipment – processing plant	10 years
Plant and equipment – other	2-5 years

(f) Mine assets

Expenditure on mine properties in production or under development are accumulated and brought to account at cost less accumulated amortisation in respect of each identifiable area of interest. Amortisation of capitalised costs is provided on a production output basis, proportional to the depletion of the mineral resource of each area of interest expected to be ultimately economically recoverable.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Should the carrying value of expenditure not yet amortised exceed its estimated recoverable amount in any period, the excess is written off to the income statement.

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 it belongs.

Pre-production revenue from gold sales derived from mine development ore is netted off against capitalised mine development expenditure.

(g) Impairment of assets

At each reporting date, the Consolidated Entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

(h) Deferred exploration expenditure

Exploration and evaluation expenditure for each area of interest is carried forward as an asset provided that one of the following conditions is met:

- Such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- Exploration activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Exploration and evaluation expenditure, which fails to meet at least one of the conditions outlined above, is written off.

Identifiable exploration assets acquired from another mining company are carried as assets at their cost of acquisition. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions outlined above are met. Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired, is accounted for in accordance with the policy outlined above for exploration incurred by or on behalf of the entity. Exploration and evaluation expenditure assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

The recoverable amount of the exploration and evaluation asset is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years. Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to mine assets.

(i) Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except with the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5. Under the equity method, an investment in an associate or joint venture is initially recognised in the consolidated statements of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinue recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

Notes to the Consolidated Financial Statements

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interest in the associate or joint venture that are not related to the Group.

(j) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquire and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 'Income Taxes' and AASB 119 'Employee Benefits' respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 'Share-based Payment' at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 139 'Financial Instruments: Recognition and Measurement; or AASB 137 'Provisions, Contingent Liabilities and Contingent Assets', as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date

(k) Royalties

Royalty expenditure is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that settlement will be required and the amount of expense can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

(l) Trade and other payables

Trade payables and other accounts payable are recognised when the Consolidated Entity becomes obliged to make future payments resulting from the purchase of goods and services.

(m)Provisions

Provisions are recognised when the Consolidated Entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Provision for restoration and rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of exploration, development, production, transportation or storage activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the provision can be measured reliably.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation as at the reporting date. Future restoration costs are reviewed annually and any change in the estimates are reflected in the present value of the restoration provision at reporting date.

The initial estimate of the restoration and rehabilitation provision relating to exploration, development and production facilities is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present value arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset

(n)Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.
Provisions made in respect of employee benefits expected to be settled wholly within twelve months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.
Provisions made in respect of employee benefits which are not expected to be settled within twelve months are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

(o) Financial assets

Other financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss’, ‘held-to-maturity investments’, ‘available-for-sale’ financial assets, and ‘loans and receivables’. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Group’s “other financial Assets” held during the period comprise solely of assets classified as “loans and receivables”.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets ‘at fair value through profit or loss’.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as ‘loans and receivables’. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

2. **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)**

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables. For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.
The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(p) Financial Liabilities

Borrowings and other financial liabilities (including trade payables but excluding derivative liabilities) are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost. Any difference between the amounts originally received for borrowings and other financial liabilities (net of transaction costs) and the redemption value is recognised in the income statement over the period to maturity using the effective interest method.

Fair value

Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties. Where relevant market prices are available, these have been used to determine fair values. In other cases, fair values have been calculated using quotations from independent financial institutions, or by using valuation techniques consistent with general market practice applicable to the instrument.

(a) The fair values of cash, short-term borrowings and loans to joint ventures and associates approximate to their carrying values, as a result of their short maturity or because they carry floating rates of interest.
(b) The fair values of medium and long-term borrowings are calculated as the present value of the estimated future cash flows using quoted prices in active markets or an appropriate market based yield curve. The carrying value of the borrowings is amortised cost.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash outflows through the expected life of the financial liability, or, where appropriate, a shorter period.

An expense is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

(q) Issued Capital

Ordinary share 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 as a reduction of the share proceeds received.

(r) Foreign currency

Foreign currency transactions

The individual financial statements of each group entity are presented in its functional currency being the currency of the primary economic environment in which the entity operates. For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Australian dollars, which is the functional currency of Minera Gold Limited and the presentation currency for the consolidated financial statements.

All foreign currency transactions during the financial period are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Exchange differences are recognised in profit or loss in the period in which they arise except that exchange differences on monetary items receivable from or

Notes to the Consolidated Financial Statements

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, are recognised in the foreign currency translation reserve in the consolidated financial statements and recognised in consolidated profit or loss on disposal of the net investment.

Foreign operations

On consolidation, the assets and liabilities of the Consolidated Entity's overseas operations are translated at exchange rates prevailing at the yearend closing rate. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are recognised in the foreign currency translation reserve, and recognised in profit or loss on disposal of the foreign operation.

(s) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

(i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

(ii) for receivables and payables which are recognised inclusive of GST.

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

(t) Share-based payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

(u) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

<u>Current tax</u>

Current tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

<u>Deferred tax</u>

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences

Notes to the Consolidated Financial Statements

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

<u>Current and deferred tax for the period</u>
Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

(v) Leasing
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key estimates that management has made in the process of applying the Group's accounting policies and that have the most significant effects on the amounts recognised in the financial statements.

(a) Determination of mineral resources and ore reserves
The Group estimates its mineral resources and ore reserves in accordance with the Australian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). The information on mineral resources and ore reserves is prepared by or under the supervision of Competent Persons as defined in the JORC Code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC Code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. Such changes in reserves could impact on depreciation and amortisation rates, asset carrying values and provisions for restoration and rehabilitation.

(b) Estimation for the provision for restoration and rehabilitation
Provision for rehabilitation and dismantling property, plant and equipment is estimated taking into consideration facts and circumstances available at the balance sheet date. This estimate is based on the expenditure required to undertake the rehabilitation and dismantling, taking into consideration the time value of money.

(c) Impairment of property, plant and equipment
The Group reviews for impairment of property, plant and equipment, in accordance with its accounting policy. The recoverable amount of these assets has been determined based on the higher of the assets' fair value less costs to sell and value in use. These calculations require the use of estimates and judgements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. The Group may engage the assistance of third parties to establish the appropriate valuation techniques and inputs to the valuation model.

Notes to the Consolidated Financial Statements

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(d) *Impairment of capitalised mine assets and deferred exploration expenditure*
The future expected recoverability of capitalised mine development expenditure is dependent on a number of factors, including the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environment restoration obligations) and changes to commodity prices.

The Company's impairment model includes cash flows derived from the mining of measured and indicated resources at Torrecillas and as such includes the estimated capital cost of accessing and extracting these resources. Further, the model assumes the company will meets the production and cost targets.

The long-term gold price currently used in the life of mine model is US$1,170 per ounce. A 10% increase or decrease to the long term gold price may impact the carrying value of assets should there not be a corresponding decrease in production costs through a reduction in input prices, a change in technology or management corrective action.

The discount rate currently applied is 10%.

An increase in the discount rate to 10% may impact the carrying value of assets.

To the extent that capitalised mine development expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

(e) *Valuation of liability owed to SilverStream SEZC*

As disclosed in note 15 of the financial statements, SilverStream SEZC ("SilverStream") holds guarantee security over monies provided to Minera Gold Ltd under the gold streaming and silver streaming agreements. The total value of these guarantees is reduced based on physical delivery, whether purchased on-market, or delivered from physical production from the Group's operations based on the spot rate for the relevant commodity on the last day of the month less SilverStreams' contribution to productions costs. The carrying value of the liability is therefore amortised based on the delivery profile. The reduction in this liability in future periods is therefore based on the amount delivered into the facility. At balance date, the carrying value reflects the value that would become sue and payable to SilverStream should a default event occur and SilverStream call for repayment of amounts forwarded to the group under the respective agreements. The finance cost relating to these agreements represents the effective interest rate on the liabilities.

Notes to the Consolidated Financial Statements

4. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The Group has four reportable operating segments which are the same as its geographical segments, these are Peru, Brazil and the USA. The information is further analysed based on the mineral sold within the region.

The following is an analysis of the Group's revenue and results by reportable operating segment for the year under review:

	Revenue		Segment Result	
	Period ended		Period ended	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Continuing operations	$'000s	$'000s	$'000s	$'000s
Segment result before income tax – Peru Gold	968	5,374	(2,290)	(2,780)
Segment result before income tax – Peru Copper (1)	1,035	-	65	-
Segment result before income tax – Brazil	-	-	-	6,888
Segment result before income tax – USA	-	-	47	196
	2,003	5,374		
Investment revenue			6	5
Central administration costs and director salaries			(2,006)	(3,255)
Impairments/intercompany			(200)	(1,743)
Foreign exchange costs			(980)	-
Finance costs			(3,600)	(1,135)
Loss before income tax expense			(8,958)	(1,824)
Income tax expense			-	-
Loss for the period from continuing operations			**(8,958)**	**(1,824)**

(1) On 19 September 2014 the Group acquired the San Santiago de Acari gold and copper processing plant in Peru, and the surrounding copper exploration and mining concessions.

The revenue reported above represents revenue generated from processed gold sales, toll treatment revenues and concentrate sales to external customers. There were no intersegment sales during the period.

In Peru, 100% of the gold sales in the twelve months to 31 December 2014 of A$0.97 million, were sold to local Peruvian gold buyers (31 December 2013: A$5.37 million). All gold sold was owned by the Company and sourced from either its wholly owned Torrecillas operation or from the purchase of legal ore from local formalised miners.

In Peru, 100% of the copper concentrate sales in the period from 19 September 2014 to 31 December 2014, of A$1.03 million, were sold under a short term spot off-take agreement with Andina Trade SAC, a subsidiary of MRI Trading AG.

Segment result represents the profit or loss earned by each segment without allocation of corporate administration costs, investment revenue and finance costs or income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, share of profits of associates, gain recognised on disposal of interest in former associate, investment income, gains and losses, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Notes to the Consolidated Financial Statements

4. SEGMENT INFORMATION (continued)

The following is an analysis of the Group's assets by reportable operating segment:

Assets	31 December 2014 $'000s	31 December 2013 $'000s
Peru gold business	22,519	19,115
Peru copper business	6,392	-
United States of America	2	2
Unallocated assets	263	450
Consolidated total assets	29,176	19,567

The following is an analysis of the Group's liabilities by reportable operating segment:

Liabilities	31 December 2014 $'000s	31 December 2013 $'000s
Peru gold business	6,863	5,396
Peru copper business	1,693	-
United States of America	118	128
Unallocated liabilities	14,231	6,849
Consolidated total liabilities	22,905	12,373

Notes to the Consolidated Financial Statements

5. REVENUE AND EXPENSES

The following is an analysis of the Group's revenue for the year from continuing operations:

		Consolidated	
		31 December 2014	31 December 2013
	Note	$'000s	$'000s
(a) Revenue			
Revenue from the sale of gold		968	5,374
Revenue from toll processing		460	-
Revenue from selling concentrate		575	-
Interest revenue – bank deposits		151	5
Other income		70	96
		2,224	5,475
(b) Expenses			
(i) Employee benefits expense:			
Equity settled share-based payments		-	(6)
Other employee benefits		(964)	(1,470)
		(964)	(1,476)
(ii) Depreciation and amortisation:			
Plant and equipment		(134)	(121)
Mine assets		(49)	(611)
		(183)	(732)
(iii) Operating lease rental expenses included in occupancy costs:			
Minimum lease payments		(174)	(233)
(iv) Finance costs:			
Interest on finance facilities		(408)	(325)
Interest on convertible notes		(573)	(103)
Bank fees		(20)	(709)
Finance costs		(2,751)	(22)
		(3,752)	(1,159)
(v) Gain on Brazil Deconsolidation			
Gain on deconsolidation of Brazil	21	-	2,862
Creditor renegotiation - Brazil		-	2,937
		-	5,799
(vi) Impairment expense			
Impairment of inventory		-	(563)
Other receivables impairment		(95)	(200)
		(95)	(763)

Notes to the Consolidated Financial Statements

6. INCOME TAXES

Income tax recognised in profit or loss	Consolidated 31 December 2014 $'000s	Consolidated 31 December 2013 $'000s
Tax expense comprises:		
Deferred tax expense	-	-
Total tax expense	-	-

The prima facie income tax expense on pre-tax accounting loss from continuing operations reconciles to the income tax expense in the financial statements as follows:

Loss from continuing operations	(8,958)	(1,824)
Income tax calculated at 30%	(2,687)	(548)
Expenses that are not deductible / (income that is exempt) in determining taxable profit	288	52
Adjustments for deferred tax of prior period	-	247
Effect of different tax rates of subsidiaries operating in other jurisdictions	-	-
Tax benefit not recognised as recovery not probable	2,399	249
	-	-

The tax rate used in the above reconciliation is the tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

Deferred tax assets		
Amounts recognised in profit and loss:		
Tax losses – revenue	2,174	2,529
Share issue costs recognised in equity	-	102
Provisions & other	(287)	(187)
Deferred tax assets used to offset deferred tax liabilities	(1,982)	(1,493)
Deferred tax assets not recognised	95	(951)
	-	-
Deferred tax liabilities		
Amounts recognised in profit and loss:		
Mineral rights	4,205	3,335
Deferred tax assets used to offset deferred tax liabilities	(1,982)	(1,493)
	2,223	1,842
Movements:		
Opening balance at 1 July	1,842	1,712
Exchange differences	381	130
	2,223	1,842

Tax consolidation

The parent entity is the only Australian entity in the Consolidated Entity, hence a tax consolidated group has not been formed.

Notes to the Consolidated Financial Statements

7. TRADE AND OTHER RECEIVABLES

	31 December 2014 $'000s	31 December 2013 $'000s
Current		
Tax receivable[(2)]	1,403	538
Other receivables[(1)]	702	96
	2,105	634

(1) Other receivables include amounts receivable from sales prior to year end and advances due for repayment.

(2)Local tax receivables relate to goods and services taxes refundable in the prior year.

No receivables are past due and the normal period of credit is less than 30 days.

8. INVENTORIES

	31 December 2014 $'000s	31 December 2013 $'000s
Stores and spares	354	-
In process ore	110	-
	464	-

The cost of inventories recognised as an expense during the year in respect of continuing operations was $1.9 million (31 December 2013: $3.9 million).

Notes to the Consolidated Financial Statements

9. PROPERTY, PLANT AND EQUIPMENT

	Note	Property, plant and equipment $'000s
Assets at Cost		
Balance at 31 December 2012		9,877
Additions		32
Eliminated on disposal of assets		(112)
Eliminated on the disposal of the Brazilian entity	21	(8,755)
Impact of foreign exchange		170
Balance at 31 December 2013		1,212
Additions		1,024
Eliminated on disposal of assets		(46)
Acquisitions through business combination	27	473
Fair value adjustment on acquisition		821
Impact of foreign exchange		540
Balance at 31 December 2014		4,024
Accumulated depreciation and impairment		
Balance at 31 December 2012		(5,002)
Depreciation expense		(121)
Eliminated on disposal of assets		13
Eliminated on the disposal of the Brazilian entity	21	4,522
Impact of foreign exchange		(77)
Balance at 31 December 2013		(665)
Depreciation expense		(124)
Eliminated on disposal of assets		4
Impact of foreign exchange		(370)
Balance at 31 December 2014		(1,155)
Net book value		
As at 31 December 2013		546
As at 31 December 2014		**2,869**

Outstanding monies due to DCF Capital LLC and SilverStream SEZC are secured by first ranking mortgage, shared jointly and proportionately, between DCF Capital LLC and SilverStream SEZC over the San Santiago de Acari and mining concessions. For further information see note 10 and note 13.

Other than the afore-mentioned that there are no other assets pledged as security.

Notes to the Consolidated Financial Statements

10. MINE ASSETS

	Note	Consolidated 31 December 2014 $'000s	31 December 2013 $'000s
Mine assets at cost		23,914	19,090
Accumulated amortisation		(1,337)	(1,179)
Net book value		22,577	17,911

Reconciliation of the carrying amounts of mine assets at the beginning and end of the current financial year:

Carrying amount at beginning of the period		17,911	14,990
- fair value adjustment on acquisition	27	2,962	-
- mine development expenditure		171	987
- impact of foreign exchange		1,582	2,545
- amortisation expense		(49)	(611)
		22,577	17,911

SilverStream SEZC has rights to a first-ranking lien interest over the Torrecillas mining concessions in accordance with the Gold Purchase Agreement announced on 8 April 2014.

11. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Note	Consolidated 31 December 2014 $'000s	31 December 2013 $'000s
Deferred exploration expenditure		741	-

Reconciliation of the carrying amounts of mine assets at the beginning and end of the current financial year:

Carrying amount at beginning of the period		-	-
- acquisitions through business combination	27	724	-
- impact of foreign exchange		17	-
		741	-

12. TRADE AND OTHER PAYABLES

	Consolidated 31 December 2014 $'000s	31 December 2013 $'000s
Trade and other payables	7,331	4,101
Tax liabilities	195	65
	7,526	4,166

The average credit period on purchases is 30 days.

Notes to the Consolidated Financial Statements

13. BORROWINGS

	Consolidated	
CURRENT	**31 December 2014**	**31 December 2013**
Unsecured at amortised cost	**$'000s**	**$'000s**
Loans (1)	1,796	2,565
Convertible notes (2)	2,327	2,864
Lind convertible facility (3)	-	315
	4,123	**5,744**
NON CURRENT		
Unsecured at amortised cost		
Loans (1)	186	-
Secured at amortised cost		
Convertible note (2)	1,613	-
	1,799	-
TOTAL BORROWINGS	**5,922**	-

(1) Loans

(a) Anglo Pacific loan

At 31 December 2014 the fair value of the loan facility was determined based on its face value of $1.7 million (2013:2.57 million)

In accordance with the ninth amendment to the standstill and forbearance deed with Anglo Pacific Group PLC (APG), signed on 16 December 2014, the final repayment of the debt owing has been deferred until 31 December 2015.

The remaining balance of the loan is payable in the following instalments:

(i) repayment of A$0.1 million of the principal was completed on 18 December 2014 by way of issue of 28,571,429 fully paid ordinary shares at a deemed issue price of $0.0035; and
(ii) a repayment of $150,000 in cash, which was completed on 29 January 2015; and
(iii) a repayment of $250,051.80 which was due on 31 March 2015 (representing $182,000 of the Principal and $68,051.80 of interest), and
(iv) by 30 June 2015 a repayment of $400,149.12 (representing $355,000 of the Principal and $45,149.12 of interest), and
(v) by 30 September 2015 a repayment of $482,526 (representing $450,000 of the Principal and $32,526 of interest), and
(vi) the remainder of the outstanding balance on or before 31 December 2015.

The payment due on 31st March has not been met. Minera Gold will incur a facility fee of $50,000 to ensure that the ninth amendment to the standstill and forbearance deed is kept in good standing.

On 10 February 2015, Minera issued APG 14,285,714 quoted (MIZOA) options which are exercisable at $0.012 per share, on or before the 4 December 2016. These options represent the one free-attaching MIZOA option for every two shares issued on 18 December 2014.

In consideration for agreeing to amend the terms of the loan agreement, Anglo Pacific PLC were also issued 73,275,000 unlisted share options, which are exercisable at $0.006 per share, expiring on or before 8 February 2018.

During the financial year $1.2 million (2013: nil) of the outstanding loan balance was repaid in cash and a further $0.1 million (2013: nil) in shares on 18 December 2014. A further $399,115 (2013: 166,868) of interest and fees and charges were capitalised to the loan during this period. The effective interest rate is 15% (2013: 9.97%). This loan is unsecured.

(b) Short term loan

On 14 October 2014 the Company received a short term loan of $120,000 which was due for repayment on 14 November 2014. As at December 31, 2014 the loan had not been repaid and as such the loan incurred penalty interest at an effective interest rate of 60%. This interest is payable by the issue of 1,500,000 MIZOA options to the financier (at no cost to the financier) each week that the loan remains unpaid. On 10 February 2015, the financier was issued 18,000,000 MIZOA, quoted options expiring on or before 4 December 2016 at $0.012 per share, representing 12 weeks of interest due up to 6 February 2015. On 6 February 2015, this loan was rolled into a convertible note which is repayable on 30 June 2015.

Notes to the Consolidated Financial Statements

13. BORROWINGS (continued)

(c) Long term loan

On 15 October 2014 Minera Gold signed a debt mandate with Falknis Wealth Management AG for the provision of up to $US 500,000 in loan funds. On 21 November 2014, Minera received US$0.15 million and subsequent to year end a further $0.35 million was received (for further details refer to note 30). The loan is due for repayment 2 years after the receipt of the last tranche, being the 27 January 2017.

The loan is unsecured and interest accrues at 12% per annum which is calculated daily and paid in cash quarterly.

(2) Convertible notes

(a) Short term facilities

On 2 October 2013 the Company announced the terms of an unsecured convertible loan to provide funding to the Group. Interest on this facility was payable at between 18% and 23.25% per annum and to be paid quarterly in cash or shares at the note holder's election. This facility expired on 30 September 2014 and the participants rolled the balance of their convertible notes into a new facility expiring on 30 June 2015.

All principal and interest amounts payable are convertible at the discretion of the Company at the lower of either a price set by the Company (between A$0.008 and $0.003), or an issue price equal to 80% of the volume weighted average price of the borrower's share traded on ASX during the ten days prior to a conversion notice being issued.

The following table illustrates the conversion price applicable to outstanding convertible notes as at 31 December 2014 and the applicable interest rates:

Expiry date of convertible facility	Loan currency denomination	Interest rate per annum	Balance of convertible (AUD) $'000s	Conversion price per share
30 June 2015	AUD	18.00%	1,674	0.008 per share
30 June 2015	AUD	23.25%	187	0.008 per share
30 June 2015	USA	18.00%	466	0.006 per share

During the financial year, the Company received $4.1 million (2013: 2.5 million) in new loans from sophisticated and professional investors on substantially the same terms and conditions as noted above. The Company has also rolled into the convertible notes, amounts previously recorded through trade payables in lieu of a cash settlement.

The following table summarises the movement in the convertible note debt for the year:

	Consolidated	
	31 December 2014	**31 December 2013**
	$'000s	**$'000s**
Opening balance	2,864	-
Proceeds received	4,141	2,539
Creditors rolled in	435	222
Interest accrued	460	103
Principal conversions	(5,236)	-
Interest paid in cash	(58)	-
Interest paid shares via conversion	(321)	-
Foreign exchange revaluation	42	-
Closing balance	**2,327**	**2,864**

Subsequent to year end, a further $1.6 million was received by the Company from sophisticated and professional investors. The terms of these new convertible notes were substantially the same as the existing short term convertible loans on issue. The repayment date for these new loans vary between 30 June 2015 ($0.2 million) and 31 March 2016 ($1.4 million) The principal and interest amounts payable are convertible at the discretion of the Company at the lower of either A$0.003 or $0.0025 (dependent on the execution date) or an issue price equal to 80% of the volume weighted average price of the borrower's share traded on ASX during the ten days prior to a conversion notice being issued.

In addition to this, subsequent to year end outstanding payables to the value of $0.5 million were converted into the new convertible notes. Refer to note 30 for further information.

Notes to the Consolidated Financial Statements

13. BORROWINGS (continued)

(b) Long term facility

On 11 September 2014, the Group signed a convertible debt facility with DCF Capital LLC (DCF) for $1.38 million (US$1.25 million). The facility has a maturity date of 30 September 2016 and it is convertible at the election of DCF Capital LLC.

Interest accrues at 18% per annum and a default interest at the rate of 23.25% will accrue on the outstanding monies.

DCF may at any time elect to convert the whole of the outstanding balance on the facility into ordinary shares in Minera Gold Limited at a conversion price equal to the lesser of $0.004 and 80% of the volume weighted average price of shares traded on ASX in the 10 trading days prior to a conversion notice being issued. Minera may elect to repay the balance of the outstanding monies on the repayment date by way of shares at the conversion price or by cash payment.

This facility is secured by a first ranking mortgage shared jointly and proportionately with SilverStream SEZC over the San Santiago de Acari and mining concessions. The contract terms included an offer issue discount of US$100,000.

14. Lind convertible facility

On 18 December 2012, Minera Gold received A$650,000 from the Australian Special Opportunity Fund, LP, an institutional investment fund managed by the Lind Partners, LLC (“Lind”). The convertible note instrument included an offer issue discount in the amount of A$40,000, with the face value of the convertible note being A$690,000. The convertible note was unsecured and had a contractual 0% coupon rate. It has been determined that the annual weighted average cost of this capital to Minera Gold is 16.05%.

On 24 January 2014, Minera Gold repaid $211,250 cash to the Australian Special Opportunity Fund, LP, an institutional investment fund managed by the Lind Partners, LLC (together, “Lind”). On this same date, 12,500,000 fully paid ordinary shares were issued to the Lind Partners, LLC representing repayment of A$50,000 of the outstanding balance on the convertible note. The conversion price of $0.004, was calculated at 92.5% of the average of five daily volume weighted average prices, chosen by Lind, during the 20 trading days prior to conversion.

On 5 March 2014, Lind opted to convert the final A$53,750 balance on the convertible note. Minera Gold Limited issued 17,916,667 fully paid ordinary shares in Minera Gold Limited at $0.003 cents per share. The conversion price of $0.003, was calculated at 92.5% of the average of five daily volume weighted average prices, chosen by Lind, during the 20 trading days prior to conversion.

On 28 April 2014, the Lind amount outstanding was increased by $62,500 as a fee arising as a result of the Company raising capital at a price equal to or less than $0.006, in accordance with the Deed of Settlement and Release. On 16 July 2014, Lind opted to convert the A$62,500 balance on the convertible note. Minera Gold issued 31,250,000 fully paid ordinary shares in Minera Gold Limited at $0.002 cents per share. The conversion price of $0.002, was calculated at 92.5% of the average of five daily volume weighted average prices, chosen by Lind, during the 20 trading days prior to conversion.

At the date of this report, the balance outstanding to Lind is nil.

14. PROVISIONS

	Consolidated	
	31 December 2014	31 December 2013
	$’000s	$’000s
Current		
Annual leave	230	353
Non-current		
Provision for mine closure (1)	292	268
	292	268
Provision for mine closure		
Opening balance	268	325
- decrease in the provision	-	(57)
- impact of foreign exchange	24	-
Closing balance	292	268

(1) The provision for mine closure is an environmental management instrument used to evaluate and plan necessary measures before, during and after the closure of operations to eliminate, mitigate and control adverse effects on the area used or disturbed by the mining activity, in order to be considered as a compatible ecosystem with a healthy environment, appropriate for the biological development and landscape preservation. This Environmental Impact Statement has been approved by the Regional Government of Arequipa.

Notes to the Consolidated Financial Statements

15. OTHER LIABILITY

	Consolidated	
	31 December 2014	31 December 2013
	$'000s	$'000s
Gold purchase agreement liability(1)	3,266	-
Silver purchase agreement liability(2)	3,312	-
	6,578	-
Reduction in liability for ore sold under contract during the period	(786)	-
Foreign exchange loss on liability revaluation	737	-
Fair value finance charge	183	
Balance due to SilverStream SEZC under the GPA and SPA	6,712	-
Current		
Gold purchase agreement liability	564	-
Silver purchase agreement liability	641	-
	1,205	-
Non-current		
Gold purchase agreement liability	2,576	-
Silver purchase agreement liability	2,931	-
	5,507	-

(1) Under the Gold Purchase Agreement, SilverStream advanced Minera Gold US$3 million.
(2) Under the Silver Purchase Agreement, SilverStream advanced Minera Gold US$3 million.

Gold purchase agreement liability (GPA)

On 8 April 2014, the Company announced that it had entered into a Gold Purchase Agreement (GPA) with SilverStream SEZC, whereby US$5 million in four instalments will be provided for the right to purchase the greater of either, 10% of the production from Torrecillas for the life of mine, or 70 oz of gold per month at a purchase price of the lower of US$400.00 per ounce or 80% of the prevailing spot price at the time.

During the year, Minera received US$3 million as follows;

i) US$1.6 million upon the signing of the agreement in April and a further US$1.4 million in September 2014 following execution of a contract variation.
ii) a further US$2 million is receivable under the terms of the contract as follows;
    a. US$1.0 million on achieving three consecutive 1,600 ounces per month or more of production at a cash cost of less than US$1,300 per ounce; and
    b. US$1.0 million on achieving three consecutive months of 2,000 ounces per month or more of production at a cash cost of less than US$1,300 per ounce.

These milestones are not met, therefore not recorded as received.

The liability is secured by way of first-ranking lien interest in the Mining Properties by way of mortgage. The mortgage will cease to have effect upon SilverStream having received refined gold when Minera have met the release milestones, as indicated in the contract.

Silver purchase agreement liability (SPA)

On 5 August 2014, the Company entered into a Silver Purchase Agreement (**SPA**) with SilverStream pursuant to which Minera obtained funding of up to US$4.5 million in instalments and at this time, granted SilverStream SEZC certain silver streaming rights.

In 2014, US$3.0m was received through a Silver Purchase Agreement (SPA) in which SilverStream will be delivered equivalent to 100% of the silver produced from the copper circuits at San Santiago for 15 years and SilverStream will be entitled to purchase a minimum of 4,000 ozs of silver per month and up to a maximum of 90,000 ozs of silver per annum at a purchase price of US$6 per ounce. For amounts over 90,000 ozs per annum, SilverStream will be entitled to purchase 50% of the additional ounces at the purchase price of US$6 per ounce; and

In accordance with this contract, SilverStream has agreed the purchase an amount of refined silver per year equal to; 100% for the first 90,000 ounces; and 50% after the first 90,000 ounces, of the silver recovered from, or purchased and processed through the San Santiago project in Peru for 15 years at a price equal to the lesser of US$6.00 per ounce; and 80% of the market price.

15. OTHER LIABILITY (continued)

Minera Gold received US$250,000 in August 2014 upon entering into the Silver Purchase Agreement and a further instalment of US$2,750,000 was received upon successful completion of the San Santiago asset purchase in September 2014.

The remaining US$2,500,000 will be received once the remaining production hurdles are met.

The liability is secured by way of first-ranking lien interest in the San Santiago de Acari by way of mortgage. The mortgage will cease to have effect upon SilverStream having received refined silver when Minera have met the release milestones, as indicated in the contract.

Notes to the Consolidated Financial Statements

16. ISSUED CAPITAL

(a) Issued capital reconciliation

Issued capital	31 December 2014		31 December 2013	
	Number	$'000s	Number	$'000s
Ordinary shares fully paid	**2,772,585,979**	**77,554**	**622,090,765**	**69,083**
Movements in shares on issue				
Balance at the beginning of the financial year	622,090,765	69,083	452,877,132	67,231
Share issue costs incurred	-	-	-	(597)
Share issue costs written off	-	-	-	256
Shares issued upon conversion in accordance with Lind funding facility				
- 15 January 2013 convert $100,000 at VWAP $0.047, market price $0.05	-	-	2,127,660(1)	106
- 19 February 2013 convert $140,000 at VWAP $0.039, market price $0.05	-	-	3,589,744	180
- 22 March 2013 convert $140,000 at VWAP $0.029, market price $0.033	-	-	4,827,586	159
- 16 May 2013 convert $100,000 at VWAP $0.023, market price $0.03	-	-	4,347,826	131
- 12 July 2013 convert $66,500 at VWAP $0.007, market price $0.008	-	-	9,500,000	76
- 28 January 2014 convert $50,000 at VWAP $0.004, market price $0.006	12,500,000	75	-	-
- 5 March 2014 convert $53,750 at VWAP $0.003, market price $0.005	17,916,667	90	-	-
- 17 July 2014 convert $62,500 at VWAP $0.002, market price $0.004	31,250,000	125	-	-
Shares issued as loan variation and extension fees				
- Issued March 2013, deemed issue price $0.035	-	-	3,500,000	123
- Issued 18 December 2014, deemed issue price $0.0035	14,285,714	50		
- Issued 18 December 2014, deemed issue price $0.0035	10,000,000	35		
Shares issued to Anglo Pacific Group as principal repayment				
- Issued December 2014, deemed issue price $0.035	28,571,429	100	3,500,000	123
Shares issued in lieu of cash payment				
- Issued 16 May 2013 deemed issue price $0.04	-	-	3,300,000(2)	132
- Issued 29 August 2013 deemed issue price $0.007	-	-	9,895,486(2)	69
- Issued 4 December 2013 deemed issue price $0.008	-	-	17,501,955(2)	140
- Issued 3 February 2014 deemed issue price $0.0061	3,747,000	23	-	-
- Issued 2 July 2014 deemed issue price $0.003	973,550	3	-	-
- Issued 16 July 2014 deemed issue price $0.003	5,500,000	16	-	-
- Issued 18 September 2014 deemed issue price $0.005	9,836,100	49	-	-
- Issued 18 September 2014 deemed issue price $0.006	8,057,972	49	-	-
- Issued 18 September 2014 deemed issue price $0.004	4,125,000	16	-	-
- Issued 16 October 2014 deemed issue price $0.005	7,214,300	36	-	-
- Issued 18 December 2014 deemed issue price $0.0035	9,428,572	33	-	-
Loan conversions				
- Issued June 2013, deemed issue price $0.011	-	–	10,909,090	120
- Issued August 2013, deemed issue price $0.011	-	-	10,714,286	118
- Issued December 2013, deemed issue price $0.006	-	-	12,500,000	75
Capital raising via placement				
- Shares issued June 2013 at $0.01, by placement	-	-	65,000,000	650
- Shares issued July 2013, at $0.01, by placement	-	-	11,500,000	115
- Shares issued December 2014, at $0.0035, by placement	221,428,571	775	-	-
Conversion of convertible note				
- Principal at various conversion and market prices (3)	1,677,188,697	6,628	65,000,000	650
- Interest at various conversion and market prices(3)	88,471,636	368	11,500,000	115
Exercise of MIZO options on 29 April 2014 at $0.18	6	-	-	-
Balance at end of financial year	2,772,585,979	77,554	622,090,765	69,083

1. VWAP is the volume weighted average price of the shares traded in the ordinary course of business on the ASX on that trading day.
2. Creditors settled in shares at fair value.
3. For further information refer to 15(b).

Notes to the Consolidated Financial Statements

ISSUED CAPITAL (continued)

(b) Issued capital movement – convertible notes

	31 December 2014			
	Conversion price(1)	Deemed issue price per share	Number of shares issued	$'000s
Principal conversion on 24 April 2014 -$1,294,444	$0.0032	$0.0035	404,513,633	1,416
Interest conversion on 24 April 2014 - $124,192	$0.0036	$0.0035	32,617,612	114
Principal conversion on 12 May 2014 - $50,000	$0.0036	$0.005	13,888,889	86
Principal conversion on 12 May 2014 - $100, 000	$0.0039	$0.005	25,641,026	159
Interest conversion on 12 May 2014 - $5,441	$0.0040	$0.005	1,359,975	8
Interest conversion on 12 May 2014 - $1,874	$0.0044	$0.005	425,903	3
Principal conversion on 15 May 2014 - $100,000	$0.0038	$0.005	26,315,789	113
Interest conversion on 15 May 2014 - $1,892	$0.0043	$0.005	439,934	2
Principal conversion on 29 May 2014 - $250,000	$0.0039	$0.005	64,102,564	321
Interest conversion on 29 May 2014 - $6,041	$0.0040	$0.005	1,510,274	8
Principal conversion on 12 June 2014 - $170,601	$0.0032	$0.003	53,313,012	160
Principal conversion on 12 June 2014- $150,000	$0.0036	$0.003	41,666,667	125
Principal conversion on 12 June 2014 - $20,000	$0.0039	$0.003	5,128,205	15
Interest conversion on 12 June 2014 - $4,769	$0.0036	$0.003	1,324,711	4
Interest conversion on 12 June 2014- $187	$0.0044	$0.003	42,590	-
Principal conversion on 16 June 2014 - $97,396	$0.0032	$0.003	30,435,894	91
Interest conversion on 16 June 2014 - $1,656	$0.0036	$0.003	460,136	1
Principal conversion on 30 June 2014 - $132,000	$0.0026	$0.003	50,769,233	152
Interest conversion on 30 June 2014 - $10,428	$0.0029	$0.003	3,595,773	10
Principal conversion on 2 July 2014 - $81,330.63	$0.0026	$0.003	31,281,013	94
Interest conversion on 2 July 2014 - $1,444.97	$0.0029	$0.003	498,266	2
Principal conversion on 4 July 2014 - $170,000	$0.0026	$0.003	65,384,615	196
Interest conversion on 4 July 2014 - $4,033.86	$0.0029	$0.003	1,390,558	4
Principal conversion on 16 July 2014 - $435,440.12	$0.0024	$0.003	181,433,388	544
Principal conversion on 16 July 2014 - $100,000	$0.0025	$0.003	40,000,000	120
Principal conversion on 16 July 2014 - $50,000	$0.0027	$0.003	18,518,519	56
Interest conversion on 16 July 2014 - $12,332.27	$0.0027	$0.003	4,567,512	14
Principal conversion on 28 July 2014 - $654,973.56	$0.0025	$0.004	261,989,424	1,048
Principal conversion on 28 July 2014 - $215,440.12	$0.0031	$0.004	69,496,815	278
Principal conversion on 28 July 2014 - $35,940.67	$0.0027	$0.004	13,311,360	53
Interest conversion on 28 July 2014 - $10,243.46	$0.0027	$0.004	3,793,875	15
Interest conversion on 28 July 2014 - $39,156.47	$0.0028	$0.004	13,984,459	56
Interest conversion on 28 July 2014 - $12,487.93	$0.0035	$0.004	3,567,980	14
Principal conversion on 18 August 2014 - $270,649.10	$0.0037	$0.005	73,148,408	366
Principal conversion on 18 August 2014 - $400,000	$0.0039	$0.005	102,564,104	513
Interest conversion on 18 August 2014 - $16,811.45	$0.0041	$0.005	4,100,354	21
Interest conversion on 18 August 2014 - $24,115.93	$0.0044	$0.005	5,480,895	28
Principal conversion on 18 September 2014 - $160,000	$0.0036	$0.007	44,444,445	311

Notes to the Consolidated Financial Statements

16. ISSUED CAPITAL (continued)

(b) Issued capital movement – convertible notes (continued)

	31 December 2014			
	Conversion price[1]	Deemed issue price per share	Number of shares issued	$'000s
Principal conversion on 18 September 2014 - $165,000	$0.0040	$0.007	41,250,000	289
Principal conversion on 18 September 2014 - $20,000	$0.0042	$0.007	4,761,906	33
Principal conversion on 18 September 2014 - $50,000	$0.0047	$0.007	10,638,298	74
Interest conversion on 18 September 2014 - $13,704.31	$0.0040	$0.007	3,426,078	24
Interest conversion on 18 September 2014 - $15,539.33	$0.0045	$0.007	3,453,186	24
Interest conversion on 18 September 2014 - $947.65	$0.0048	$0.007	203,053	2
Interest conversion on 18 September 2014 - $9,780.85	$0.0052	$0.007	1,880,932	13
Principal conversion on 16 October 2014 – $15,000	$0.0047	$0.005	3,191,490	15
Interest conversion on 16 October 2014 - $1,286.04	$0.0037	$0.005	347,580	1
Total shares issued			**1,765,660,333**	**6,996**

1. In accordance with the terms of the convertible notes the conversion price is calculated as an issue price equal to 80% of the volume weighted average price of the borrower's share traded on ASX during the ten (10) days prior to a conversion notice being issued.

Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up 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.

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998, therefore, the Company does not have a limited amount of authorised share capital and issued shares do not have a par value.

(c) Shares under option - quoted

Details of quoted unissued shares or interests under option as at the date of this report are:

Issuing entity	Number of shares under option	Class of shares	Exercise price	Expiry date	Vested
Minera Gold Limited	432,539,584	Ordinary	1.2 cents	4 Dec 2016	100%

As at 31 December 2014 there were 280,250,000 (2013: 150,796,444) quoted unissued shares under option on issue which are exercisable on or before the,4 December 2016 at 1.2 cents per share.

(d) Shares under option - unlisted

In accordance with the provisions of the employee share option plan, as at 31 December 2014, executives and senior employees have options over 37,500,000 shares, of which 100% are vested. These options expire at various dates between 30 June 2015 and 13 September 2017 and are exercisable between 2c and 15c.

As at 31 December 2014, there are 91,420,000 unlisted share options issued to financial and corporate advisors. These options expire at various dates between 1 March 2015 and 15 October 2016 and are exercisable between 1.2c and 20c.

Unquoted share options granted carry no rights to dividends and no voting rights. Further details of these share options are contained in Note 24 to the financial statements.

Notes to the Consolidated Financial Statements

17. RESERVES

	Consolidated	
	31 December 2014	**31 December 2013**
	$'000s	**$'000s**
Equity settled employee benefits reserve (1)	2,668	2,503
Foreign currency translation reserve (2)	(605)	(4)
	2,063	2,499

Movements in reserves are set out in the Statement of Changes in Equity:

(1) The equity settled employee benefits reserve arises on the grant of share options to employees under the Employee Share Option Plan. Amounts are transferred out of the reserve into issued capital when the options are exercised.

(2) This foreign currency translation reserve presents the foreign exchange gain/loss on the translation of subsidiaries from their functional currency (US Dollars for Peru) to the presentation currency (AUD).

18. LOSS PER SHARE

	Consolidated	
	31 December 2014	**31 December 2013**
	Cents	**Cents**
Basic and diluted loss per share from continuing operations	(0.56)	(0.35)
	$'000s	**$'000s**
Loss used in the calculation of basic and diluted loss per share	(8,958)	(1,824)
	No.	**No.**
Weighted average number of ordinary shares used in the calculation of	1,591,045,146	527,542,504
Potential ordinary shares not considered to be dilutive at year end	1,122,795,563	699,040,898

As the Group made a loss for the year, diluted earnings per share is the same as basic earnings per share. The impact of dilution would be to reduce the loss per share.

19. COMMITMENTS

(a) Sociedad Minera Surex S.A.C. Royalty

The Group entered into a Heads of Agreement with Sociedad Minera Surex S.A.C. ("Sociedad") on 24 January 2006 ("Torrecillas Heads of Agreement"). Pursuant to the Torrecillas Heads of Agreement, the Group acquired a 100% interest in various mining tenements owned by Sociedad in Peru including all fixed plant infrastructure ("Sociedad Tenements"). The Sociedad Tenements form part of the Torrecillas Project.

Under the terms of the agreement, the Group must grant to Sociedad a royalty of US$8 per ounce of gold on any production achieved above 90,000 ounces of gold from the Sociedad Tenements. The Group will grant a further 2% net smelter return royalty to Sociedad on any metals produced by the Group from the Sociedad Tenements.

(b) SilverStream SEZC gold and silver purchase agreements

The gold streaming agreement (GPA) covers the Torrecillas Gold Project and surrounding concessions. SilverStream will provide the Company with a US$5.0 million payment. In exchange for the thi payment, the Group has agreed to deliver the greater of 70 ounces or 10% of the monthly gold production from the Project to SilverStream for life of mine from the concessions that comprise the Torrecillas Gold Project. Failure to deliver the minimum ounces of gold applicable at any time for more than three consecutive months will result in Minera Gold paying a 0.5% net smelter royalty which will be a permanent asset of SilverStream.

SilverStream will pay Minera Gold the lower of US$400 or 80% of the spot gold price, defined as London PM gold fixing price for one ounce of refined gold on the date of delivery, for each delivered ounce. The contract could become onerous to the extent that Minera Gold has to continue to deliver gold over the life of the mine at a minimum of 70 ounces brought on market or via own production and delivering to SilverStream for $400/oz.

According to the terms of the silver streaming agreement (SPA), SilverStream will be delivered the equivalent of 100% of the silver produced from the copper circuits at San Santiago for 15 years and SilverStream will be entitled to purchase a minimum of 4,000 ozs of silver per month and up to a maximum of 90,000 ozs of silver per annum at a purchase price of US$6 per ounce.

Notes to the Consolidated Financial Statements

For amounts over 90,000 ozs per annum, SilverStream will be entitled to purchase 50% of the additional ounces at the purchase price of US$6 per ounce. In accordance with this contract, SilverStream have agreed the purchase an amount of refined silver per year equal to; 100% for the first 90,000 ounces; and 50% after the first 90,000 ounces, of the silver recovered from, or purchased and processed through the San Santiago project in Peru for 15 years at a price equal to the lesser of US$6.00 per ounce; and 80% of the market price.

In accordance with this contract, SilverStream have agreed the purchase an amount of refined silver per year equal to; 100% for the first 90,000 ounces; and 50% after the first 90,000 ounces, of the silver recovered from, or purchased and processed through the San Santiago project in Peru for 15 years at a price equal to the lesser of US$6.00 per ounce; and 80% of the market price. The contract could become onerous to the extent that Minera Gold has to continue to deliver silver for the next 15 years at a minimum of 4,000 ounces brought on market or via own production and delivering to SilverStream for $6/oz.

Commitments for future expenditure have been disclosed in Note 32.

20. SUBSIDIARIES

Name of entity	Country of incorporation	Ownership interest 2014	Ownership interest 2013	Principal Activity
Mundo Minerals USA Inc	USA	100%	100%	Administrative holding company
Mundo Peru Gold SAC	Peru	100%	100%	Gold production and exploration
Mundo Minerales SAC	Peru	100%	100%	Gold production and exploration
Golden Empire SAC	Peru	100%	100%	Gold exploration
Compania Minera	Peru	100%	nil	Copper exploration
Empresa Miner	Peru	100%	nil	Copper exploration
Grupo Cobrepampa	Peru	100%	nil	Copper exploration
Korisumaq SAC	Peru	100%	nil	Copper exploration
Derivados Y Concentrados	Peru	100%	nil	Processing plant operator

21. INVESTMENT IN JOINT VENTURE

On 31 May 2013, a binding share subscription agreement was signed between Mineralis Limited and Minera Gold's wholly-owned Brazilian subsidiary, Mundo Mineração Ltdã and Minera Gold Limited.

Under the subscription agreement, Mineralis Ltd will subscribe for shares in Mundo Mineração Ltdã, which is to become an incorporated joint venture vehicle in respect of the Engenho gold project. As a result, Minera Limited lost control of Mundo Mineração Ltdã, with Mundo Mineração Ltdã now subject to joint control.

The Investor will acquire the Subscription Shares by way of four tranche subscriptions and payments over a 12 month period (Tranches). The agreement requires the staged injection of A$4,500,000 into Mundo Mineração Ltdã to pay 100% of the creditor obligations under the court supervised creditor plan during over the next 12 months and to also provide additional working capital to fund exploration on the Olhos project and administration costs.

As at 31 May 2013, Mundo Mineração Ltdã had a net asset deficiency of $4,841 thousand and an amount of $1,979 thousand was recycled from the foreign currency translation reserve through the profit or loss resulting in a gain on deconsolidation of $2,862 thousand.

As at 31 December 2014 the Group held a 75% (31 December 2013: 75%) interest in Mundo Mineração Ltdã and accounted for the investment as a joint venture, applying equity accounting principles. The consideration for earning the 25% interest was A$920,000 and was paid directly to Mundo Mineração Ltdã.

Notes to the Consolidated Financial Statements

22. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money markets instruments. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	Consolidated	
	Dec 2014	**Dec 2013**
	$'000s	**$'000s**
Cash at bank and deposits at call	414	315
(b) Reconciliation of loss for the year to net cash flows used in operating activities		
Loss for the year	(8,958)	(1,824)
Adjustments for:		
Depreciation and amortisation of non-current assets	183	732
Amortisation of finance and leasing costs	-	708
Equity-settled share based payments	255	393
Foreign exchange	(214)	-
Non cash financing activities	2,323	418
Impairments and write offs	-	356
Gain on Brazil	-	(5,734)
Inventory adjustment	(481)	-
Interest and dividend revenue transferred to investing activities	(5)	(5)
Invoices rolled into convertible note	435	190
Interest accrued, not paid	624	-
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Trade and other receivables	(70)	184
Prepayments	153	506
Inventories	131	648
Increase/(decrease) in liabilities:		
Trade and other payables	1,025	(159)
Taxation liabilities	(388)	4
Provisions	234	379
Net cash used in operating activities	(4,753)	(3,204)

All cash balance contained in the above table was available for use by the Group as at 31 December 2014.

Notes to the Consolidated Financial Statements

23. FINANCIAL INSTRUMENTS

(i) Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders. The Group's overall strategy remains unchanged from 31 December 2014.

The capital structure of the Group consists of net debt (borrowings as detailed in Note 13 offset by cash and bank balances) and equity attributable to equity holders of the Company (comprising issued capital, reserves and accumulated losses, as detailed in Notes 16 and 17. The Group operates through companies in Peru, Brazil and USA. None of the Group's entities are subject to externally imposed capital requirements. Operating cash flows are used to develop and expand the Group's production and exploration activities and to fund corporate costs of the Company.

The gearing ratio at end of the reporting period was as follows:

	31 Dec 2014	31 Dec 2013
	$'000s	$'000s
Debt – continuing operations (1)	5,922	5,744
Cash and bank balances	(414)	(315)
Net debt	5,508	5,429
Equity (2)	6,271	7,194
Net debt to equity ratio	**87.8%**	**75.4%**

(1) Debt is defined as long-term and short-term borrowings, as described in Note 13.
(2) Equity includes all capital and reserves of the Group that are managed as capital.

Categories of financial instruments

The categories of financial instruments except for borrowings are as disclosed on the face of the balance sheet. Borrowings include a convertible debenture designated at face value.

(ii) Financial risk management objectives

The Group is exposed to financial risks through the normal course of its business operations. The key risks impacting the Group's financial instruments are considered to be foreign currency risk, interest rate risk, commodity risk and credit risk. The Group's financial instruments exposed to these risks are cash and short-term deposits, receivables and trade payables.

The Group's CEO and local finance managers monitor the Group's risks on an ongoing basis and report to the Board. The Group does not use derivative financial instruments as part of its risk management process.

(iii) Foreign currency and commodity risk management

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. As the Group operates predominantly in South America, the functional currency of the Brazilian subsidiaries, being Brazilian Reals and the Peruvian subsidiaries, being US dollars, differs from the functional currency of the Parent entity and the Consolidated Entity's financial statements, which are in Australian dollars.

The revenue derived through the sale of gold and copper exposes the potential income of the Company to gold and copper price and exchange rate risks. Gold and copper prices are affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, gold and copper. The international price of gold is denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian and South American currencies, exposing the Company to the fluctuations and volatility of the rates of exchange between the United States dollar and the Australian dollar which may have an adverse effect on current or future earnings

The risk can be measured by performing a sensitivity analysis that quantifies the impact of different assumed exchange rates on the Group's forecast cash flows.

Commodity price exposures are managed within approved policy parameters. During the year, no forward contracts were entered into (31 December 2013: Nil).

Notes to the Consolidated Financial Statements

23. FINANCIAL INSTRUMENTS (continued)

The carrying amounts of the Group's foreign currency denominated assets and monetary liabilities at the end of the reporting period are as follows:

	Assets		Liabilities	
	Dec 2014 $'000	Dec 2013 $'000	Dec 2014 $'000	Dec 2013 $'000
US dollars	31,327	19,115	29,014	10,188

Foreign currency sensitivity analysis

The Group is mainly exposed to movements in the US dollar against the Australian dollar.

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the US dollar. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower.

A positive number below indicates an increase in profit or equity where the Australian dollar strengthens 10% against the relevant currency.

For a 10% weakening of the Australian dollar against the relevant currency, there would be a comparable and opposite impact on the profit or equity.

	US Dollar impact	
	Dec 2014 $'000	Dec 2013 $'000
Profit or (loss)	237	198
Equity	(468)	811

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the period.

(iv) Interest rate risk management

Fluctuations in interest rates impact on the value of short-term cash investments and financing activities, giving rise to interest rate risk. In the ordinary course of business, the group receives cash from the proceeds of mineral sales and toll processing and is required to fund working capital requirements. This cash is managed to ensure surplus funds are invested in a manner to achieve market-related returns while minimising risks.

The Group and the Company are exposed to interest rate risk as entities in the Group deposit funds at both fixed and floating rates of interest and have interest-bearing liabilities. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings

The Group and the Company's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity
A change in interest rates would not have a material impact on the carrying value of the Group or the Company's financial instruments as at the current or prior year end.

(v) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

23. FINANCIAL INSTRUMENTS (continued)

Liquidity and interest risk tables
The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables below have been drawn up based on undiscounted cash flows (including both interest and principal cash flows expected) using contractual maturities of financial assets and the earliest date on which the Group and the Company can be required to pay financial liabilities.

Amounts for financial assets and financial liabilities include interest except where it is anticipated the cash flow will occur in a different period.

Liquidity and interest risk tables

Consolidated	Weighted average effective interest rate %	Less than 1 month $'000s	1 to 3 months $'000s	3 months to 1 year $'000s	1 to 5 years $'000s	5+ years $'000s	Total $'000's
31 December 2014							
Financial assets							
Variable interest rate instruments	2.09	414	-	-	-	-	414
Non-interest bearing	-	-	696	1,409	-	-	2,105
		414	**696**	**1,409**	**-**	**-**	**2,519**
Financial liabilities							
Variable interest rate instruments		-	-	-	-	-	-
Fixed interest rate	12%	-	-	-	186	-	186
Fixed interest rate	15%	-	-	1,666	-	-	1,666
Fixed interest rate	18%	-	-	2,140	1,613	-	3,753
Fixed interest rate	23.25%	-	-	187	-	-	187
Fixed interest rate	60%	130	-	-	-	-	130
Non interest-bearing	-	-	-	8,546	1,377	4,131	14,054
		130	**-**	**12,539**	**3,176**	**4,131**	**19,976**

Consolidated	Weighted average effective interest rate %	Less than 1 month $'000s	1 to 3 months $'000s	3 months to 1 year $'000s	1 to 5 years $'000s	5+ years $'000s	Total $'000's
31 December 2013							
Financial assets							
Variable interest rate instruments	0.97%	315	-	-	-	-	315
Non-interest bearing	-	-	634	-	-	-	634
		315	**634**	**-**	**-**	**-**	**949**
Financial liabilities							
Variable interest rate instruments	13.41%	-	2,880	2,864	-	-	5,744
Non interest-bearing	-	-	-	3,740	-	-	3,740
			2,880	**6,604**	**-**	**-**	**9,484**

(vi) Credit risk management

Credit risk on unrecognised financial instruments refers to the potential financial loss to the Group or the Company that may result from counter parties failing to meet their contractual obligations. The Group and the Company manage their counterparty credit risk by limiting their transactions to counterparties of sound credit worthiness and by ensuring a diversified number of counterparties, avoiding undue exposure to any single counterparty.

Trade receivables consist of a limited number of customers, namely in South America and specifically, Peru. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Group and the Company's maximum exposures to credit risk, without taking into account of the value of any collateral obtained at the balance date, in relation to each class of recognised financial asset, is the carrying amount of those assets as indicated in the balance sheet.

Notes to the Consolidated Financial Statements

23. FINANCIAL INSTRUMENTS (continued)

Neither the Group nor the Company faced any significant credit exposures at balance date (other than intercompany balances).

Fair value of financial instruments

The directors consider that the carrying amount of financial assets and financial liabilities other than investments in subsidiaries recorded in the financial statements represent or approximate their respective fair values.

The fair values of financial assets and financial liabilities are determined as follows.

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

24. SHARE-BASED PAYMENTS

Employee Share Option Plan

The Group has an ownership-based compensation scheme for directors, executives and senior employees of the Group. In accordance with the terms of the plan, as approved by shareholders; directors, executives and senior employees may be granted options to purchase ordinary shares.

Each employee share option converts into one ordinary share of Minera Gold Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted to individual employees and senior executives are subject to approval by the Remuneration Committee.

The following employee share-based payment arrangements were in existence during the current and prior reporting period:

Option series	Number	Issue date	Expiry date	Exercise price $	Weighted average fair value at grant	Vesting date
May 12	2,500,000	4 May 2012	30 Jun 2015	9 cents	0.01	4 May 2012
May 12	2,500,000	4 May 2012	30 Jun 2015	15 cents	0.01	4 May 2012
May 12	1,000,000	4 May 2012	30 Jun 2015	9 cents	0.01	4 May 2012
Jun 12	1,000,000	11 Jun 2012	30 Jun 2015	9 cents	0.01	11 June 2012
Sep 12	4,500,000	12 Sep 2012	13 Sep 2017	9 cents	0.01	14 Sep 2012
Sep 12	4,500,000	12 Sep 2012	13 Sep 2017	15 cents	0.02	14 Sep 2012
Dec 13	22,500,000	4 Dec 2013	4 Dec 2016	2 cents	0.001	4 Dec 2013

For further information concerning new share options issued and cancellations, please see the Directors Report.

Fair value of share options granted

The weighted average fair value of options granted during the period was nil as there were no share options issued during the financial year (31 December 2013: $0.001). Options are priced using a Black Scholes financial option pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability and exercise restrictions. Expected volatility is based on the historical share price volatility of Minera Gold Limited.

Inputs to the model:

Option series	May 12	Jun 12	Sep 12	Dec 13
Grant date share price	$0.045	$0.042	$0.047	$0.004
Exercise price/s	$0.09	$0.09	$0.09	$0.02
	$0.15		$0.15	
Expected volatility	60%	57%	60%	159%
Option life	3 yrs	3 yrs	5 yrs	3 yrs
Dividend yield	Nil	Nil	Nil	Nil
Risk-free interest rate	6.00%	6.00%	4.25%	3.03%

24.SHARE BASED PAYMENTS (continued)

Movements in employee share options during the period

The following reconciles the outstanding share options granted under the employee share option plan at the beginning and end of the financial year:

	31 December 2014		31 December 2013	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price $
Balance at the beginning of the financial year	38,500,000	0.060	16,600,000	0.112
Granted during the financial year	-	-	24,500,000	0.028
Cancelled during the financial year	(1,000,000)	0.002	(2,600,000)	0.018
Balance at end of the financial year	**37,500,000**	**0.059**	**38,500,000**	**0.060**
Exercisable at end of the financial year	37,500,000	0.059	38,500,000	0.060

There were no share options granted under the employee share option plan which were exercised during the financial year.

The employee share options outstanding at the end of the financial year had exercise prices ranging between $0.02 and $0.15 (31 December 2013: $0.012 and $0.20) and a weighted average remaining contractual life of 1.9 years (31 December 2013: 2.8 years).

25. KEY MANAGEMENT PERSONNEL COMPENSATION

Details of key management personnel

The directors and other members of key management personnel of the Group during the period were:

Alex Losada-Calderon	Chairman, Executive Director (resigned 8 April 2015)
Ashley Pattison	Managing Director and CEO
Ryan Welker	Non-Executive Chairman (appointed Chairman on 8 April 2015)
Brett Heath	Non-Executive Director
Angeline Hicks	Executive Director (appointed 8 April 2015), Company Secretary and Group Financial Accountant
Miguel Cardozo	Non-Executive Director (appointed 8 April 2015)
Jorge De Lama	Manager – Peru
Emilio Galvez Toullier	Operations Manager – Peru (resigned 31 October 2014)

Key management personnel compensation

The aggregate compensation made to key management personnel of the Company and the Group is set out below:

	Consolidated	
	31 December 2014 $	31 December 2013 $
Short-term employee benefits	647,486	965,381
Post-employment benefits	62,349	71,475
Share-based payments	166,667	113,184
	876,502	1,150,040

Notes to the Consolidated Financial Statements

26. RELATED PARTY TRANSACTIONS

(a) Subsidiaries

The ultimate parent entity of the group is Minera Gold Limited. Details of the ownership of ordinary shares held in subsidiaries are disclosed in Note 20 to the Financial Statements. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in the Note. Details of transactions between the Group and other related parties, if any, are disclosed below.

Transactions and balances between the Company and its subsidiaries were eliminated in the preparation of consolidated financial statements of the Group.

(b) Parent entity

The ultimate parent entity of the Group is Minera Gold Limited.

The Statement of Comprehensive Income and Financial position on the parent entity are summarised below:

		Parent	
		31 December 2014	31 December 2013
Statement of Financial Position		**$ '000**	**$ '000**
	Current assets	262	448
	Non-current assets	20,239	14,711
	Total assets	**20,501**	**15,159**
	Current liabilities	6,924	6,849
	Non-current liabilities	7,306	-
	Total liabilities	**14,230**	**6,849**
	Net Assets	**6,271**	**8,310**
	Issued capital	77,396	68,926
	Reserves	2,669	2,503
	Accumulated losses	(73,794)	(63,119)
	Shareholder Equity	**6,271**	**8,310**

		31 December 2014	31 December 2013
Statement of Comprehensive Income		**$ '000**	**$ '000**
	Loss after tax	10,675	5,347
	Total comprehensive loss	**10,675**	**5,347**

(c) Expenditure commitments by the parent entity:

	31 December 2014	31 December 2014
	$ '000	**$ '000**
Not longer than 1 year	12	-
Longer than 1 year and not longer than 5 years	-	-
	12	-

Notes to the Consolidated Financial Statements

26. RELATED PARTY TRANSACTIONS (continued)

(d) Key management personnel

As required by the Corporations Act 2001, the Company has disclosed information about the compensation of directors, executives and other key management personnel in the "Remuneration Report" within the Directors' Report. Share options have been valued using a Black and Scholes valuation model.

There were no loans to key management personnel during the period.

(e) Other related party transactions

(i) TAE Resources Pty Ltd

Dr Alex Losada-Calderon is the sole proprietor of TAE Resources Pty Ltd. This company provides geological consulting services. These services are provided to the Company at normal commercial rates. The amount invoiced during the year ending 31 December 2014 was $237,904 (31 December 2013: $165,000).

(ii) Torpedo Drilling Pty Ltd

Mr Ashley Pattison is a director of Torpedo Drilling Pty Ltd. This company is a drilling business which provides its clients with drill rigs. All products and services provided to the Company are at normal commercial rates. Fees invoiced relating to the hire purchase of a rig in Peru were $72,254 (31 December 2013: $nil) during the period.

(iii) SilverStream SEZC

Mr Brett Heath is the appointed nominee director of the precious metals streaming company SilverStream SEZC. SilverStream are involved with providing financing arrangements to the company. These services provided to the Company are at normal commercial rates and further details can be found in note 15.

Mr Miguel Cardozo has an open contract with SilverStream SEZC to review the property and assets of the San Santiago entities acquired by Minera Gold in September 2014.

All amounts advanced to or payable to related parties are unsecured. The amounts may be settled in cash or in shares. No guarantees have been given or received. No expense has been recognised during the period for bad or doubtful debts in respect of the amounts owed by related parties.

27. BUSINESS COMBINATION

(a) Acquisition of the San Santiago processing plant

Name of subsidiary acquired	Principal activity	Date of acquisition	Proportion of shares acquired (%)
Compania Minera Cobrepampa (1)	Copper exploration	17/09/2014	100%
Empresa Miner Cobrepampa (1)	Copper exploration	17/09/2014	100%
Grupo Cobrepampa (1)	Copper exploration	17/09/2014	100%
Korisumaq SAC (1)	Copper exploration	17/09/2014	100%
Derivados Y Concentrados SAC (1)	Processing plant	17/09/2014	100%

(1) Collectively these five entities are known as the San Santiago entities.

On 17 September 2014, Minera acquired the San Santiago processing plant by exercising a Shares Option Agreement granted by the seller on 16 July 2014 to acquire all of the shares in the companies (San Santiago entities) that hold the assets comprising the San Santiago processing plant and 9,000 hectares of surrounding mining and exploration rights located in the Acari district of Peru.

The processing plant contains a newly refurbished gold circuit and two copper circuits to treat both oxide and sulphide copper mineral. The acquisition also includes 9,000ha of surrounding mining and exploration rights. The acquisition provides project and commodity diversification for Minera, including control of an operating copper toll treatment business.

Notes to the Consolidated Financial Statements

27. BUSINESS COMBINATION (continued)

(b) Consideration transferred

The initial accounting for the acquisition of the San Santiago assets has only been provisionally determined at the end of the reporting period. The fair value of consideration paid is below:

Funds transferred on settlement	***AUD***
Consideration payable on exercise of option	3.535 million
Repayment of loan facilities on settlement	1.995 million
Net consideration transferred	5.530 million

(c) Net book value of assets and liabilities in the acquired entity at the date of acquisition

	17 September 2014 AUD $'000s
CURRENT ASSETS	
Cash and cash equivalents	27
Trade and other receivables	2,682
Inventories	71
TOTAL CURRENT ASSETS	2,780
NON-CURRENT ASSETS	
Property, plant and equipment	473
Deferred development expenditure	724
TOTAL NON-CURRENT ASSETS	1,197
TOTAL ASSETS	**3,977**
CURRENT LIABILITIES	
Trade and other payables	1,347
TOTAL CURRENT LIABILITIES	1,347
NON-CURRENT LIABILITIES	
Borrowings	2,341
Other payables	591
TOTAL NON-CURRENT LIABILITIES	2,932
TOTAL LIABILITIES	**4,279**
NET ASSETS/(LIABILITIES)	**(302)**

(d) Fair value adjustment to exploration and mine properties arising on acquisition

Consideration transferred	5,535
Less :previous book value of identifiable net negative assets acquired	(302)
Less: loans repaid at settlement date	1,995
Net assets acquired	1,693
Fair value adjustments on acquisition	3,837

The $3,837k is attributable to $820k fair value uplift of the PPE and $3,017k for the fair value uplift of the mining concessions.

(e) Impact of acquisition on the Group

Included in the Group's net loss for the financial year is a net profit of $0.1 million, attributable to San Santiago entities.
Had these business combinations been effected at 1 January 2014, the revenue of the Group from continuing operations would have been $4.1 million, and the net loss for the year from continuing operations would have been $9.0 million. The directors of the Group consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined Group on an annualised basis and to provide a reference point for comparison in future periods.

Notes to the Consolidated Financial Statements

28. REMUNERATION OF AUDITORS

	Consolidated	
	Dec 2014	Dec 2013
	$	$
Auditor of the parent entity		
Audit or review of the financial report	123,900	117,760
Tax services	-	23,566
	123,900	141,326
Other auditors – associate firms of the auditor of the parent entity in Brazil, USA and Peru		
Audit or review of the financial report	58,102	36,756

The auditor of Minera Gold Limited is Deloitte Touche Tohmatsu.

29. CONTINGENT LIABILITIES

There are no contingent liabilities within the Group.

30. EVENTS AFTER THE REPORTING PERIOD

Changes in key management personnel

On 8 April 2015, Mr Welker was appointed Chairman following the resignation of Dr Losada-Calderon. Ms Hicks also joined the Board as an Australian based Executive Director alongside Dr Miguel Cardozo as a new Peruvian based Non-Executive Director.

During May 2015, in a strategy to bolster the on-ground management team in Peru and minimize the use of fly-in fly-out management from Australia, the Company appointed a new management team to take control of the operations in Peru. The following staff members were appointed:

Victor Cabez	Chief financial officer
Raul Berninzon	Senior operations manager
Juan Aguilar	Operations manager - metallurgy and mining
Jamie Tunstall	General manager - Peru

Other than the above, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in the future financial years.

Financing arrangements

In January 2015, Minera Gold received two further instalments to the value of US$0.35 million on the long term loan facility with Falknis Wealth Management AG.

In February 2015, the Company entered into five new unsecured convertible notes with existing investors, the value of $0.28 million. Interest on this facility was payable at 18% per annum and the facility expires on 30 June 2015. The terms are substantially the same as the existing convertible notes which expire on 30 June 2015, however, the principal and interest amounts payable are convertible at the discretion of the Company at the lower of either A$0.003 or an issue price equal to 80% of the volume weighted average price of the borrower's share traded on ASX during the ten days prior to a conversion notice being issued.

In March and April the Company entered into thirteen new unsecured convertible notes with existing investors and received $1.4 million cash between 1st April and 30 April. Interest on this facility was payable at 18% per annum and the facility expires on 31 March 2016. The terms are substantially the same as the existing convertible notes which expire on 30 June 2015, however, the principal and interest amounts payable are convertible at the discretion of the Company at the lower of either A$0.025 or an issue price equal to 80% of the volume weighted average price of the borrower's share traded on ASX during the ten days prior to a conversion notice being issued.

Notes to the Consolidated Financial Statements

30. EVENTS AFTER THE REPORTING PERIOD (continued)

Changes to capital structure

On 10 February 2015, the following equity securities were issued:

Type of Security	Number issued	$ Value	Purpose	Expiry date and other conditions
Fully paid ordinary shares	40,860,410	$0.0035 per share	Reimbursement of directors fees and costs incurred outstanding.	n/a
Fully paid ordinary shares	20,675,739	$0.00242 per share	Convertible note principal repayment.	n/a
Fully paid ordinary shares	41,024,999	$0.003 per share	Services rendered, paid in shares.	n/a
Fully paid ordinary shares	4,401,468	$0.0027 per share	Convertible note interest repayment.	n/a
MIZOA options	110,714,287	Nil consideration received	Issued to sophisticated and professional investors who participated in the capital raising completed in December 2014.	Exercisable at $0.012 per share and are exercisable on or before 4 December 2016.
MIZOA options	41,575,297	Nil consideration received	Issued to financiers and brokers of the company for nil consideration in conjunction with financing arrangements.	Exercisable at $0.012 per share and are exercisable on or before 4 December 2016.
Unlisted share options	73,275,000	Nil consideration received	Issued to Anglo Pacific Group PLC for nil consideration in conjunction with financing arrangements.	Exercisable at $0.006 per share on or before 8 February 2018.

On 9 March 2015 the Company issued 97,671,077 fully paid ordinary shares as follows:

Type of security	Number issued	$ Value	Purpose	Expiry date and other conditions
Fully paid ordinary shares	18,667,700	$0.003 per share	Invoices and expenses to the value of $56,003.10, paid in shares.	n/a
Fully paid ordinary shares	30,030,030	$0.00166 per share	Convertible note principal conversion to the value of $50,000.	n/a
Fully paid ordinary shares	14,565,849	$0.00181 per share	Convertible note principal and interest conversion, to the value of $26,392.58.	n/a

30. EVENTS AFTER THE REPORTING PERIOD (continued)

On 31 March 2015 the Company issued 88,268,341fully paid ordinary shares as follows:

Type of security	Number issued	$ Value	Purpose	Expiry date and other conditions
Fully paid ordinary shares	63,128,551	$0.0016 per share	Convertible note principal and interest conversion, to the value of $98,769.20, paid in shares.	n/a
Fully paid ordinary shares	25,139,790	$0.002 per share	Invoices and expenses to the value of $50,279.58, paid in shares.	n/a

31. OPERATING LEASE ARRANGEMENTS

(a) Leasing arrangements

Operating leases relate to leases of office premises with lease terms of between 4 months and 12 months. The Group does not have an option to purchase the leased offices at the expiry of the lease periods.

	Consolidated	
	December 2014	**December**
	$'000s	**$'000s**
(b) Payments recognised as an expense:		
Minimum lease payments	174	233
(c) Non-cancellable operating lease commitments:		
Not later than one year	68	49
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	68	49

32. EXPENDITURE COMMITMENTS

(a) Hire purchase and lease arrangements:		
Not longer than 1 year	192	105
Longer than 1 year and not longer than 5 years	-	-
	-	105
(b) Capital expenditure commitments:		
Not longer than 1 year	296	138
Longer than 1 year and not longer than 5 years	592	-
Longer than 5 years	1,479	-
	2,367	138
(c) Other commitments:		
Not longer than 1 year	89	138
Longer than 1 year and not longer than 5 years	-	-
	89	138

Additional Stock Exchange Information as at 14 May 2015

NUMBER OF HOLDERS OF EQUITY SECURITIES

Ordinary share capital

The Company has a total of 3,498,027,596 fully paid ordinary shares on issue. There are no restricted shares on issue. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Share options

The Company has a total of 432,539,584 listed share options (MIZOA) which are exercisable at $0.012 on or before 4 December 2016.

The Company has a total of 186,275,000 unlisted options on issue. There are 37,500,000 unlisted employee options on issue and 148,775,000 unlisted options issued to advisors of the Company.

Options do not carry a right to vote.

Convertible notes

$6.1 million of convertible notes are held by 39 individual note-holders.

Convertible notes do not carry a right to vote.

DISTRIBUTION OF HOLDERS OF EQUITY SECURITIES

	Fully Paid Shares		Listed Options(1)	
Size of Holding	**Number of Holders**	**Number of Shares Held**	**Number of Holders**	**Number of Options Held**
1 - 1,000	290	70,521	-	-
1,001 - 5,000	481	1,477,878	-	-
5,001 - 10,000	360	2,964,673	-	-
10,001 - 100,000	812	35,145,518	36	3,600,000
100,001 and over	1,102	3,025,804,422	124	428,939,584
Total	3,045	3,065,488,012	160	432,539,584

Options expire on or before 4 December 2016 and are exercisable at $0.012 per share.

SUBSTANTIAL SHAREHOLDERS

Fully Paid Ordinary Shareholders	Fully Paid Ordinary Shares Number
Rex Seager Harbour and his associates	165,165,265

Additional Stock Exchange Information as at 14 May 2015

20 LARGEST HOLDERS OF QUOTED EQUITY SECURITIES

(1) Ordinary shares in Minera Gold Limited

	Holder Name	Number of Shares	Percentage of Total
1	Ekirtson Nominees Pty Ltd	144,256,445	4.7%
2	Rex Seager Harbour	137,995,017	4.5%
3	Slade Technologies Pty Ltd <Embrey Family Superfund Ac>	120,109,090	3.9%
4	Citicorp Nominees Pty Ltd	91,033,780	2.9%
5	Mr Bin Lui	62,500,000	2.0%
6	West Trade Enterprises Pty Ltd <Minderup Superfund Ac>	61,294,858	2.0%
7	Nino Constructions Pty Ltd	58,897,789	1.9%
8	Barbara Green	57,112,591	1.8%
9	Tranaj Nominees Pty Ltd	52,142,857	1.7%
10	Rebecca Stell Pattison	48,009,771	1.6%
11	Pershing Nominees Pty Ltd <Anglo Pacific Group PLC>	42,857,143	1.4%
12	Henry Erwin Spira <Spira Family Superfund Ac>	41,995,591	1.4%
13	Mark Buratovic	35,316,158	1.1%
14	Beirne Trading Pty Ltd	35,036,049	1.1%
15	GHJC Pty Limited	33,806,666	1.1%
16	Pallet Super Pty Ltd <Pallet Superfund Ac>	32,000,000	1.0%
17	Chalwell Pension Fund	30,000,000	1.0%
18	Admark Investments Pty Ltd	30,000,000	1.0%
19	Kristin Phillips and J Gare	29,277,777	1.0%
20	Troca Enterprises Pty Ltd <Coulson Superfund Ac>	28,571,429	0.9%
		1,172,213,011	38%

(2) Options in Minera Gold Limited

Quoted options to purchase shares in Minera Gold Limited, exercisable at $0.012 per share on or before 4 December 2016 (MIZOA)

	Holder Name	Number of Options	Percentage of Total
1	Alignment Capital Pty Ltd	28,714,286	6.6%
2	Rex Seager Harbour (and his associated entities)	28,571,429	6.6%
3	SilverStream SEZC	20,000,000	4.6%
4	Slade Technologies Pty Ltd	17,000,000	3.9%
5	Zenix Nominees Pty Ltd	16,500,000	3.8%
6	Filmrim Pty Ltd <Majufe Super Ac>	15,750,000	3.6%
7	Troca Enterprises <Coulson Super Ac>	14,285,714	3.3%
8	Pershing Nominees Pty Ltd <Anglo Pacific Group PLC>	14,285,714	3.3%
9	White Swan Nominees Pty Ltd	11,334,900	2.6%
10	David Austin <Austin Superfund Ac>	9,000,000	2.1%
11	DCF Capital LLC	8,250,000	1.9%
12	Scotto Enterprises Pty Ltd	7,895,200	1.8%
13	Zual Investments Pty Ltd	7,666,666	1.8%
14	Professional Payment Services	7,500,000	1.7%
15	L S Francis and S Benson <Skottowe Superfund Ac>	7,440,100	1.7%
16	Graham Walter	6,850,000	1.6%
17	Euthenia Tyche Pty Ltd	6,388,351	1.5%
18	J M McDonald and J Rowe	6,300,000	1.5%
19	Gurney Capital Nominees Pty Ltd	6,250,000	1.4%
20	Bentley Capital Limited	5,000,000	1.2%
		244,982,360	56.6%

Additional Stock Exchange Information as at 14 May 2015

(3) Convertible noteholders

	Holder Name	**Value of Convertible Note $'000s**	**Percentage of Total**
1	DCF Capital LLC	2,117,936	34.3%
2	Rex Seager Harbour (and his associated entities)	1,338,202	22.5%
3	Silverstream SEZC	399,921	6.5%
4	Alignment Capital Pty Ltd	312,929	5.1%
5	Mr Bin Lui	221,271	3.6%
6	Troca Enterprises Pty Ltd	201,973	3.3%
7	Mr Ashley Pattison	140,226	2.3%
8	Bentley Capital Limited	123,373	2.0%
9	Lombardi Super Pty Ltd	121,726	2.0%
10	Garrido Investments Pty Ltd	119,664	1.9%
11	ELG Trust	108,876	1.8%
12	Mr Brian Peter Byass	86,713	1.4%
13	Jackson McDonald	78,589	1.3%
14	GDL Lucas Investments Pty Ltd ATF GDL Superannuation Fund A/c	65,964	1.1%
15	Mr Barry Francis Cronin and Mrs Kerry Anne Cronin ATF Hillview52	55,632	0.9%
16	Richlane Holdings Pty Ltd <The Pavicic Family A/C>	55,632	0.9%
17	Mr Bernard William Carney	55,577	0.9%
18	Gurney Capital Nominees P/L	54,802	0.9%
19	Northern Star Nominees Pty Ltd	50,740	0.8%
20	George Bryant	39,849	0.6%

Additional Stock Exchange Information as at 14 May 2015

SCHEDULE OF TENEMENTS

Country	Code	Name	Holder	Beneficial interest (%)	Area (ha)
Brazil	830.719/1982	ENGENHO D' ÁGUA	MUNDO MINERAÇÃO LTDA.	75%	711.5
	830.156/2009	NOT YET NAMED	MUNDO MINERAÇÃO LTDA.	75%	644.37
Peru	010142796	RETORNO-I	GOLDEN EMPIRE SAC	100	200
	010147196	RETORNO-II	GOLDEN EMPIRE SAC	100	400
	010221096	RETORNO-III	GOLDEN EMPIRE SAC	100	800
	010265596	RETORNO-IV	GOLDEN EMPIRE SAC	100	500
	010265696	RETORNO V	GOLDEN EMPIRE SAC	100	764.4
	010375996	RETORNO VI	GOLDEN EMPIRE SAC	100	200
	010232798	RETORNO VII	GOLDEN EMPIRE SAC	100	500
	010133999	RETORNO VIII	GOLDEN EMPIRE SAC	100	700
	010116000	RETORNO IX	GOLDEN EMPIRE SAC	100	288.8
	010118701	RETORNO X	GOLDEN EMPIRE SAC	100	200
	010193402	RETORNO XIV	GOLDEN EMPIRE SAC	100	500
	010036005	RETORNO XV	GOLDEN EMPIRE SAC	100	500
	010358807	RETORNO XXV	GOLDEN EMPIRE SAC	100	200
	010603307	RETORNO XXVI	GOLDEN EMPIRE SAC	100	300
	010256408	RETORNO XXVII	GOLDEN EMPIRE SAC	100	200
	010015811	RETORNO XXXI 2011	GOLDEN EMPIRE SAC	100	600
	010015711	RETORNO XXXII 2011	GOLDEN EMPIRE SAC	100	1000
	010015611	RETORNO XXXIII 2011	GOLDEN EMPIRE SAC	100	700
	010188911	RETORNO XXXV 2011	GOLDEN EMPIRE SAC	100	900
	010188811	RETORNO XXXIV 2011	GOLDEN EMPIRE SAC	100	1000
	010189011	RETORNO XXXVI 2011	GOLDEN EMPIRE SAC	100	900
	010189111	RETORNO XXXVII 2011	GOLDEN EMPIRE SAC	100	600
	010189211	RETORNO XXXVIII 2011	GOLDEN EMPIRE SAC	100	800
	010358707	RETORNO XX	MUNDO MINERALES SAC	100	100
	010042602	SUSTITUCION IV	MUNDO MINERALES SAC	100	500
	010249098	SUSTITUCION	MUNDO MINERALES SAC	100	399.4
	010028003	SUSTITUCION V	MUNDO MINERALES SAC	100	500
	010935395	TUMI III	MUNDO MINERALES SAC	100	1000
	010935195	TUMI I	MUNDO MINERALES SAC	100	414.9
	010164704	Virgen del Cármen 2004 J	GRUPO MINERO FENIX SAC	100	4.99
	010278004	Virgen del Cármen 2004 R	GRUPO MINERO FENIX SAC	100	21.3
	010164204	Virgen del Cármen 2004 Q	GRUPO MINERO FENIX SAC	100	27.7
	010087805	Virgen del Cármen 2005 A	GRUPO MINERO FENIX SAC	100	88.8
	010142605	Virgen del Cármen 2005 B	GRUPO MINERO FENIX SAC	100	75.9
	10000226Y01	Acarí Trigésimo	GRUPO MINERO FENIX SAC	100	579.3
	10000211Y01	Acarí Décimo Quinto	GRUPO MINERO FENIX SAC	100	998.7
	010351706	Virgen del Carmen 2006 D	MINERA COBRE SUR SAC	100	997
	010102504	Virgen del Cármen I 2004	INSUMOS MINEROS FENIX SAC	100	116.7
	010139104	Virgen del Cármen 2004 A	INSUMOS MINEROS FENIX SAC	100	800
	010164804	Virgen del Cármen 2004 H	INSUMOS MINEROS FENIX SAC	100	0.9
	010164004	Virgen del Cármen 2004 L	INSUMOS MINEROS FENIX SAC	100	10

Additional Stock Exchange Information as at 14 May 2015

SCHEDULE OF TENEMENTS (continued)

Country	Code	Name	Holder	Beneficial interest (%)	Area (ha)
Peru	010163804	Virgen del Cármen 2004 M	INSUMOS MINEROS FENIX SAC	100	6
	010163904	Virgen del Cármen 2004 N	INSUMOS MINEROS FENIX SAC	100	9.4
	010277904	Virgen del Cármen 2004 S	INSUMOS MINEROS FENIX SAC	100	10.0
	010277804	Virgen del Cármen 2004 T	INSUMOS MINEROS FENIX SAC	100	43.9
	010199506	Virgen del Cármen 2006 A	INSUMOS MINEROS FENIX SAC	100	998.7
	010341005	Virgen del Cármen 2005 C	GRUPO MINERO PAMPACOLCA SAC	100	399.5
	010138807	Virgen del Carmen 2007 A	GRUPO MINERO PAMPACOLCA SAC	100	250.8
	540002311	Camila VII	DERIVADOS Y CONCENTRADOS SAC	100	900
	010226104	Virgen del Carmen 2004 P	DERIVADOS Y CONCENTRADOS SAC	100	99.7
	010485706	Don Tomasito de Acarí	DERIVADOS Y CONCENTRADOS SAC	100	891.5
	P540000110	Planta San Santiago de Acarí	DERIVADOS Y CONCENTRADOS SAC	100	36.7
	010227907	Don Iván 31 N-1	DERIVADOS Y CONCENTRADOS SAC	100	10.2

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