GLENEAGLE

GOLD LIMITED

ABN 27 103 782 378

ANNUAL REPORT

For the Year Ended
30 June 2015

CORPORATE DIRECTORY

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

COMPANY SECRETARY
Neville Bassett

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

SHARE REGISTRAR
Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
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SECURITIES EXCHANGE LISTING
Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: GLN

BANKERS
National Australia Bank
1232 Hay Street
WEST PERTH WA 6005

DIRECTORS' REPORT

Your directors present their report on the Company for the financial year ended 30 June 2015.

DIRECTORS

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

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

COMPANY SECRETARY

Mr Neville Bassett held the position of company secretary at the date of this report. Mr Bassett is a Chartered Accountant with over 32 years experience and has been involved with a diverse range of Australian public listed companies in directorial, company secretarial and financial roles.

PRINCIPAL ACTIVITIES

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

RESULTS

The loss from continuing operations before income tax for the year ended 30 June 2015 was \$400,080 (2014: \$290,217). Additional information on the operations and financial position of the Company and its business strategies and prospects is set out in this directors' report and the financial report.

DIVIDENDS PAID OR RECOMMENDED

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

REVIEW OF OPERATIONS

Cuddingwarra – Western Australia

EL20/742 (100%)
EL20/833 (100%)
PL20/2095 (100%)
PL20/2096 (100%)

The project area comprises the following leases:

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

DIRECTORS' REPORT

The four leases are located in the Cue Mineral Field near the historic Big Bell and Cuddingwarra mining centres. Three of the leases are contiguous being E20/742 and P20/2095 and 2096. This project area is referred to as Milly Bore. EL20/833 is situated to the NW of Milly Bore and is referred to as the Berring Pool project.

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

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

Milly Bore

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

Since acquiring the Cuddingwarra tenements work has focussed on obtaining all historical geochemical, geological, drilling and geophysical data and integration into a format suitable for GIS software.

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

No field work was undertaken during the period. In light of current economic conditions, the company is assessing the best way to move the project forward whilst conserving cash reserves.

Berring Pool

The project covers an area of approximately 16km^2 and is also situated within the Archaean Meekatharra-Wydgee Greenstone Belt. No work was undertaken during the period. EL20/833 was granted on 8 December 2014.

Peak Hill – Western Australia
P52/1166

No work was undertaken during the period and a decision was taken to surrender the prospecting licence.

Corporate

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

On 16 March 2015, the company announced it had entered into a non-binding term sheet to merge with unlisted Australian company Myostin Therapeutics Pty Ltd ("Myostin").

Myostin is developing a therapeutic for Duchenne Muscular Dystrophy (**"DMD"**) and potentially other muscle-wasting conditions. Myostin has acquired an extensive body of intellectual property, including 3 patent families which protect its approach to treating DMD.

DIRECTORS' REPORT

On 1 September 2015, the company announced that due to current market conditions the decision had been taken not to proceed with the merger with Myostin.

The company will continue to assess new project opportunities that the Board believes will add shareholder value. As part of the review process, as with the Myostin opportunity, the Company may look at possible investment opportunities outside of the company's existing principal activity of mineral exploration.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

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

AFTER BALANCE DATE EVENTS

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

FUTURE DEVELOPMENTS

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

ENVIRONMENTAL ISSUES

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

MEETINGS OF DIRECTORS

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

	Directors' Meetings	
Director	**Number Eligible to Attend**	**Meetings Attended**
Wayne Gregory Loxton	6	6
Ian David Love	6	6
Leon Davies	6	6

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

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

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

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

Directorships of other listed companies

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

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

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for the key management personnel of the Company for the financial year ended 30 June 2015. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

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

Key Management Personnel
Directors

Wayne Gregory Loxton
Ian David Love
Leon Davies

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

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

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

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

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

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

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

DIRECTORS' REPORT

Senior manager and executive Director remuneration

Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

Fixed remuneration

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

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

The Company currently does not have any executives.

Variable remuneration

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

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

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

Employment Contracts

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

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

2015 Financial Year

	PRIMARY		POST EMPLOYMENT	EQUITY	
Key Management Person	**Salary & Fees**	**Non Monetary**	**Superannuation Contribution**		**Total**
	$	$	$	$	$
Wayne Gregory Loxton	60,000	-	-	-	60,000
Ian David Love	54,794	-	5,206	-	60,000
Leon Davies	60,000	-	-	-	60,000
Totals	**174,794**	**-**	**5,206**	**-**	**180,000**

DIRECTORS' REPORT

2014 Financial Year

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

Performance Based Remuneration

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

Compensation Options Issued to Key Management Personnel

No options were granted as equity compensation benefits to Key Management Personnel during the year ended 30 June 2015 or 30 June 2014.

Shares Issued to Key Management Personnel on Exercise of Compensation Options

No key management personnel exercised options during the years ended 30 June 2015 or 30 June 2014.

Shareholdings of Key Management Personnel

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

	Balance 01/07/2014	Options Exercised	Acquired/ (disposed)	Net Change Other	Balance 30/06/2015
Wayne Loxton	63,040,480	-	-	-	63,040,480
Ian Love	8,843,961	-	-	-	8,843,961
Leon Davies	20,857,456	-	-	-	20,857,456

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

DIRECTORS' REPORT

Option Holdings of Key Management Personnel

	Balance 01/07/2014	Options Granted as Remuneration	Options Acquired	Net Change Other #	Balance 30/06/2015	Number vested and exercisable
Wayne Loxton	36,688,464	-	-	(36,688,464)[1]	-	-
Ian Love	19,843,961	-	-	(19,843,961)[1]	-	-
Leon Davies	28,127,456	-	-	(28,127,456)[1]	-	-

	Balance 01/07/2013	Options Granted as Remuneration	Options Acquired	Net Change Other #	Balance 30/06/2014	Number vested and exercisable
Wayne Loxton	17,400,000	-	-	(17,400,000)[1]	-	-
	8,000,000	-	-	(8,000,000)[1]	-	-
	36,688,464	-	-	-	36,688,464[2]	36,688,464
Ian Love	19,843,961	-	-	-	19,843,961[2]	19,843,961
Leon Davies	28,127,456	-	-	-	28,127,456[2]	28,127,456

[1] Options expired during the year
[2] Options have an exercise price of 1 cent and expire 30 June 2015

Other transactions and balances with Key Management Personnel

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

This concludes the Remuneration Report.

INDEMNIFYING OFFICERS

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

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

SHARE OPTIONS

There were no options over unissued ordinary shares at the date of this report.

During the year 779,448 options exercisable at $0.01 each were exercised and 301,673,380 options exercisable at $0.01 each, expired. No options over ordinary shares in the Company were issued during the year.

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 46 of the Annual Report.

NON AUDIT SERVICES

The Company paid an amount of $4,000 to the auditors, HLB Mann Judd, during the year ended 30 June 2015 for the provision of taxation compliance services. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

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

PROCEEDINGS ON BEHALF OF THE COMPANY

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

On behalf of the Board

W Loxton
Director **Perth, 22nd September 2015**

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance statement of Gleneagle Gold Limited (the ‘company’) has been prepared in accordance with the 3rd Edition of the Australia Securities Exchanges (‘ASX’) Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council (‘ASX Principles and Recommendations’).

The Recommendations are guidelines and not prescriptions. The Council recognises that the range in size and diversity of companies is significant and that smaller companies from the outset may face particular issues in following all the Recommendations. If a company considers that a Recommendation is not appropriate to its particular circumstances, it has the flexibility not to adopt it.

The Board has adopted the best practice Recommendations as outlined by the Council to the extent that is deemed appropriate considering the current size and operations of the company.

This statement has been approved by the company’s Board of Directors (‘Board’) and is current as at 22 September 2015.

The ASX Principles and Recommendations and the company’s response as to how and whether it follows those recommendations are set out below.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1 - A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.

As the Board acts on behalf of and is accountable to the shareholders, the Board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations and strives to meet those expectations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

The role of the Board is to oversee and guide the management of Gleneagle Gold Ltd with the aim of protecting and enhancing the interests of its shareholders and taking into account the interests of other stakeholders including employees and the wider community.

The Board has adopted a formal Charter which clearly establishes the relationship between the Board and management and describes their functions and responsibilities.

The Board is responsible for setting the strategic direction of the Company, establishing goals for management and monitoring the achievement of those goals.

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

- Setting the strategic aims of the Company and overseeing management’s performance within that framework;
- Making sure that the necessary resources (financial and human) are available to the Company and its senior executives to meet its objectives;
- Overseeing management’s performance and the progress and development of the Company’s strategic plan;
- Selecting and appointing suitable Executive Directors with the appropriate skills to help the Company in the pursuit of its objectives;
- Determining the remuneration policy for the Board members, Company Secretary and Senior Management;
- Controlling and approving financial reporting, capital structures and material contracts;

CORPORATE GOVERNANCE STATEMENT

- Ensuring that a sound system of risk management and internal controls are in place;
- Setting the Company's values and standards;
- Undertaking a formal and rigorous review of the Corporate Governance policies to ensure adherence to the ASX Corporate Governance Council;
- Ensuring that the Company's obligations to shareholders are understood and met;
- Ensuring the health, safety and well-being of employees in conjunction with the senior management team, including developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to assure the well-being of all employees;
- Ensuring an adequate system is in place for the proper delegation of duties for the effective operative day to day running of the Company without the Board losing sight of the direction that the Company is taking; and
- Any other matter considered desirable and in the interest of the Company.

The Board's charter is available on the company's website at www.gleneaglegold.net.au.

Recommendation 1.2 - A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The company undertakes comprehensive reference checks prior to appointing a director or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of director. An election of directors is held each year. A director that has been appointed during the year must stand for election at the next Annual General Meeting ('AGM'). Directors are appointed for a maximum term of three years. Retiring directors are not automatically re-appointed. The company provides to shareholders in the Notice of AGM relevant information for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election.

The Board's charter, which is available on the company's website at www.gleneaglegold.net.au more fully sets out the specific responsibilities of the Board. Corporate expectations are set out in the directors' letters of appointment.

Recommendation 1.3 - A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

The terms of the appointment of a non-executive director are set out in writing and cover matters such as the term of appointment, time commitment envisaged, required committee work and other special duties, requirements to disclose their relevant interests which may affect independence, corporate policies and procedures, indemnities, and remuneration entitlements.

Executive directors and senior executives, where applicable, are issued with service contracts which detail the above matters as well as the person or body to whom they report, the circumstances in which their service may be terminated (with or without notice), and any entitlements upon termination.

Recommendation 1.4 - The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

The Company Secretary reports directly to the Board through the Chairman and is accessible to all directors.

CORPORATE GOVERNANCE STATEMENT

Recommendation 1.5 - A listed entity should (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: (1) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

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

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

To the extent practicable, the Company will address the recommendations and guidance provided in the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*.

The Diversity Policy does not form part of an employee's contract of employment with the company, nor gives rise to contractual obligations. However, to the extent that the Diversity Policy requires an employee to do or refrain from doing something and at all times subject to legal obligations, the Diversity Policy forms a direction of the company with which an employee is expected to comply.

RESPONSIBILITIES

The Board is responsible for developing measurable objectives (and these will be developed when the Board believes that the Company has reached a level of development that warrants these objectives) and strategies to meet the Objectives of the Diversity Policy (**Measurable Objectives**). The Board is also responsible for monitoring the progress of the Measurable Objectives through the monitoring, evaluation and reporting mechanisms listed below. The Board may also set Measurable Objectives for achieving gender diversity and monitor their achievement.

The Board will conduct all Board appointment processes in a manner that promotes gender diversity, including establishing a structured approach for identifying a pool of candidates, using external experts where necessary.

The Company's diversity strategies may include:

- recruiting from a diverse range of candidates for all positions, including senior executive roles and Board positions;
- reviewing pre-existing succession plans to ensure that there is a focus on diversity;
- encouraging female participation across a range of roles across the Company;
- reviewing and reporting on the relative proportion of women and men in the workforce at all levels of the Company;
- articulating a corporate culture which supports workplace diversity and in particular, recognizes that employees at all levels of the Company may have domestic responsibilities;

CORPORATE GOVERNANCE STATEMENT

- developing programs to encourage a broader pool of skilled and experienced senior management and Board candidates, including, workplace development programs, mentoring programs and targeted training and development; and
- any other strategies that the Board or the Nomination Committee develops from time to time.

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

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

MONITORING AND EVALUATION

The Chairman will monitor the scope and currency of this policy.

The company with oversight form the Board is responsible for implementing, monitoring and reporting on the Measurable Objectives.

Measurable Objectives if set by the Board will be included in the annual key performance indicators for the Chief Executive Officer / Chief Operations Officer and senior executives.

In addition, the Board will review progress against the Objectives (if set) as a key performance indicator in its annual performance assessment.

REPORTING

The Board may include in the Annual Report each year:

- the Measurable Objectives, if any, set by the Board;
- progress against the Objectives; and
- the proportion of women employees in the whole organisation, at senior management level and at Board level.

No entity within the consolidated entity is a 'relevant employer' for the purposes of the Workplace Gender Equality Act 2012 and therefore no Gender Equality Indicators to be disclosed.

Recommendation 1.6 - A listed entity should (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The Board has not adopted any formal procedures for the review of the performance of the Board, however the Board has adopted an on-going self-evaluation process to measure its own performance, which is currently considered to meet the Board's obligations sufficiently.

The review process takes into consideration all of the Board's key areas of responsibility and accountability and is based on an amalgamation of factors including capability, skill levels, understanding of industry complexities, risks and challenges, and value adding contributions to the overall management of the business.

CORPORATE GOVERNANCE STATEMENT

The Board aims to ensure that shareholders are informed of all information necessary to assess the performance of the directors. Information is communicated to the shareholders through:

- the annual report which is distributed to all shareholders;
- the half-yearly report;
- the annual general meeting and other meetings to obtain shareholder approval for Board actions as appropriate; and
- continuous disclosure in accordance with ASX Listing Rule 3.1 and the Company's continuous disclosure policy.

Recommendation 1.7 - A listed entity should (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The Board has not adopted any formal procedures for the review of the performance of senior executives, however the Board will, as required, adopt an on-going assessment process to measure senior executive performance, with outcomes utilised to determine senior executive remuneration.

At the date of this report the Company has no executives or full-time employees.

Principle 2: Structure the board to add value

Recommendation 2.1 - The board of a listed entity should (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The functions that would be performed by a nomination committee are currently performed by the full Board. Having regard to the number of members currently comprising the Company’s Board and the stage of the Company’s development, the Board does not consider it appropriate to delegate these responsibilities to a sub-committee. Accordingly the Company was not in compliance with Recommendation 2.1 during the financial year. These arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company’s circumstances.

Recommendations of candidates for new directors are made by the directors for consideration by the Board as a whole. If it is necessary to appoint a new director to fill a vacancy on the Board or to complement the existing Board, a wide potential base of possible candidates is considered. If a candidate is recommended by a director, the Board assesses that proposed new director against a range of criteria including background, experience, professional skills, personal qualities, the potential for the candidate’s skills to augment the existing Board and the candidate’s availability to commit to the Board’s activities. If these criteria are met and the Board appoints the candidate as a director, that director must retire at the next following General Meeting of Shareholders and will be eligible for election by shareholders at that General Meeting.

CORPORATE GOVERNANCE STATEMENT

Recommendation 2.2 - A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

In view of its size the Board does not maintain a formal skills matrix that sets out the mix of skills and diversity that the Board aims to achieve in its membership. However, the individual directors and the Board as a whole recognise the importance for the Board to have the skills, knowledge, experience and diversity of background required to effectively steer the company over time in response to market developments, opportunities and challenges. The Board recognises certain core skills that are required for the Board to ensure effective stewardship of the company. These include business and strategic expertise, experience with financial markets, industry knowledge, accounting and finance skills, project management experience and personal ethics, attributes and skills. The current Board members represent individuals that have extensive business and industry experience as well as professionals that bring to the Board their specific skills in order for the company to achieve its strategic, operational and compliance objectives. Their suitability to the directorship has been determined primarily on the basis of their ability to deliver outcomes in accordance with the company's short and longer term objectives and therefore deliver value to shareholders.

Recommendation 2.3 - A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.

Details of the Board of directors, their appointment date, length of service and independence status is as follows:

Director's name	**Appointment date**	**Length of service at reporting date**	**Independence status**
Wayne Loxton	30 April 2010	5 years 4 months	Not independent – Non-Executive Chairman
Ian Love	30 April 2010	5 years 4 months	Independent – Non-Executive Director
Leon Davies	20 April 2011	4 years 4 months	Independent – Non-Executive Director

The Board has reviewed the position and associations of each of the directors in office at the date of this report and considers that Mr Ian Love and Mr Leon Davies are independent non-executive directors. Mr Wayne Loxton, Non-Executive Chairman is not considered independent in terms of Recommendation 2.3 and other facts, information and circumstances that the Board considers relevant. The Board assesses the independence of new directors upon appointment and reviews their independence, and the independence of other directors, as appropriate.

Recommendation 2.4 - A majority of the board of a listed entity should be independent directors.

Having regard to the response to Recommendation 2.3 above, a majority of the Board is comprised of independent directors.

CORPORATE GOVERNANCE STATEMENT

Recommendation 2.5 - The Chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

The Chair is not independent as disclosed in Recommendation 2.3. Given the size and scale of the Company's operations during the year, the Board did not consider it essential to appoint an independent Chair simply in order to comply with the Corporate Governance Council's Recommendations. The Board considers that, at this stage of the Company's development, the role carried out by the Chairman is in the best interests of the Company.

Recommendation 2.6 - A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

The company has, due to the Board's size, an informal induction process. New directors are fully briefed about the nature of the business, current issues, the corporate strategy and the expectations of the company concerning performance of directors.

Directors receive a formal letter of appointment setting out the key terms and conditions relevant to that appointment. Generally, directors undertake their own continuing education.

Principle 3: Act ethically and responsibly

Recommendation 3.1 - A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.

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

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

All Directors, officers and employees are expected to:

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

The Code of Conduct is posted on the company's website.

Securities Trading by Directors and Employees

Gleneagle Gold Ltd has adopted a Securities Trading Policy. The policy summarises the law relating to insider trading and sets out the policy of the company on directors, officers, employees and consultants dealing in securities of the company. The Securities Trading Policy is available on the company's website.

This policy is provided to all directors and employees and compliance with it is reviewed on an ongoing basis in accordance with the company's risk management systems.

CORPORATE GOVERNANCE STATEMENT

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1 - The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The functions that would be performed by an audit committee are currently performed by the full Board. Having regard to the number of members currently comprising the Company's Board and the stage of the Company's development, the Board does not consider it appropriate to delegate these responsibilities to a sub-committee. Accordingly the Company was not in compliance with Recommendation 4.1 during the financial year. These arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company's circumstances.

However meetings are held throughout the year between the Board, the Company Secretary and the company's auditors to discuss the company's ongoing activities and any proposed changes prior to their implementation.

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

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

Details of the qualifications and experience of the members of the Committee, being the full Board, are contained in the 'Information of directors' section of the Directors' report.

External Auditors

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

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

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

CORPORATE GOVERNANCE STATEMENT

Recommendation 4.2 - The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

For the financial year ended 30 June 2015 and the half-year ended 31 December 2014, the company's CEO and CFO provided the Board with the required declarations.

Recommendation 4.3 - A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

A representative of the company's external audit firm attends the AGM and is available to answer shareholder questions from shareholders relevant to the audit.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1 - A listed entity should (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.

The company maintains a written policy that outlines the responsibilities relating to the directors, officers and employees in complying with the company's continuous disclosure obligations. Where any such persons are of any doubt as to whether they possess information that could be classified as market sensitive, they are required to notify the Company Secretary immediately in the first instance. The policy provides the mechanism by which relevant market sensitive information that may have a material effect on the price of the company's securities is released to the ASX in a timely manner.

The Company Secretary has primary responsibility for the disclosure of material information to ASIC and ASX and maintains a procedural methodology for disclosure, as well as for record keeping.

The Board reviews the Company's compliance with this policy on an ongoing basis and will update it from time to time, if necessary.

The company's Continuous Disclosure Policy is available on its website.

Principle 6: Respect the rights of security holders

Recommendation 6.1 - A listed entity should provide information about itself and its governance to investors via its website.

The company maintains information in relation to corporate governance documents, directors and senior executives, Board and committee charters, annual reports, ASX announcements and contact details on the company's website.

CORPORATE GOVERNANCE STATEMENT

Recommendations 6.2 and 6.3

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors (6.2).

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders (6.3).

The company is committed to promoting effective communications with shareholders by ensuring they and the investment market generally are provided with full and timely disclosure of its activities and providing equal opportunity for all stakeholders to receive externally available information issued by the company in a timely manner. The company provides shareholders with periodic updates on its business. Shareholders are encouraged to communicate by electronic means and to participate at the Annual General Meeting, to ensure a high level of accountability and identification with the company's strategy and goals.

The company's Shareholder Communication Policy is available on its website.

Recommendation 6.4 - A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The company engages its share registry to manage the majority of communications with shareholders. Shareholders are encouraged to receive correspondence from the company electronically, thereby facilitating a more effective, efficient and environmentally friendly communication mechanism with shareholders. Shareholders not already receiving information electronically can elect to do so through the share registry, Computershare Investor Services Pty Ltd at www.computershare.com.au.

Principle 7: Recognise and manage risk

Recommendations 7.1 & 7.2

The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework (7.1).

The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place (7.2).

The functions that would be performed by a risk committee are currently performed by the full Board. Having regard to the number of members currently comprising the Company's Board and the stage of the Company's development, the Board does not consider it appropriate to delegate these responsibilities to a sub-committee. Accordingly the Company was not in compliance with Recommendation 7.1 during the financial year. These arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company's circumstances.

The Board reviews risks to the company at regular Board meetings.

CORPORATE GOVERNANCE STATEMENT

The company manages material business risks under a risk management policy which is available on its website. There is an ongoing program to identify, monitor and manage compliance issues and material business risks with a view to enhancing the value of every shareholder's investment and safeguarding the company's investments. The Board reviews the identification, management and reporting of risk as part of the annual budget process. More frequent reviews are undertaken as conditions or events dictate.

Recommendation 7.3 - A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

The Board has the responsibility for ensuring the effectiveness of risk management and internal compliance and control. As part of the review process the Board considers the extent to which the risk process has been successful in retrospect with regard to the identification and mitigation of risks. This is required at all times and the Board actively promotes a culture of quality and integrity.

The company does not have an internal audit function due to its size; however the company's procedures and policies are subject to regular review. The Board also liaises closely with the company's external auditor to identify potential improvements to the risk management and internal control procedures.

The Board recognises that no cost-effective internal control system will preclude the possibility of errors and irregularities. The company has insurance, including product liability and professional indemnity insurance, to cover unexpected or unforeseen events and reduce any adverse consequences.

Recommendation 7.4 - A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

The company does not believe it has any material exposure to economic, environmental and social sustainability risks.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1 - The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The functions that would be performed by a remuneration committee are currently performed by the full Board. Having regard to the number of members currently comprising the Company's Board and the stage of the Company's development, the Board does not consider it appropriate to delegate these responsibilities to a sub-committee. Accordingly the Company was not in compliance with Recommendation 8.1 during the financial year. These arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company's circumstances.

Details of the qualifications and experience of the members of the committee, being the full Board, is detailed in the 'Information on Directors' section of the Directors' report.

CORPORATE GOVERNANCE STATEMENT

The Board oversees remuneration policy and monitors remuneration outcomes to promote the interests of shareholders by rewarding, motivating and retaining employees.

An outline of the Company's remuneration policies in respect of directors and executives is set out in the audited Remuneration Report contained in the Directors' Report. Detailed disclosure of the remuneration paid to the Company's directors and executives is set within the Remuneration Report section of this annual report.

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

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

Recommendation 8.2 - A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

An outline of the Company's remuneration policies in respect of directors and executives is set out in the audited Remuneration Report contained in the Directors' Report.

The level of remuneration reflects the anticipated time commitments and responsibilities of the position having regard to the financial constraints on the company. Senior executives may be remunerated using combinations of fixed and performance based remuneration. Salaries are set at levels reflecting market rates having regard to the financial constraints on the company and performance based remuneration, when offered, will be linked to specific performance targets that are aligned to both short and long term objectives.

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

Recommendation 8.3 - A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.

The use of derivatives or other hedging arrangements for unvested securities of the company or vested securities of the company which are subject to escrow arrangements is prohibited. Where a director or other senior executive uses derivatives or other hedging arrangements over vested securities of the company, this will be disclosed.

DIRECTORS' DECLARATION

In the opinion of the directors:

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

   i) giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

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

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

c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2015.

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

W Loxton
Director

Dated at Perth this 22nd day of September 2015.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	2015 $	2014 $
Revenues	2(a)	11,587	20,738
Employee benefits expense	2(b)	(180,000)	(180,000)
Depreciation and amortisation expense	2(b)	-	(336)
Consultancy and professional fees		(83,840)	(67,650)
Compliance and regulatory expenses		(14,860)	(12,310)
Exploration and evaluation expenditure		(117,381)	(11,600)
Foreign exchange gain (losses)		12,161	(15,778)
Corporate and administration expenses		(27,747)	(23,281)
(Loss) from continuing operations before income tax expense		(400,080)	(290,217)
Income tax expense	3	-	-
(Loss) for the year		**(400,080)**	**(290,217)**
Other Comprehensive Income		-	-
Total Comprehensive (Loss) for the Year		**(400,080)**	**(290,217)**
(Loss) per share:			
Basic (loss) per share (cents per share)	14	(0.08)	(0.06)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	NOTE	2015 $	2014 $
CURRENT ASSETS			
Cash and cash equivalents	5	324,596	597,534
Trade and other receivables	6	8,557	1,644
TOTAL CURRENT ASSETS		333,153	599,178
NON CURRENT ASSETS			
Exploration and evaluation expenditure	8	75,113	180,985
TOTAL NON CURRENT ASSETS		75,113	180,985
TOTAL ASSETS		408,266	780,163
CURRENT LIABILITIES			
Trade and other payables	9	50,395	30,006
TOTAL CURRENT LIABILITIES		50,395	30,006
TOTAL LIABILITIES		50,395	30,006
NET ASSETS		**357,871**	**750,157**
EQUITY			
Issued capital	10	15,969,645	15,961,851
Reserves	11	-	314,100
Accumulated losses		(15,611,774)	(15,525,794)
TOTAL EQUITY		**357,871**	**750,157**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Issued Capital	Accumulated Losses	Reserves	Total
	$	$	$	$
Balance as at 1 July 2013	**15,961,851**	**(19,140,778)**	**4,219,301**	**1,040,374**
Loss for the year	-	(290,217)	-	(290,217)
Total comprehensive loss for the year	-	(290,217)	-	(290,217)
Transfer of reserve on option expiry	-	3,905,201	(3,905,201)	-
Balance at 30 June 2014	**15,961,851**	**(15,525,794)**	**314,100**	**750,157**
Balance as at 1 July 2014	**15,961,851**	**(15,525,794)**	**314,100**	**750,157**
Loss for the year	-	(400,080)	-	(400,080)
Total comprehensive loss for the year	-	(400,080)	-	(400,080)
Issue of shares	7,794	-	-	7,794
Transfer of reserve on option expiry	-	314,100	(314,100)	-
Balance at 30 June 2015	**15,969,645**	**(15,611,774)**	**-**	**357,871**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	2015 $	2014 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		(266,085)	(268,157)
Interest received		11,587	20,738
Exploration and evaluation expenditure		(33,670)	(31,177)
GST recovered/(paid)		(4,725)	2,342
Net cash (used in) operating activities	15	(292,893)	(276,254)
Cash Flows from Investing Activities			
Payments for exploration and evaluation		-	(59,739)
Payments for acquisition of mining tenements		-	(20,000)
Net cash (used in) investing activities		-	(79,739)
Cash Flows from Financing Activities			
Proceeds from issue of shares		7,794	-
Net cash from financing activities		7,794	-
Net (decrease)/increase in cash and cash equivalents		(285,099)	(355,993)
Cash and cash equivalents at beginning of financial year		597,534	969,305
Effect of exchange rate movements on cash		12,161	(15,778)
Cash and cash equivalents at end of financial year	15	324,596	597,534

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF ACCOUNTING POLICIES

(a) Statement of significant accounting policies

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

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

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

This financial report was authorised for issue by the Board on 22 September 2015.

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

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

(b) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2015, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for the current annual reporting period.

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

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2015. As a result of this review the directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company and, therefore, no change is necessary to Company accounting policies.

(c) Going concern

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Company's assets and the discharge of its liabilities in the normal course of business.

As at 30 June 2015, the Company had cash and cash equivalents of $324,596, a loss for the year of $400,080 (which includes the write off of capitalised exploration and evaluation expenditure of $105,872) and a net cash outflow from operating and investing activities of $292,893. The Company has a working capital surplus of $282,758.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(c) Going concern (continued)

The Board considers that the Company is a going concern and recognises that additional funding is required to ensure that it can continue to fund its operations and further develop its mineral exploration and evaluation assets during the twelve month period from the date of this report. Such additional funding can be derived from either one or a combination of the following:

- Raising additional equity capital to fund the Company's ongoing exploration and development program and working capital requirements, as and when required;
- Alliance with brokers for raising additional capital;
- The farm-down or sale of its mineral interests; or
- The successful commercial exploitation of the Group's mineral interests.

Accordingly, the Directors believe that subject to prevailing equity market conditions, the Company will obtain sufficient funding to enable it to continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

Should the Company be unable to obtain sufficient funding as outlined above, there is a material uncertainty that may cast significant doubt whether it will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial statements do 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 it not continue as a going concern.

(d) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(e) Foreign Exchange

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

(f) Income Tax

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(f) Income Tax (continued)

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

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

(g) Other Taxes

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

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

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

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

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

(h) Mineral Exploration and Evaluation and Development Expenditure

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(h) Mineral Exploration and Evaluation and Development Expenditure (continued)

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

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

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

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

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

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

(i) Plant and Equipment

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(i) Plant and Equipment (continued)

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate	
	2015	2014
Plant and Equipment	25%	25%
Office Furniture and Equipment	25%	25%

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

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

(j) Impairment of Assets

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

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

(k) Employee Benefits

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

(l) Trade and other receivables

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(l) Trade and other receivables (continued)

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

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

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

(m) Financial assets

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

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

(n) Revenue Recognition

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

Interest income is recognised on an accrual basis.

(o) Earnings per share

Basic profit (loss) per share

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

Diluted profit (loss) per share

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(o) Earnings per share (continued)

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

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

(p) Share-based payment transactions

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

When provided, the cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using the Black-Scholes model or the binomial option pricing model.

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

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

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Company's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

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

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification. If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(q) Provisions

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

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

(r) Fair Value Estimates

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

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

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

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

(s) Issued Capital

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

(t) Critical Accounting Estimates and Judgments

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(u) Trade and other payables

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

(v) Segment Reporting

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

	2015 $	**2014 $**
2. REVENUE AND EXPENSES		
(a) Revenue		
Interest revenue	11,587	20,738
(b) Expenses		
Employee benefits expense:		
- Directors' fees	180,000	180,000
Depreciation of non-current assets		
- plant and equipment	-	336

3. INCOME TAX EXPENSE

(a) The prima facie income tax expense on pre-tax accounting result from operations reconciles to the income tax expense in the financial statements as follows:

Loss before tax from continuing operations	(400,080)	(290,217)
Income tax (benefit)/expense calculated at 30%	(120,024)	(87,065)
Permanent differences	-	(464)
Other deferred tax assets and tax liabilities not recognised	29,535	(25,547)
Unused tax losses and tax offset not recognised as deferred tax assets	90,489	113,076
Income tax (benefit)/expense reported in the statement of comprehensive income	-	-

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

3. INCOME TAX EXPENSE (continued)

(b) Unrecognised deferred tax balances

The following deferred tax assets and (liabilities) have not been brought to account:

	2015	2014
	$	$
Deferred tax assets comprise:		
Losses available for offset against future taxable income - revenue	925,830	835,341
Losses available for offset against future taxable income - capital	3,348,516	3,348,516
Temporary differences	46,676	48,902
	4,321,022	4,232,759
Deferred tax liabilities comprise:		
Temporary differences	22,534	54,295
Net deferred tax assets	4,298,488	4,178,464

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

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

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

4. KEY MANAGEMENT PERSONNEL

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

Wayne Gregory Loxton
Ian David Love
Leon Davies

Key management personnel compensation

	2015	2014
	$	$
Short-term employment benefits	174,794	174,920
Post-employment benefits	5,206	5,080
Termination benefits	-	-
	180,000	180,000

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 $	2014 $
5. CASH AND CASH EQUIVALENTS		
Cash at bank	324,596	597,534

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

6. TRADE AND OTHER RECEIVABLES

	2015	2014
Current		
GST receivable	8,557	1,644
	8,557	1,644

7. PLANT AND EQUIPMENT

Office Furniture and Equipment

	2015	2014
At cost	55,959	55,959
Accumulated depreciation	(55,959)	(55,959)
Net carrying amount	-	-
Reconciliation		
At 1 July, net of accumulated depreciation and impairment	-	336
Additions	-	-
Disposals	-	-
Loss on disposal	-	-
Depreciation expense	-	(336)
At 30 June, net of accumulated depreciation and impairment	-	-

8. EXPLORATION AND EVALUATION EXPENDITURE

	2015	2014
Exploration and Evaluation phase	75,113	180,985
Movement in carrying amounts		
Expenditure brought forward	180,985	104,871
Acquisition of tenements	-	20,000
Exploration and evaluation expenditure capitalised during the year	-	56,114
Exploration and evaluation expenditure written off	(105,872)	-
Expenditure carried forward	75,113	180,985

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

8. EXPLORATION AND EVALUATION EXPENDITURE (continued)

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

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

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

	2015 $	2014 $
9. TRADE AND OTHER PAYABLES		
Current (unsecured)		
Trade payables and accruals		
- Other corporations	35,266	19,006
- Directors and director related entities	15,129	11,000
	50,395	30,006

Terms and conditions relating to the above financial instruments:

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

10. ISSUED CAPITAL

	2015	2014
483,138,361 Ordinary shares (2014: 482,358,913)	15,969,645	15,961,851

	2015		2014	
	No.	**$**	**No.**	**$**
Movement in ordinary shares on issue				
Balance at beginning of financial year	482,358,913	15,961,851	482,358,913	15,961,851
Issue of shares on exercise of options	779,448	7,794	-	-
Balance at end of financial year	483,138,361	15,969,645	482,358,913	15,961,851

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

Unlisted Options (as at Balance date)

There were no options over unissued ordinary shares as at balance date.

During the year 779,448 options exercisable at $0.01 each were exercised and 301,673,380 options exercisable at $0.01 each, expired. No options over ordinary shares in the Company were issued during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

11. RESERVES

	2015 $	2014 $
Share based payments reserve	314,100	314,100
Balance at beginning of financial year	314,100	4,219,301
Transfer of reserve on option expiry	(314,100)	(3,905,201)
Balance at end of financial year	-	314,100

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

12. SHARE BASED PAYMENTS

(a) Summary of share-based payments

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

Grant Date	Expiry Date	Exercise Price	Balance at start of the year	Granted during the year	Exercised during the year	Expired	Balance at end of the year	Vested and exercisable at end of the year
29/3/2012	30/6/2015	$0.01	45,000,000	-	-	(45,000,000)	-	-
29/5/2012	30/6/2015	$0.01	30,000,000	-	-	(30,000,000)	-	-
			75,000,000	-	-	(75,000,000)	-	-
Weighted average exercise price			$0.001	-	-	-	-	-

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

(b) Weighted average fair value

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

13. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives

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

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

2015	**Variable interest rate**	**Maturity dates**		**Non interest bearing**	**Total**
		Less than 1 year	**1-2 years**		
	$	**$**	**$**	**$**	**$**
Financial assets:					
Cash and cash equivalents	324,596	-	-	-	324,596
Trade receivables	-	-	-	8,557	8,557
Financial liabilities:					
Trade payables	-	-	-	50,395	50,395
2014					
Financial assets:					
Cash and cash equivalents	597,534	-	-	-	597,534
Trade receivables	-	-	-	1,644	1,644
Financial liabilities:					
Trade payables	-	-	-	30,006	30,006

(b) Interest rate risk sensitivity analysis

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

(c) Credit risk management

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

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

13. FINANCIAL INSTRUMENTS (continued)

(d) Liquidity risk management

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

Management monitor the rolling forecasts of the Company's liquidity on the basis of expected cash flow. Forecasted liquidity for the financial year following 30 June 2015 is as follows:

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

	Less than 1 month $	1 – 3 Months $	3 months – 1 year $	1 – 5 years $
2015				
Financial Assets:				
Non-interest bearing	8,557	-	-	
Variable interest rate	324,596	-	-	-
Fixed interest rate	-	-	-	-
	333,153	-	-	-
Financial Liabilities:				
Non-interest bearing	50,395	-	-	-
	50,395	-	-	-
2014				
Financial Assets:				
Non-interest bearing	1,644	-	-	
Variable interest rate	597,534	-	-	-
Fixed interest rate	-	-	-	-
	599,178	-	-	-
Financial Liabilities:				
Non-interest bearing	30,006	-	-	-
	30,006	-	-	-

(e) Capital Risk Management

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

14. EARNINGS / (LOSS) PER SHARE

		2015 $	2014 $
(a)	(Loss) used in the calculation of basic and dilutive loss per share	(400,080)	(290,217)
		Number of Shares	*Number of Shares*
(b)	Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share:	482,363,184	482,358,913
	Basic (loss)/earnings per share (cents per share)	(0.08)	(0.06)

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

15. CASH FLOW INFORMATION

(a) Reconciliation of cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments. Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2015 $	2014 $
Cash at bank	324,596	597,534

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

	2015 $	2014 $
(Loss) for year	(400,080)	(290,217)
Non-cash flows in operating (loss)/profit		
- Exploration expenditure written off	105,872	-
- Depreciation and amortisation expense	-	336
- Foreign exchange losses (gains)	(12,161)	15,778
Changes in assets and liabilities:		
- (Increase)/Decrease in trade and other receivables	(6,913)	2,342
- Increase/(Decrease) in trade payables and other accruals	20,389	(4,493)
Net cash (used in)/provided by operating activities	(292,893)	(276,254)

16. AUDITORS' REMUNERATION

The auditors of the Company are HLB Mann Judd

Remuneration of the auditor for:	2015	2014
- Auditing or reviewing the financial report	20,500	20,250
- Tax compliance services	4,000	3,000
	24,500	23,250

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

17. COMMITMENTS

Exploration Expenditure Commitments

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

	2015 $	2014 $
Not longer than one year	56,400	47,650
Longer than one year, but not longer than five years	-	-
Longer than five years	-	-
	56,400	47,650

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

18. SEGMENT REPORTING

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

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

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

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

During the year ended 30 June 2015, the Company had no development assets. The Board considers that it has only operated in one segment, being mineral exploration within Australia.

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

19. RELATED PARTY INFORMATION

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

Transactions with director related entities:

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

20. EVENTS SUBSEQUENT TO REPORTING DATE

There are no matters or circumstances that have arisen since 30 June 2015 that have affected or may significantly affect the operations, results, or state of affairs of the Company in future financial years, other than:

On 1 September 2015, the company announced that due to current market conditions the decision had been taken not to proceed with the merger with Myostin Therapeutics Pty Ltd ("Myostin").

The company will continue to assess new project opportunities that the Board believes will add shareholder value. As part of the review process, as with the Myostin opportunity, the Company may look at possible investment opportunities outside of the company's existing principal activity of mineral exploration.

21. CONTINGENT LIABILITIES

As at the 30 June 2015 the Company did not have any contingent liabilities.

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Gleneagle Gold Limited for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Perth, Western Australia
22 September 2015

M R W Ohm
Partner

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INDEPENDENT AUDITOR'S REPORT

To the members of Gleneagle Gold Limited

Report on the Financial Report

We have audited the accompanying financial report of Gleneagle Gold Limited ("the Company"), which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Gleneagle Gold Limited.

Directors' responsibility for the financial report

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

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

Auditor's responsibility

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

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

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

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

Independence

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

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HLB Mann Judd

Accountants | Business and Financial Advisers

Auditor's opinion

In our opinion:

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

   (i) giving a true and fair view of the entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

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

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

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the Board recognises that additional funding is required to ensure that the company can continue to fund its operations and further develop its mineral exploration and evaluation assets during the twelve month period from the date of approval of this financial report. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion the remuneration report of Gleneagle Gold Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

M R W Ohm
Partner

Perth, Western Australia
22 September 2015

ASX ADDITIONAL INFORMATION

Additional information as required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is current as at 18 September 2015.

Distribution of equity security holders (number of holders)

Category	Ordinary Shares
1-1,000	588
1,001-5,000	121
5,001-10,000	23
10,000-100,000	179
100,000 and over	254
TOTAL	1,165

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

Quoted equity securities

Equity Security	Quoted
Ordinary Shares	483,138,361

Voting rights

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

Restricted equity securities

There are no restricted securities.

Substantial shareholders

The Company has been notified of the following substantial shareholdings:

Mr Wayne Loxton	63,040,480
Mr Jason Peterson	72,718,874

Twenty largest holders of quoted shares

	Name	No. of Shares	%
1.	Mr Wayne Gregory Loxton <Loxton Investment A/C>	60,750,000	12.57
2.	Celtic Capital Pte Ltd <Trading 1 A/C>	35,000,000	7.24
3.	JP Morgan Nominees Australia Limited	33,365,315	6.91
4.	Mr Jason Peterson & Mrs Lisa Peterson <J & L Peterson S/F A/C>	27,850,000	5.76
5.	Metallica Investments Pty Ltd	25,767,046	5.33
6.	SDG Nominees Pty Ltd <T J Strapp Super Fund A/C>	16,500,000	3.42
7.	Wiseplan Investments Pty Ltd <Leon Davies Investment A/C>	13,012,456	2.69
8.	Mandevilla Pty Ltd	10,000,000	2.07
9.	Nefco Nominees Pty Ltd	10,000,000	2.07
10.	Caperange Investments Pty Ltd <Southbank Equity Super A/C>	8,844,591	1.83
11.	Briant Nominees Pty Ltd <Briant Super Fund A/C>	8,000,000	1.66
12.	Mr Leon Davies & Mrs Jennifer Anne Davies <L & J Davies Superfund A/C>	7,845,000	1.62
13.	BNP Paribas Noms Pty Ltd <DRP>	7,586,618	1.57
14.	Tisia Nominees Pty Ltd <The Henderson Family A/C>	6,500,000	1.35
15.	Ardlussa Pty Ltd <V&V Pendal Super Fund A/C>	6,000,000	1.24
16.	IOOF Investment Management Limited <IIML IPS 305414M A/C>	6,000,000	1.24
17.	Mr Curtis Blade <Blades Family Account>	5,000,000	1.03
18.	Mr John Della Bosca <JA & JG Della Bosca Family A/C>	5,000,000	1.03
19.	Professional Payment Services Pty Ltd	5,000,000	1.03
20.	Mrs Allison Annett <The Annett Investment A/C>	4,204,546	0.87
	TOTAL	**302,225,572**	**62.53**

Stock Exchange

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

Other information

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

On-market buy-back

There is no current on-market buy-back.

SCHEDULE OF MINERAL TENEMENTS
AS AT 22 SEPTEMBER 2015

Project	***Tenement***		***Interest held by Gleneagle Gold Limited***
Milly Well	EL20/742		100%
Berring Pool	EL20/833		100%
Chester North	PL20/2095		100%
Chester South	PL20/2096		100%

P = Prospecting Licence
E = Exploration Licence