DART MINING NL

ABN 84 119 904 880

Financial report for the year ended 30 June 2010

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DIRECTORS' REPORT

Your directors submit herewith their report for the year ended 30 June 2010.

Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Christopher J Bain
Chairman
Appointed 26 May 2006
And Interim Chief Executive Officer since 1 June 2010

Chris Bain is a geologist and mineral economist. He has over 30 years experience in resources having worked in underground mine geology in Mt Isa and Tasmania and exploration around Broken Hill. Since joining the finance sector he has been instrumental in mining project divestitures and acquisitions, evaluations and valuations, capital raisings including several initial public offerings and ASX listings. Chris is currently Chief Investment Officer of Phillip Resources Fund and, a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Company Directors.

Mr Bain is currently Chairman of the Company, interim Chief Executive Officer and a member of the Audit and Risk Management Committee.

Other current directorships of listed companies
None

Former directorships of listed companies in last three years
None

Bernhard R Hochwimmer
Executive Director
Appointed 26 May 2006

Bernhard Hochwimmer graduated from The University of New England, BSc, 1978, with multidisciplinary double majors in zoology, biochemistry and ecology, and from The University of Tasmania, 1980 with a geology double major. Bernhard has twenty five years' industrial experience as a geo-scientist with integrated multidisciplinary training and experience in Engineering Geology and Medical Geology. Bernhard has been involved in multiple discoveries including gold, as well as heavy minerals; rare earths; silica and diatomite reserves for Westralian Sands Ltd (now Iluka). He has published definitive works in both heavy mineral deposit genesis and medical geology. Bernhard is a member of Australian Institute of Geoscientists, and the International Medical Geology Society.

Other current directorships of listed companies
None.

Former directorships of listed companies in last three years
None.

Dean G Turnbull
Executive Director
Appointed 26 May 2006

Dean Turnbull is a geology graduate from the Bendigo College of Advanced Education and has a Postgraduate Honours degree in geology from the Key Centre For Ore Deposit and Exploration Studies (CODES) at the University of Tasmania. Dean is an exploration and mine geologist specialising in 3D geological and structural modelling, working on detailed geological models for many Victorian mining centers. Positions previously held have spanned the spectrum from grass roots exploration to Resource/Reserve estimation on large scale mining projects and he has specialised in 3D geological and structural modelling. Dean is a member of Australian Institute of Geoscientists.

Mr Turnbull is currently a member of the Audit and Risk Management Committee.

Other current directorships of listed companies
None.

Former directorships of listed companies in last three years
None

Stephen G Poke
Non-Executive Director
Appointed 15 June 2006

Stephen Poke has over 25 years of technical and management experience in all forms of surface diamond and reverse circulation drilling as well as extensive experience in underground drilling. Over the past 25 years Stephen has been involved in and managed some of the largest drilling programs in Australia in various senior management positions with drilling companies.

Mr Poke is currently chairman of the Audit and Risk Management Committee.

Other current directorships of listed companies
None.

Former directorships of listed companies in last three years
None

Richard G Udovenya
Non-Executive Director
Appointed 15 June 2006

Richard Udovenya is a Partner of the law firm ResourcesLaw International, the legal advisers to Dart Mining NL. He has around 25 years' legal experience in Australia and New Zealand and holds a Bachelor of Laws, a Bachelor of Commerce and a Graduate Diploma in Applied Finance and Investment (SIA). Richard is also a Fellow of the Financial Services Institute of Australia and a member of the Australian Institute of Company Directors and the Australasian Institute of Mining and Metallurgy. Richard's focus is in the corporate, corporate governance and commercial law areas. He is a director of, and legal advisor to, a number of Australian and international companies.

Other current directorships of listed companies
None

Former directorships of listed companies in last three years
Uranex NL (ACN 115 111 763)

Chief Executive Officer and Company Secretary

John E Quayle
Appointed 6 December 2006
Resigned 31 May 2010

John Quayle has worked in the mining and petroleum sectors throughout his career including in senior management roles at BP, North Broken Hill, Pasminco, WMC and Minara Resources where he was Company Secretary through the period of its recapitalisation. John is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Company Directors.

Company Secretary

Andrew Draffin
Appointed 1 June 2010

Andrew Draffin is a member of the Institute of Chartered Accountants in Australia and is a partner in the accounting firm Draffin Walker & Co. Andrew brings experience in corporate services to publicly listed and private companies across a broad range of sectors.

Shareholdings of directors and other key management personnel

The interests of each director and other key management personnel, directly and indirectly, in the shares and options of Dart Mining NL at the date of this report are as follows

Director	Ordinary shares	Partly-paid shares	Options over ordinary shares (listed)	Options over ordinary shares (unlisted)
C J Bain	1,478,332	-	-	400,000
B R Hochwimmer	4,625,000	-	-	-
D G Turnbull	4,655,000	-	-	-
S G Poke	3,772,500	-	-	-
R G Udovenya	340,000	-	-	400,000

Corporate information

Corporate structure

Dart Mining NL is a company limited by shares that is incorporated and domiciled in Australia. Dart Mining NL has prepared a consolidated financial report incorporating Dart Resources Pty Ltd, which it controlled during the financial year and which is included in the financial statements.

Principal activities

The principal activity of the Company during the financial year was exploration for gold and base metals in north-east Victoria.

Employees

The Company employed 4 employees as at 30 June 2010 (2009: 4 employees).

Consolidated results

The loss for the consolidated entity after income tax was $844,916 (2009: $1,146,803).

Dividends

No dividends in respect of the current financial year have been paid, declared or recommended for payment.

Operating and financial review

Group overview

Dart Mining NL was established in May 2006 for the purpose of exploring for and developing gold properties in north-east Victoria and southern New South Wales.

Exploration overview

Please refer to the Chief Executive Officer's Report for details of exploration activities undertaken during the financial year.

Financial overview

Operating results for the year

The loss for the consolidated entity after income tax was $844,916 (2009:$1,146,803). This result is consistent with expectations of costs associated with the exploration programme and reflected:

- costs associated with managing the exploration program; and
- corporate overheads associated with statutory and regulatory requirements as a consequence of being listed on the Australian Securities Exchange.

Review of financial position

During the year, the Company continued its exploration programme in north-east Victoria. At the end of the financial year, a proportion of the funds raised during and in prior financial years were held by the Company as cash investments for use in future financial periods. The Company strives to maximise the return on these funds for exploration purposes by investing surplus funds and minimising expenditure on corporate overheads.

Cash flows

The cash flows of the Company consist primarily of payments to employees and suppliers for exploration activities on tenements held; and the maintenance of the corporate head office which manages existing projects as well as costs involved in investigating new exploration opportunities.

Capital raising and capital structure

During the year under review, the Company raised $2,561,792 (net of capital raising costs) through the issue of 40,509,084 ordinary shares (2009 : $246,915)

Summary of shares and options on issue

At 30 June 2010 the Company has 88,669,084 ordinary shares, and 2,800,000 unlisted options on issue. Details of the options are as follows:

Issuing entity	Number of shares under option	Class of shares	Exercise price	Expiry date
Dart Mining NL	2,800,000	Ordinary	20 cents	31 December 2010

Details of shares issued during or since the end of the financial year as a result of exercise of options are as follows:

Issuing entity	Number of shares issued	Class of shares	Amount paid	Amount unpaid
Dart Mining NL	69,084	Ordinary	20 cents	-

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the financial year.

Significant events after the balance date

There has been no matter or circumstance since 30 June 2010 which has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

Future developments

The Board of Directors intends to continue with the exploration of the Company's tenements and project generation for gold and base metals targets in north-east Victoria as outlined in the prospectus dated 14 March 2007. Further details of the Company's prospects are included in the Report on Exploration Projects which forms part of the Chief Executive Officer's Report.

As the Company is listed on the Australian Securities Exchange, it is subject to the continuous disclosure requirements of the ASX Listing Rules which require immediate disclosure to the market of information that is likely to have a material effect on the price or value of Dart Mining NL's securities.

Environmental regulation

The economic entity holds participating interests in a number of exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. There have been no known breaches of the tenement conditions, and no such breaches have been notified by any government agencies during the year ended 30 June 2010.

Directors' meetings

The Board of Directors established the Audit and Risk Management Committee on 9 May 2007. The charter for the Audit and Risk Management Committee was adopted on 12 July 2007. The members of the committee consist of Stephen Poke (Chairman), Chris Bain, and Dean Turnbull.

The number of directors' meetings held during the year and the numbers of meetings attended by each director were as follows:

	Board of directors			Audit and Risk Management Committee		
Directors	**Held**	**Entitled to attend**	**Attended**	**Held**	**Entitled to attend**	**Attended**
C J Bain	11	11	11	2	2	2
B R Hochwimmer	11	11	11	-	-	-
D G Turnbull	11	11	11	2	2	2
S G Poke	11	11	11	2	2	2
R G Udovenya	11	11	11	-	-	-

Non-audit services

The directors are satisfied that the provision of non-audit services, during the year by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standards of independence for auditors imposed by the *Corporations Act 2001*.

Auditor independence declaration

A copy of the auditor's independence declaration under s.307C of the *Corporation Act 2001* in relation to the audit of the full year is included in this report.

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Remuneration Report - Audited

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of the Group's directors and other key management personnel for the financial year ended 30 June 2010. The prescribed details for each person covered by this report are detailed below.

Details of directors and other key management personnel

Directors and other key management personnel of the Company during and since the end of the financial year are as follows

Directors
C J Bain
B R Hochwimmer
D G Turnbull
S G Poke
R G Udovenya
Other key management personnel
J E Quayle (Chief Executive Officer) (resigned 31 May 2010)

Remuneration philosophy

The Board of Directors of Dart Mining NL is responsible for determining and reviewing compensation arrangements for the directors, the chief executive officer and other key management personnel. The Board's remuneration policy is to ensure that the remuneration package properly reflects the person's duties and responsibilities, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms, including cash and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost to the company.

To assist in achieving these objectives, the Board intends to link the nature and amount of directors' and other key management personnel's emoluments to the Company's financial and operational performance. It is the Board's policy that employment contracts are entered into with all senior executives. At the date of this report, executive remunerations are set at levels approved by the Board. The Board has granted these guaranteed levels of remuneration which are not dependent on performance in order to ensure the Group's ability to retain quality personnel during its infancy.

To link remuneration to the Group's performance, the Board adopted an Employee Share Option Plan in June 2008. Details of this plan are included in this remuneration report.

The Group's earnings and movements in shareholders' wealth since listing to 30 June 2010 is detailed in the following table:

	30 June 2010	30 June 2009	30 June 2008	30 June 2007
Revenue	$16,679	$106,379	$186,684	$76,998
Net loss after tax	($844,916)	($1,146,803)	($755,721)	($101,074)
Share price at start of year or period	8c	18c	21c	17c
Share price at end of year	11c	8c	18c	21c
Dividends	-	-	-	-
Basic earnings per share	(1.32)c	(2.62)c	(1.77)c	(1.28)c
Diluted earnings per share	(1.32)c	(2.62)c	(1.77)c	(1.28)c

Employment Agreements are entered into with Executive Directors and Specified Executives. The employment contracts with the two Executive Directors are terminable by either party by giving three months' notice. The employment contract with the Chief Executive Officer (CEO) ran until its termination date of 6 December 2008. No new contract was signed prior to the resignation of the CEO on 31 May 2010. Contracts do not provide for any additional termination benefits.

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

Objective

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

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was in the constitution adopted on 22 June 2006 which approved an aggregate remuneration of $200,000 per year.

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 consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each non-executive director receives a fee for being a director of the Company. Directors who are called upon to perform extra services beyond the director's ordinary duties may be paid additional fees for those services.

Non-executive directors have long been encouraged by the Board to hold shares in the Company. It is considered good governance for directors to have a stake in the company on whose board he or she sits.

The remuneration of non-executive directors for the financial year ended 30 June 2010 is detailed in this report. Between 1 January 2009 and 31 December 2009 the remunerations of non-executive directors were reduced temporarily, and subsequently restored to their original levels on 1 January 2010.

Senior executive remuneration

Objective

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the company and so as to:

- reward executives for company, business unit and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the Board obtained independent advice from external consultants on market levels of remuneration for comparable executive roles. It is the Board's policy that employment contracts are entered into with the all senior executives.

Variable remuneration – long term incentives

Objective

The objectives of long term incentives are to:

- recognise the ability and efforts of the employees of the Company who have contributed to the success of the Company and to provide them with rewards where deemed appropriate;
- provide an incentive to the employees to achieve the long term objectives of the Company and improve the performance of the Company; and
- attract persons of experience and ability to employment with the Company and foster and promote loyalty between the Company and its employees.

Structure

Long term incentives in the form of the Company's Employee Share Option Plan provides an opportunity to link in part the remuneration paid to shareholder returns over an extended period. Under the Employee Share Option Plan, employees (excluding directors) were granted Performance Rights to receive a maximum of 504,000 options over unissued shares in the Company in June 2008. Directors were granted Performance Rights to receive a maximum of 492,000 options over unissued shares in the Company following Shareholders' approval obtained at the Company's Annual General Meeting on 21 November 2008. The number of options to be issued under the performance rights were subject to meeting or achieving performance targets. 693,600 Performance Rights did not vest due to performance targets not being met and were forfeited on 31 March 2010. 302,400 Performance Rights vested but lapsed as they were not exercised by the expiry date.

The options, were they issued, would be exercisable on or before 30 April 2012 in all or part of the entitlement on payment of 16.7 cents per share. Funds were not raised by the Company on the grant of the Performance Rights, therefore they were at no cost to directors and employees. Funds will only be raised by the Company as a consequence of the exercise of the options.

The following table lists the performance targets that applied and the weighting given to their achievement in determining the number of Performance Rights available to be granted to the two categories of employees and directors. By way of example, achieving the 100,000oz Au JORC Resource defined by 1 January 2010 target has a 50% weighting in the granting of the Performance Rights. The safety and well-being of all Dart Mining NL employees is paramount and therefore is represented in two ways – a group target and an individual target measured as number of Lost Time Injuries (LTI). The achievement of the group performance target for safety has a maximum weighting of 30% and the achievement of the individual performance target has a weighting of 20%. Achievement below target in the sense of incurring an LTI results in the loss of 10% for the group and 10% for the individual.

Executive directors and employees

Performance target	Achieve target	Target not met
100,000oz Au JORC Resource or equivalent defined by 1/1/2010	50%	0%
Safety – LTI (target 2008/09 = no LTI)	30%	10% lost for each group LTI
Individual LTI	20%	10% lost for each individual LTI
Maximum	100%	

Non-executive directors

Performance target	Achieve target	Target not met
100,000oz Au JORC Resource or equivalent defined by 1/1/2010	80%	0%
Individual – site visits (3 visits in 2008/3 visits in 2009)	20%	20% if attend site six times, 10% for five
Maximum	100%	

ASX corporate governance principle 8.2 recommends companies seek shareholder approval of equity-based reward schemes for executives. The Company's current equity-based reward scheme, the Dart Mining Employee Share Option Plan was approved by shareholders at the 2007 Annual General Meeting.

Currently there is no company policy regarding employees hedging of their options.

Service contracts

Service contracts are entered into with Executive Directors and Specified Executives.

Bernhard Hochwimmer

The terms of an employment agreement with Mr Hochwimmer include *inter alia*:

- A remuneration package of $158,050 per annum, with annual reviews, together with reimbursement of all business related expenses including motor vehicle running and maintenance expenses.
- A restraint on Mr Hochwimmer undertaking additional part-time consulting or provision of other services which may conflict with the activities of Dart without the approval of the Chairman which may not be unreasonably withheld. This restraint continues for 12 months after cessation of engagement with the Company.
- An obligation on Mr Hochwimmer to maintain confidentiality in respect of proprietary information obtained during employment.
- The agreement is terminable by either party on 3 months notice being given.

Dean Turnbull

The terms of an employment agreement with Mr Turnbull include *inter alia*:

- A remuneration package of $158,050 per annum, with annual reviews, together with reimbursement of all business related expenses including motor vehicle running and maintenance expenses.
- A restraint on Mr Turnbull undertaking additional part-time consulting or provision of other services which may conflict with the activities of Dart without the approval of the Chairman which may not be unreasonably withheld. This restraint continues for 12 months after cessation of engagement with the Company.
- An obligation on Mr Turnbull to maintain confidentiality in respect of proprietary information obtained during employment.
- The agreement is terminable by either party on 3 months notice being given.

John Quayle

Mr Quayle resigned on 31 May 2010. Prior to his resignation, the terms of his employment agreement included *inter alia*:

- A remuneration package of $163,500 per annum, with annual reviews, together with reimbursement of all business related expenses including motor vehicle running and maintenance expenses.
- A restraint on Mr Quayle undertaking additional part-time employment which may conflict with the activities of the Company without the approval of the Chairman which may not be unreasonably withheld.
- An obligation on Mr Quayle to maintain confidentiality in respect of proprietary information obtained during employment.
- The grant of 1,000,000 options to Mr Quayle in 2 tranches:
  a) 500,000 options (with an expiry date of 31 December 2010) exercisable at 20 cents vesting on 6 December 2007, and
  b) 500,000 options (with an expiry date of 31 December 2010) exercisable at 20 cents vesting on 6 December 2008.

  The options may be exercised at any time after vesting date during employment and for 3 months after cessation of employment, after which they lapse. They will not be quoted.

Andrew Draffin

The Company will remunerate Draffin Walker Pty Ltd, a firm of Chartered Accountants of which Mr Draffin is a director, for secretarial and corporate compliance services. No amount was due and payable at 30 June 2010. Fee are expected to be $14,000 per annum subject to the number of corporate action undertaken by the Company.

Remuneration of directors and other key management personnel

2010	Short term employee benefits Salaries & fees $	Post employment benefits Superannuation $	Share-based payments Options $	Performance rights $	Total $	Percentage of share-based payments %
Directors						
C.J. Bain	43,750	-	-	(336)	43,414	(0.77)
B.R.Hochwimmer	115,000	10,350	-	(1,393)	123,957	(1.12)
D.G.Turnbull	115,000	10,350	-	(1,393)	123,957	(1.12)
S.G.Poke	28,096	2,529	-	(237)	30,388	(0.78)
R.G.Udovenya	21,875	8,750	-	(237)	30,388	(0.78)
Other key management personnel						
J E Quayle (resigned)	137,500	12,375	-	(1,165)	148,710	(0.78)
	461,221	44,354	-	(4,761)	500,814	
2009						
Directors						
C.J. Bain	31,250	-	-	481	31,731	1.52
B.R.Hochwimmer	108,750	9,787	-	3,493	122,030	2.86
D.G.Turnbull	108,750	9,788	-	3,493	122,031	2.86
S.G.Poke	19,708	2,167	-	338	22,213	1.52
R.G.Udovenya	21,875	-	-	338	22,213	1.52
Other key management personnel						
J E Quayle	112,500	10,125	8,934	2,922	134,481	8.82
	402,833	31,867	8,934	11,065	454,699	

Bonuses

No bonuses were granted during the financial year ended 30 June 2010 (2009: Nil).

Employee options

No options were issued, granted to or exercised by the directors and other key management personnel of the Company during the financial year ended 30 June 2010.

At 30 June 2010, the following employee options were in existence

Grantee	Number	Grant date	Expiry date	Exercise price	Fair value at grant date	Vesting date
J E Quayle	500,000	3 January 2007	31 December 2010	20 cents	7.9 cents	6 December 2007
J E Quayle	500,000	3 January 2007	31 December 2010	20 cents	7.9 cents	6 December 2008

The options were not quoted, not transferrable and may be exercised at any time after vesting date during employment and for 3 months after cessation of employment. As Mr Quayle resigned on 31 May 2010, these options lapsed on 31 August 2010.

Performance rights

During the year, 302,400 performance rights lapsed and 693,600 were forfeited. No performance rights were issued or granted to or exercised by the directors and other key management personnel of the Company during the financial year ended 30 June 2010.

The were no performance rights in existence at 30 June 2010.

Indemnification and insurance of directors and officers

The Company has entered into Deeds of Indemnity with the directors and the company secretary, indemnifying them against certain liabilities and costs to the extent permitted by law.

The Company has also agreed to pay a premium in respect of a contract insuring the directors and officers of the Company. Full details of the cover and premium are not disclosed as the insurance policy prohibits the disclosure.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors

C J Bain	R G Udovenya
Director	Director

Melbourne
29 September 2010

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Dart Mining NL (the Company) is committed to the principle of good practice in corporate governance. The Board believes that genuine commitment to good corporate governance is essential to the performance and sustainability of the Company's business and as such depends upon the corporate culture – values and behaviours – that underlie day-to-day activities.

The Board continually reviews its corporate governance practices and regularly monitors developments in good practice governance in Australia and overseas. Where international and Australian guidelines are not consistent, the good practice guidelines of the ASX Corporate Governance Council has been adopted as the minimum base for corporate governance practices.

Board of directors

The Board has adopted a formal charter which allocates responsibilities between the Board and management which is available from the corporate governance section of the Company website at www.dartmining.com.au. The charter details the composition, responsibilities and code of conduct under which the Board operates. The Board has resolved unanimously that the Company will at all times aspire to "good practice" in Corporate Governance.

Unless otherwise indicated in this statement the practices specified in the charter have been followed throughout the reporting period and will remain in force until amended by resolution of the Board.

Role of the Board

The Board acknowledges its accountability to shareholders for creating shareholder value within a framework that protects the rights and interests of shareholders and ensures the Company is properly managed. The Board aims to achieve these objectives through the adoption and monitoring of strategies, plans, policies and performance as follows:

a. Providing input into, and approval of, the Group's strategic direction; approval and monitoring of budgets and business plans; and ensuring appropriate resources are available, including capital management and major capital expenditure.
b. Approving the Group's systems of risk management, monitoring their effectiveness and maintaining a dialogue with the Group's auditors.
c. Considering, approving and monitoring internal and external financial and other reporting, including reporting to shareholders, the ASX and other stakeholders.
d. Selection and evaluation of Directors, the Chief Executive Officer (CEO), and senior executives and planning for their succession.
e. Setting the CEO and Director remuneration within shareholder approved limits and ensuring that the remuneration and conditions of service of senior executives are appropriate.
f. Ensuring, and setting standards for, ethical behaviour and compliance with the Group's own governing documents, including the Group's Code of Conduct and corporate governance standards.

Board processes

The Board aims to perform its role and objectives through the adoption and monitoring of strategies, plans, policies and performance; the review of the CEO and senior management performance, conduct and reward; monitoring of the major risks of the Company's business; and by ensuring the Company has policies and procedures to satisfy its legal and ethical responsibilities.

The Board determines the strategic direction of the Company and sets policies accordingly. In addition to maintaining oversight of the Company's executive management and operations, the Board monitors substantive issues such as ethical standards and social and environmental responsibilities.

Composition of the Board

The names of the directors of the Company at the date of this statement are set out in the Directors' Report in this financial report. The composition of the Board is determined using the following principles:

- a maximum of twelve directors;
- a non-executive director as Chairman;
- a majority of non-executive directors; and
- a balance between independent and non-independent directors.

The Board is currently comprised of five directors: three non-executive directors and two executive directors. The Company's Constitution provides for a maximum of 12 directors. The Board periodically reviews its size as appropriate. The Chief Executive Officer, who is appointed by the Board, is invited to attend all Board meetings.

Directors are considered to be independent if they are not major shareholders, are independent of management, and are free from any business or other relationship that could materially interfere with their exercise of free and independent judgement. Mr Udovenya is considered to fall within this category. By virtue of his appointment on 1 June 2010 as interim Chief Executive Officer, Mr Bain would cease to fall within this category.

By reason of history the Board comprises a majority of non-independent directors (Messrs Hochwimmer, Turnbull, and Poke) who, being major shareholders themselves, and/or who provide services to the Company either as employees or contractors, have been regarded as being non-independent.

While the composition of the current Board does not comply with ASX Corporate Governance Council recommendation 2.1 which recommends that the board should comprise a majority of independent directors, the Board regards the present composition of directors and Board Committees as a good balance at this stage of the development of the Company with the appropriate mix of expertise and experience and ability to represent the interests of all shareholders.

Future director appointees will receive a formal letter of appointment setting out the responsibilities, rights and terms and conditions of their appointment. Directors participate in a comprehensive induction which covers the operations, financial position, strategic and risk management issues, as well as the operation of the Board and any sub-committees.

Meetings

The Board meets on a regular basis to retain full and effective control and monitor executive management. During the financial year to 30 June 2010, the full Board met 11 times. The Directors' attendance at meetings is detailed in the Directors' Report.

Members of the management team may attend meetings at the invitation of the Board.

Role of Chairman and Chief Executive Officer (CEO)

The Chairman is an independent director elected by the full Board, having no association with the Company, nor is he a substantial shareholder of the Company, and has not previously been an employee.

The Chairman is responsible for leading the Board, ensuring directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with the Company's senior executives.

The CEO is responsible for implementing Group strategies and policies. The Board Charter specifies that these are separate roles to be undertaken by separate people.

By reason of the CEO's resignation on 31 May 2010, the Chairman has taken up the role of interim CEO until such time as a new CEO is appointed.

Term of office

The Board reviews its performance and composition on an annual basis and aims to have members with high levels of intellectual ability, experience, soundness of judgement and integrity to maximise its effectiveness and contribution. Directors serve a maximum three-year term before being required to be re-elected by members. Dart's constitution provides that at least one third (or the nearest whole number) of directors must retire at each Annual General Meeting, but are eligible for re-election at that meeting. There is no compulsory retiring age.

Independent professional advice

In performing their duties directors have the right to seek independent, professional advice at the Company's expense, in furtherance of their duties as directors, with the approval of the Chairman, which approval shall not be unreasonably withheld.

Board committees

The Company has a formally constituted Audit and Risk Management Committee reporting to the Board of Directors. This committee is chaired by a non-executive director and operates under a charter with authority to examine and report on any matters concerning risk management within the company including, but not limited to, operational, occupational health and safety, and financial matters. The charter is published on the Company's website.

The directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of other special or separate committees such as Remuneration or Nomination committees. The Board as a whole is able to address the governance aspects of the Company's activities and ensure that it adheres to appropriate ethical standards. However as appropriate and as required the Board will establish Board Committees to assist in the execution of its responsibilities. Any Committees formed will have written mandates and operating procedures that, together with membership, will be reviewed on a regular basis.

Code of business conduct

The Board has adopted a Code of Conduct (the Code) and a policy "Behaviour Standards – Standards of Business Conduct" setting out parameters for ethical behaviour and business practices which applies to all of the Company's directors, officers and employees. The Code is included in the Board Charter and is available for review on the Company website. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Group's integrity.

In summary, the Code requires that at all times all group personnel act with the utmost integrity, objectivity and in compliance with both the letter and the spirit of the law and Company policies.

Conflicts of interest

All directors of the Company must keep the Board advised, on an ongoing basis, of any private interest that could potentially conflict with the interests of the Company. Where the Board believes that a significant conflict exists, the director concerned does not receive relevant board papers and is not present at the meeting whilst the item is considered. The Board has developed procedures to assist Directors to disclose potential conflicts of interest.

All directors and executive officers of the Company are required to disclose to the Company any material transaction or commercial relationship or corporate opportunity that reasonably could be expected to give rise to such a conflict.

Insider trading

Trading in shares by any director or senior executive of the Company within the period between the close of each financial quarter and the release of quarterly, half yearly interim and full year results by the Company requires the express written approval of the Chairman before any trading is conducted or the entry into any share trading agreements.

Fair dealing and ethical standards

The Code requires all directors, officers and employees of the Company to behave honestly and ethically at all times with all people and other organisations.

The Code requires employees who are aware of unethical practices within the Group or breaches of the Company's trading policy to report these using the Company's whistleblower program. This can be done anonymously. The Company Secretary also has responsibility for the initial investigations of significant issues raised under the whistleblower program. These matters are reported to the Board.

The directors are satisfied that the Company has complied with its policies on ethical standards, including trading in securities.

Financial reporting

Reporting standards

The Company is committed to providing shareholders with clear, transparent, and high quality financial information in a timely manner. The Company's continuous disclosure policy underpins this approach.

The financial reports of the Company are produced in accordance with Australian International Financial Reporting Standards, other authoritative pronouncements of the Australian Accountings Standards Board and the Corporations Act. The financial statements and reports are subject to review every half year and the auditor issues an audit opinion accompanying the full year results for each financial year.

External auditors

The Company policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually, taking into consideration assessment of performance, existing value and tender costs. Deloitte Touche Tomatsu have been appointed as the external auditors.

An analysis of fees paid to the external auditors, including a breakdown of fees for non-audit services, is provided in Note 21 to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the Board.

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

Management Certification

The Company requires that the Chief Executive Officer make the following certifications to the Board:

1. that the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and group and are in accordance with relevant accounting standards.
2. that the above statement is founded on a sound system of risk management and internal compliance and control and which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control is operating efficiently and effectively in all material respects.

Risk assessment

The Board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. The Board has appointed an Audit and Risk Management Committee to advise it in these matters. In summary, the Company policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

Considerable importance is placed on maintaining a strong control environment. There is an organisation structure with clearly drawn lines of accountability and delegation of authority. Adherence to the Code of Conduct is required at all times and the Board actively promotes a culture of quality and integrity.

Detailed control procedures cover management accounting, purchases and payments, financial reporting, capital expenditure requests, project appraisal, environment, health and safety, IT security, compliance, and other risk management issues. There is a systematic review and monitoring of key business operational risks by management which reports on current and future risks and mitigation activities to the Board.

The Company recognises the importance of environmental and occupational health and safety (OH&S) issues and is committed to the highest levels of performance with the systematic identification of environmental and OH&S issues to ensure they are managed in a structured manner. This system allows the Company to:

- monitor its compliance with all relevant legislation
- continually assess and improve the impact of its operations on the environment
- encourage employees to actively participate in the management of environmental and OH&S issues
- work with trade associations representing the entity's businesses to raise standards
- use energy and other resources efficiently; and
- encourage the adoption of similar standards by the entity's principal suppliers, contractors and distributors.

Continuous disclosure and shareholder communication

The Company is a disclosing entity under the Corporations Act and is subject to the continuous disclosure requirements under the ASX Listing Rules. Communications with shareholders and other stakeholders are given a high priority. In addition to statutory disclosure documents such as Annual Reports and Quarterly production reports, the Board is committed to keeping all stakeholders informed of all material developments that affect the Company in a timely manner.

The Company has a formal policy and comprehensive procedures on continuous disclosure. Once the Board or management becomes aware of information concerning the Company that would be likely to have a material effect on the price or value of the Company's securities (and which does not fall within the exceptions to the disclosure requirements contained in the Listing Rules), that information is released to the ASX.

The Board has appointed the Company Secretary (or in his absence, the Chairman) as the person responsible for communication to ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public. All Company announcements, presentations or other briefings are posted on the Company's website after release to the Australian Securities Exchange.

The Board also endorses full and regular communication with and between Directors, the Chief Executive Officer, senior management, the external auditors and other professional advisers, shareholders and other significant stakeholders. The Board also ensures the Company Secretary maintains a good, open and frank relationship with the ASX and its designated company officers to ensure compliance and full disclosure.

All shareholders have the opportunity to elect to receive a copy of the Company's annual report at the same time as they receive by post a copy of the Notice of the Annual General Meeting.

Full use is made of annual general meetings to inform shareholders of current developments through appropriate presentations and to provide opportunities for questions.

Compliance with ASX Corporate Governance Council Good Practice Recommendations

The Company complies with all of the ASX Corporate Governance Principles and Recommendations with the following exceptions:

(i) Independent directors are not in the majority on the Board (Recommendation 2.1): the Board considers the present composition of directors and Board Committees as a good balance at this stage of development of the Company with the appropriate mix of expertise and experience and ability to represent the interests of all shareholders;

(ii) The Company does not have a Nomination Committee (Recommendation 2.4): the Board as a whole meets to consider any additional appointments;

(iii) A member of the Audit Committee is an executive director (Recommendation 4.2): the Board considers that the composition of the Audit Committee is appropriate to properly and effectively discharge its functions.

(iv) The roles of chair and chief executive officer (CEO) are temporarily being exercised by the same person (Recommendation 2.3). The Chairman has taken up the role of interim CEO until such time as a new CEO is appointed.

Deloitte.

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The Board of Directors
Dart Mining NL
Level 3
15 Queen Street
Melbourne VIC 3000

29 September 2010

Dear Board Members

Dart Mining NL

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Dart Mining NL.

As lead audit partner for the audit of the financial statements of Dart Mining NL for the financial year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

C M J Bryan
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Note	Consolidated 2010 $	Consolidated 2009 $
Revenue	2a	16,679	106,379
Exploration costs written-off	1k	(3,810)	(338,968)
Employment related costs		(526,920)	(477,532)
Depreciation and amortisation expense	2b	(8,143)	(63,372)
Office expenses		(18,444)	(22,804)
Administration expenses		(213,632)	(235,700)
Travel expenses		(42,326)	(66,403)
Other expenses		(48,320)	(48,403)
Loss before income tax expense		(844,916)	(1,146,803)
Income tax expense	3	-	-
Loss for the year		(844,916)	(1,146,803)
Other comprehensive income		-	-
Total comprehensive income		(844,916)	(1,146,803)
Total comprehensive income attributable to			
Members of Dart Mining NL		(844,916)	(1,146,803)
Non-controlling interests		-	-
Total comprehensive income		(844,916)	(1,146,803)
Earnings per share			
Basic (cents per share)	4	(1.32)	(2.62)
Diluted (cents per share)	4	(1.32)	(2.62)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Note		Consolidated
		2010	2009
		$	$
Current assets			
Cash and cash equivalents	15(b)	1,186,319	430,591
Trade and other receivables	5	60,715	17,875
Prepayments	6	14,683	18,894
Total current assets		1,261,717	467,360
Non-current assets			
Other receivables		40,000	-
Property, plant and equipment	7	110,423	148,596
Deferred exploration and evaluation costs	8	4,350,629	3,143,518
Goodwill	10	-	-
Total non-current assets		4,501,052	3,292,114
Total assets		5,762,769	3,759,474
Current liabilities			
Payables	9	367,091	83,916
Provisions	11	28,267	10,916
Total current liabilities		395,358	94,832
Total liabilities		395,358	94,832
Net assets		5,367,411	3,664,642
Equity			
Company interest			
Issued capital	12	7,984,615	5,422,823
Reserves	13	231,310	245,417
Accumulated losses		(2,848,514)	(2,003,598)
Total equity		5,367,411	3,664,642

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Ordinary share capital	Share-based payment reserve	Accumulated losses	Total
Consolidated	**$**	**$**	**$**	**$**
Balance at 1 July 2008	**5,175,908**	**212,266**	**(856,795)**	**4,531,379**
Loss for the year/ Total comprehensive income for the year	-	-	(1,146,803)	(1,146,803)
Options and performance rights issued	-	33,151	-	33,151
Shares issued during the year	270,500	-	-	270,500
Capital raising costs	(23,585)	-	-	(23,585)
Balance at 30 June 2009	**5,422,823**	**245,417**	**(2,003,598)**	**3,664,642**
Balance at 1 July 2009	**5,422,823**	**245,417**	**(2,003,598)**	**3,664,642**
Loss for the year/ Total comprehensive income for the year	-	-	(844,916)	(844,916)
Options and performance rights issued	-	12,174	-	12,174
Options and performance rights forfeited	-	(26,281)	-	(26,281)
Shares issued during the year	2,764,278	-	-	2,764,278
Capital raising costs	(202,486)	-	-	(202,486)
Balance at 30 June 2010	**7,984,615**	**231,310**	**(2,848,514)**	**5,367,411**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 $	Consolidated 2009 $
Cash flows from operating activities			
Receipts from customers		-	59,194
Interest received		16,813	73,867
Payments to suppliers and employees		(812,740)	(878,316)
Net cash flows used in operating activities	15(a)	(795,927)	(745,255)
Cash flows from investing activities			
Payments for exploration costs		(947,228)	(1,381,516)
Purchase of plant and equipment		(32,750)	(55,701)
Proceeds from sale of plant and equipment		-	22,000
Cash amounts used as security deposits		(40,000)	-
Net cash flows used in investing activities		(1,019,978)	(1,415,217)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		2,764,278	270,500
Payment of share issue costs		(192,645)	(23,585)
Net cash flows from financing activities		2,571,633	246,915
Net increase/(decrease) in cash held		755,728	(1,913,557)
Cash at the beginning of the financial year		430,591	2,344,148
Cash at the end of the financial year	15(b)	1,186,319	430,591

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

Note **Contents**

1 Summary of significant accounting policies

Statement of compliance

These financial statements are general-purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise of the consolidated financial statements of the Group.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 28 September 2010.

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

The following significant policies have been adopted in the preparation and presentation of the financial statements:

(a) Adoption of new and revised Accounting Standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has had no impact on the financial results of the Group.

The adoption of the following Standards did not affect any of the amounts recognised in the financial statements, but changed the disclosures presently made in relation to the Group's financial statements:

• AASB 101 Presentation of Financial Statements – revised September 2007, AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101, AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101	Effective for annual reporting periods beginning on or after 1 January 2009
• AASB 8 Operating Segments, AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8: Introduces a new management approach to segment reporting. AASB 8 only applies to entities which have on issue debt or equity securities that are traded in a public market.	Effective for annual reporting periods beginning on or after 1 January 2009
• AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments : Requires enhanced disclosures of fair value	Effective for annual reporting periods beginning on or after 1 January 2009 that end on or after 30 April 2009

Initial application of the following relevant Standards and Interpretations is not expected to have any material impact to the financial report of the consolidated entity and the company:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	1 January 2010	30 June 2011
• AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash Settled Share-based Payments Transactions	1 January 2010	30 June 2011
• AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues	1 February 2011	30 June 2011
• AASB 124 Related Party Disclosures (revised December 2009), AASB 2009-12 Amendments to Australian Accounting Standards	1 January 2011	30 June 2012
• AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9	1 January 2013	30 June 2014
• AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project	1 July 2010	30 June 2011
• AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	1 January 2011	30 June 2012

NOTES TO THE FINANCIAL STATEMENTS

1 Summary of significant accounting policies (continued)

The directors anticipate that the adoption of these Standards and Interpretations will have no material financial impact on the financial statements of the Group.

These Standards and Interpretations will be first applied in the financial report of the Group that relates to the annual reporting period beginning after the effective date of each pronouncement.

(b) Critical accounting judgements and sources of estimations

In applying the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities. These estimates and assumptions are made based on past experience and other factors that are considered relevant. Actual results may differ from these estimates. All estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects both current and future periods.

The following describes critical judgements that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Impairment of deferred exploration costs

The Group's accounting policy for exploration expenditure results in some items being capitalised for an area of interest where it is considered likely to be recoverable in the future or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. Management is required to make certain estimates and assumptions as to future events and circumstances, which may change as new information becomes available. If a judgement is made that recovery of a capitalised expenditure is unlikely, the relevant amount will be written off to the income statement.

(c) Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries) (referred to as 'the Group' in these financial statements). Control is achieved where the Company has the ability to control the financial and operating policies of an entity so as to obtain benefits from its activities.

The result of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. In the separate financial statements of the Company, intra-group transactions ('common control transactions') are generally accounted for by reference to the existing (consolidated) book value of the items. Where the transaction value of common control transactions differ from their consolidated book value, the difference is recognised as a contribution by or distribution to equity participants by the transacting entities.

(d) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily converted to cash, net of outstanding bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS

1 Summary of significant accounting policies (continued)

(e) Revenue recognition

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

Interest Income

Interest revenue is recognised when it is probable that the economic benefits will flow to the Group and the amount can be measured reliably. The amount is accrued on a time basis taking into account the effective interest rate applicable and the principal outstanding.

(f) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grant will be received.

Government grants that are conditional on costs already incurred or receivable for the purpose of giving financial support to the Group with no future related costs are recognised as revenue in the period they become receivable.

Government grants conditional on the completion of projects relating to identifiable area of interest are recognised as a reduction in the accumulated costs of the area in the statement of financial position.

(g) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

(h) Goodwill

Goodwill acquired in a business combination was initially measured at its cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. Goodwill is subsequently measured at its cost less any impairment losses.

1 Summary of significant accounting policies (continued)

(i) Goods and services tax (GST)

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

- where 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 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.

(j) Receivables

All debtors are recognised and carried at original invoice amount less a provision for any uncollectible debts. Collectability of debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where some doubt as to full collection exists.

(k) Exploration and evaluation assets

In accordance with AASB 6 Exploration For and Evaluation of Mineral Resources, exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against operating results in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

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 the clauses of the mining permits. Such costs are 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 for 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 are determined on the basis that restoration will be completed within one year of abandoning a site.

NOTES TO THE FINANCIAL STATEMENTS

1 Summary of significant accounting policies (continued)

(l) Impairment of assets

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

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

(m) Property, plant and equipment

i) Acquisition

Items of property, plant and equipment are initially recorded at cost and depreciated as outlined below.

ii) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight line basis at rates based upon the expected useful lives of these assets. The useful lives of these assets are detailed in Note 7 to the financial statements.

iii) Disposal

The gain or loss arising on disposal or retirement of property, plant or equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.

(n) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating Leases

The minimum lease payments of operating leases, where the lesser effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis. Contingent rentals are recognised as an expense in the financial year in which they are incurred.

Finance Leases

Leases which effectively transfer substantially the entire risks and benefits incidental to ownership of the leased item to the group are capitalised at the present value of the minimum lease payments and disclosed as property, plant and equipment under lease. A lease liability of equal value is also recognised. The consolidated entity has no finance leases as at 30 June 2010.

(o) Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

1 Summary of significant accounting policies (continued)

(p) Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the consolidated entity. Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(q) Issued capital

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

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instrument to which the costs relate. Transaction costs are costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest and dividends

Interest and dividends are classified as expenses or as a distribution of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments.

(r) Employee benefits

Provision is made for employee benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

(s) Share-based payments

The Group measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model, using the assumptions detailed in Note 19.

a) The fair value determined at the grant date of the equity settled share based payment is expensed on a straight-line basis over the vesting period, based on the directors' estimate of shares that will eventually vest.
b) Equity-settled share based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

1 Summary of significant accounting policies (continued)

(t) Going concern basis

The Group is involved in the exploration and evaluation of mineral tenements and as such expects to be cash absorbing until these tenements demonstrate that they contain economically recoverable reserves.

As at 30 June 2010, the Group had a surplus of current assets over current liabilities of $866,359 including cash reserves of $1,186,319.

The balance of these cash reserves broadly approximates the Group's planned expenditure budget including exploration activities for the 12 months to 30 September 2011 which is based on the minimum spend required in order to maintain the Group's existing tenements.

For the year ended 30 June 2010, the Group reported net cash outflows from operations and investing activities of $795,927 and $1,019,978 respectively. These cash outflows were offset by net cash inflows from financing activities of $2,571,633 resulting in total cash inflows for the year of $755,728.

Notwithstanding the above, the financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The ability of the Group to continue as a going concern for the twelve months from the date of this report is dependent on its ability to control its overhead costs and exploration expenditures. The Group also has the ability potentially to generate additional funds from activities including:

- the potential farm-out of participating interests in the group's permits,
- future equity or debt fund raisings, and
- successful development of existing tenements.

Having carefully assessed the likelihood of securing additional funding or entering into farm-out arrangements and the Group's ability to effectively manage their expenditures and cash flows from operations, the directors believe that the Group will continue to operate as a going concern for the foreseeable future and therefore it is appropriate to prepare the financial statements on a going concern basis.

2 Revenue and expenses

		Consolidated	
		2010	**2009**
		$	**$**
(a)	**Revenue**		
	Continuing operations		
	Interest – other persons/corporations	16,679	47,185
	Other income	-	59,194
	Total revenue	16,679	106,379
(b)	**Loss before income tax**		
	Loss before income tax has been arrived at after charging the following expenses:		
	Depreciation	8,143	63,372
	Share based payments	(14,107)	33,151
	Defined contribution plans	56,685	47,430

3 Income tax

	Consolidated	
	2010	**2009**
	$	**$**
Income tax recognised in profit and loss	-	-
The prima facie income tax expense on pre tax accounting loss reconciles to the income tax expense (benefit) in the financial statements as follows		
Loss from continuing operations	844,916	1,146,803
Income tax expense (benefit) calculated at 30%	(253,475)	(344,041)
Effect of non-deductible expenses	973	5,818
Effect of tax concessions	(63,760)	-
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	316,262	338,223
Income tax expense	-	-
Tax losses not brought to account		
Tax losses brought forward	1,160,279	822,056
Current year tax losses	316,262	338,223
Recognition of tax losses – prior years	152,002	-
Tax losses carried forward	1,628,543	1,160,279

4 Earnings per share

	Consolidated	
	2010	**2009**
	$	**$**
The following reflects the income and share data used in calculating basic and diluted earnings per share:		
Net loss for the year	(844,916)	(1,146,803)
Basic earnings per share	(1.32)c	(2.62)c
Diluted earnings per share	(1.32)c	(2.62)c
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	63,913,153	43,802,356

Diluted earnings per share is calculated after classifying all options on issue remaining unconverted at 30 June 2010 as potential ordinary shares. At 30 June 2010, the Company had on issue 2,800,000 options over unissued capital and had incurred a net loss. Due to the facts that the options are not considered dilutive they have not been included in the calculations of diluted earnings per share.

	Consolidated 2010 $	Consolidated 2009 $
5 Receivables		
Accrued interest – other persons/corporations	1,344	1,478
Security deposits	4,137	4,137
GST receivable (net)	54,635	11,661
Other receivables	599	599
	60,715	17,875

No receivable amounts were past due or impaired at 30 June 2010 (2009: Nil)

	2010 $	2009 $
6 Prepayments		
Insurance	14,683	18,894
	14,683	18,894

7 Plant and equipment

Consolidated	Plant & equipment $	Computer equipment & software $	Motor vehicles $	Total $
Gross carrying amount				
Balance at 1 July 2008	31,294	80,497	110,276	222,067
Additions	32,684	-	21,045	53,729
Disposals	-	-	(39,640)	(39,640)
Balance at 30 June 2009	63,978	80,497	91,681	236,156
Additions	23,621	-	9,129	32,750
Balance at 30 June 2010	**87,599**	**80,497**	**100,810**	**268,906**
Accumulated depreciation				
Balance at 1 July 2008	(5,215)	(20,743)	(15,871)	(41,829)
Depreciation expense	(18,344)	(17,292)	(27,735)	(63,371)
Depreciation on assets disposed	-	-	17,640	17,640
Balance at 30 June 2009	(23,559)	(38,035)	(25,966)	(87,560)
Depreciation expense	(2,309)	(5,834)	-	(8,143)
Depreciation expense capitalised	(24,073)	(15,431)	(23,276)	(62,780)
Balance at 30 June 2010	**(49,941)**	**(59,300)**	**(49,242)**	**(158,483)**
Net book value				
As at 30 June 2009	40,419	42,462	65,715	148,596
As at 30 June 2010	**37,658**	**21,197**	**51,568**	**110,423**

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

Plant and equipment	3 – 6 years
Computer equipment & software	3 – 4 years
Motor vehicles	4 – 5 years

	Consolidated	
	2010	2009
	$	$
8 Deferred exploration and evaluation costs		
Balance at beginning of financial year	3,143,518	2,245,396
Current year expenditure capitalised	1,210,921	1,237,090
Exploration costs written-off	(3,810)	(338,968)
Balance at end of financial year	4,350,629	3,143,518

Ultimate recovery of deferred exploration and evaluation costs is dependent upon success in exploration and evaluation or sale or farm-out of the exploration interests.

9 Payables – current

Trade and other payables	300,275	34,791
Accrued expenses	46,316	28,625
Accrued audit fees	20,500	20,500
	367,091	83,916

Terms and conditions relating to the above financial instruments:

(i) Trade creditors are non-interest bearing and are usually settled on 30 day terms.
(ii) Other creditors are non-interest bearing and have an average term of 30 days.

10 Goodwill

Gross carrying amount		
Balance at beginning of financial year	-	10,066
Balance at end of financial year	-	10,066
Accumulated impairment		
Balance at beginning of financial year	-	-
Impairment	-	10,066
Balance at end of financial year	-	10,066
Net book value		
As at 30 June 2009	-	10,066
As at 30 June 2010	-	-

	Consolidated	
	2010	**2009**
	$	**$**
11 Provisions		
Employee benefits	28,267	10,916
	28,267	10,916

12 Issued capital

(a) Issued and paid up capital

Fully paid ordinary shares	7,984,615	5,422,823

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

	2010	
(b) Movement	**Number**	**$**
Fully paid ordinary shares		
Balance at beginning of the financial year	48,160,000	5,422,823
Shares issued during the year	40,509,084	2,764,278
Less transaction costs arising from issue of shares	-	(202,486)
Balance at end of financial year	88,669,084	7,984,615

(c) Terms and condition of contributed equity

Ordinary shares

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

The Company's Share Registry had holding locks in place on ordinary shares subject to escrow and did not release them until the expiry of the relevant restriction period or otherwise without ASX approval. During the year no ordinary shares were released from escrow (2009: 13,160,412). There were no ordinary shares subject to escrow at 30 June 2010 (2009: Nil)

The issued capital of the Company quoted on the ASX comprises 88,669,084 (2009: 48,160,000) ordinary shares.

Partly-paid shares (9c payable)

For every two ordinary shares issued pre-IPO, shareholders also received one partly-paid share credited as paid to 1 cent, with an unpaid amount of 9 cents per partly-paid share. Partly-paid shares issued by the Company were not quoted on the ASX. A call on the partly paid shares during the year resulted in the issue of 1,813,332 ordinary shares. The remaining 7,061,668 partly paid shares were subsequently forfeited and sold by auction. As at year end the Company has no unlisted partly-paid shares on issue (2009: 8,875,000).

12 Issued capital (continued)

(d) Share options

Options over ordinary shares

At the end of the financial year, there were 2,800,000 (2009: 24,175,008) unissued ordinary shares in respect of which the following options were outstanding:

Expiry date	Number	Securities	Escrow period	Exercise price
31 December 2010	2,800,000[1]	Unlisted options	-	20 cents

[1] includes 1,000,000 options issued on 3 January 2007 in accordance with the CEO designate contract of employment as described in Note 19.

During the financial year, 69,084 options were exercised. The remaining 21,305,924 listed options were not exercised and therefore forfeited on their maturity date. No options were issued during the financial year.

(e) Performance rights

During the year 302,400 performance rights lapsed and 693,600 were forfeited. There were no performance rights on issue at 30 June 2010 (2009: 996,000).

13 Reserves

		Consolidated
Option reserve	**2010**	**2009**
	$	**$**
Balance at beginning of financial year	245,417	212,266
1,000,000 options granted at a fair value of 7.9 cents per option to J.E. Quayle on 3 January 2007	-	8,934
504,000 performance rights granted to employees and directors at a fair value of 12.2 cents on 28 June 2008	6,160	16,074
492,000 performance rights granted to employees and directors at a fair value of 6.03 cents on 21 November 2008	6,014	8,143
693,600 performance rights forfeited	(26,281)	-
Balance at end of financial year	231,310	245,417

The reserve arises on the grant of share options to third parties and executives as equity-based payments.

14 Franking credits

There are no franking credits available for the subsequent financial year.

15 Cash flow reconciliation

	Consolidated	
	2010	**2009**
	$	**$**
(a) Reconciliation of loss from ordinary activities after tax to net cash flows from operations		
Loss from ordinary activities after tax	(844,916)	(1,146,803)
Non cash flows in operating result		
Depreciation of property, plant and equipment	8,143	63,372
Impairment of goodwill	-	10,066
Exploration cost written off	3,810	338,968
Share-based payments	12,174	33,151
Performance rights forfeited	(26,281)	-
Changes in assets and liabilities		
(Increase)/Decrease in receivables	(42,840)	88,091
Decrease in prepayments	4,211	708
Increase/(Decrease) in payables	72,421	(108,985)
Increase/(Decrease) in provisions	17,351	(23,823)
Net cash used in operating activities	(795,927)	(745,255)
(b) Reconciliation of cash		
Cash balance comprises:		
Cash on hand and at call	1,186,319	389,362
Term deposits	-	41,229
	1,186,319	430,591

(c) Financing facility

The Group has no available finance facilities at balance date.

(d) Non-cash financing and investing activities

There were no non-cash financing or investing activities during the financial year

16 Expenditure commitments

The Company has no expenditure commitments at the end of the financial year, except under exploration tenement licences where the Company has the following expenditure obligations. These obligations are not provided for in the financial statements.

	Consolidated	
	2010	**2009**
Exploration expenditure	**$**	**$**
Not longer than 1 year	590,000	360,000
Between 1 and 5 years	1,300,000	1,800,000
Longer than 5 years	-	-
	1,890,000	2,160,000

Operating leases

The Company has no operating lease commitments at the end of the financial year.

17 Subsequent events

No other matters or circumstances have arisen since the end of the financial year that have significantly affected or may have a significant effect on the financial operations of the Group, the financial performance of those operations or the financial position of the Group in the subsequent financial year.

18 Employee benefits and superannuation commitments

The consolidated entity contributes in accordance with the Government Superannuation Guarantee legislation.

19 Share-based payments

The aggregate share-based payments for the financial year are set out below:

	Consolidated 2010 $	Consolidated 2009 $
Details of share-based payments		
Fair value of options granted to chief executive officer	-	8,934
Fair value of performance rights granted to employees	6,160	16,074
Fair value of performance rights granted to directors	6,014	8,143
Fair value of performance rights forfeited	(26,281)	-
Expense arising from share-based payments	(14,107)	33,151

Executive options

No executive options were issued or exercised during the financial year.

The following table shows options over unissued shares held by the former Chief Executive Officer (resigned 31 May 2010) of the Company at 30 June 2010.

Grantee	Number	Grant date	Vesting date	Expiry date[1]	Exercise price	Fair value at grant date
J E Quayle	500,000	3 January 2007	6 December 2007	31 December 2010	20 cents	7.9 cents
J E Quayle	500,000	3 January 2007	6 December 2008	31 December 2010	20 cents	7.9 cents

[1] Expiry date 31 December 2010 or 3 months after ceasing employment whichever comes first. As J E Quayle resigned on 31 May 2010, these options lapsed on 31 August 2010.

Third party options

Options held at the end of the reporting period are as follows

Grantee	Number	Grant date	Vesting date	Expiry date	Exercise price	Fair value at grant date
Investor Resources Finance Pty Ltd[1]	400,000	18 October 2006	18 October 2006	31 December 2010	20 cents	7.9 cents
LAH Securities Pty Ltd [2]	400,000	18 October 2006	18 October 2006	31 December 2010	20 cents	7.9 cents
Intersuisse Corporate Ltd	1,000,000	18 October 2006	18 October 2006	31 December 2010	20 cents	7.9 cents

[1] Investor Resources Finance Pty Ltd is a company in which Mr C. Bain, a director of Dart Mining NL, has an interest
[2] LAH Securities Pty Ltd is a company in which Mr R. Udovenya, a director of Dart Mining NL, has an interest

No options were issued during the year. (2009 : Nil). No options were exercised during the year ended 30 June 2010 (2009 : Nil).

Weighted average remaining contractual Life

The share options outstanding at the end of the financial year had a weighted average contractual life of 183 days (2009:548 days).

19 Share-based payments (continued)

Movements in share-based payments options

	2010 Number	2010 Weighted average exercise price	2009 Number	2009 Weighted average exercise price
Balance at beginning of year	2,800,000	20c	2,800,000	20c
Exercised during the year	-	20c	-	-
Expired during the year	-	20c	-	-
Balance at end of year	2,800,000		2,800,000	
Exercisable at end of year	2,800,000		2,800,000	

Performance rights

There were no performance rights on issue at 30 June 2010.

Movements in performance rights

	2010 Number	2010 Weighted average exercise price	2009 Number	2009 Weighted average exercise price
Balance at beginning of year	996,000	-	996,000	-
Performance rights lapsed	(302,400)	-	-	-
Performance rights forfeited	(693,600)	-	-	-
Balance at end of year	-		996,000	

20 Key management personnel compensation

(a) Compensation of key management personnel

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

	Consolidated 2010 $	2009 $
Short-term employee benefits	461,221	402,833
Post-employment benefits	44,354	31,867
Share-based payment	(4,761)	19,999
	500,814	454,699

(b) Remuneration options: granted and vested during the year

No remuneration options were granted or vested during the year.

(c) Shares issued on exercise of remuneration options

No shares were issued on the exercise of remuneration options during the year.

(d) Remuneration performance rights: granted and vested during the year

No remuneration performance rights were granted during the year. 302,400 remuneration performance rights vested and lapsed during the year.

21 Auditors' remuneration

	Consolidated 2010 $	2009 $
Amounts received or due and receivable by Deloitte Touche Tohmatsu for:		
Audit or review of the financial statements of the Group	34,600	31,500
	34,600	31,500

22 Related party transactions

(a) The key management personnel of the Group during the financial year were:

Directors

Christopher John Bain
Bernhard Rupert Hochwimmer
Dean George Turnbull
Stephen Gary Poke
Richard Glenn Udovenya

Other key management personnel

John Edward Quayle (resigned 31 May 2010)

Information on remuneration and retirement benefits of directors is disclosed in Note 21.

(b) Key management personnel share holdings

	Opening balance 1 July	New shares issued	Market purchases/ (sales) or exercise of options	Net change other[1]	Closing balance 30 June
Fully paid ordinary shares in Dart Mining NL					
2010	**No.**	**No.**	**No.**	**No.**	**No.**
Directors					
C.J. Bain	1,100,000	178,332	-	200,000	1,478,332
B.R. Hochwimmer	4,600,000	25,000	-	-	4,625,000
D.G. Turnbull	4,600,000	55,000	-	-	4,655,000
S.G. Poke	3,772,500	-	-	-	3,772,500
R.G. Udovenya	240,000	100,000	-	-	340,000
Other key management personnel					
J.E. Quayle	210,000	-	-	(210,000)	-
Total	**14,522,500**	**358,332**	**-**	**(10,000)**	**14,870,832**
2009					
Directors					
C.J. Bain	1,070,000	-	100,000	(70,000)	1,100,000
B.R. Hochwimmer	4,500,000	-	100,000	-	4,600,000
D.G.	4,500,000	-	100,000	-	4,600,000
S.G. Poke	3,752,500	-	20,000	-	3,772,500
R.G. Udovenya	200,000	-	40,000	-	240,000
Other key management personnel					
J.E. Quayle	150,000	-	60,000	-	210,000
Total	**14,172,500**	**-**	**420,000**	**(70,000)**	**14,522,500**

[1] Net change during the year and the previous financial year represent :

a) shares held by J E Quayle excluded at 30 June 2010 as Mr Quayle resigned on 31 May 2010
b) net of shares disposed by Investor Resources Finance Pty Ltd, a company in which C J Bain has an interest and shares acquired by C J Bain from Investor Resources Finance Pty Ltd.

22 Related party disclosures (continued)

	Opening balance 1 July	Converted to fully paid ordinary shares	Forfeited	Closing balance 30 June
Partly paid shares (9c payable) in Dart Mining NL				
2010				
Directors				
C.J. Bain	503,332	(178,332)	(325,000)	-
B.R. Hochwimmer	2,250,000	(25,000)	(2,225,000)	-
D.G. Turnbull	2,250,000	(55,000)	(2,195,000)	-
S.G. Poke	1,750,000	-	(1,750,000)	-
R.G. Udovenya	100,000	(100,000)	-	-
Total	**6,853,332**	**(358,332)**	**(6,495,000)**	**-**
2009				
C.J. Bain	503,332	-	-	503,332
B.R. Hochwimmer	2,250,000	-	-	2,250,000
D.G. Turnbull	2,250,000	-	-	2,250,000
S.G. Poke	1,750,000	-	-	1,750,000
R.G. Udovenya	100,000	-	-	100,000
Total	**6,853,332**	**-**	**-**	**6,853,332**

(c) Key management personnel performance rights holdings

	Opening balance 1 July	Granted as remunera-tion	Rights lapsed	Rights forfeited	Closing balance 30 June	Vested and exercisable at 30 June
2010						
Directors						
C.J. Bain	60,000	-	(12,000)	(48,000)	-	-
B.R. Hochwimmer	174,000	-	(69,600)	(104,400)	-	-
D.G. Turnbull	174,000	-	(69,600)	(104,400)	-	-
S.G. Poke	42,000	-	(8,400)	(33,600)	-	-
R.G. Udovenya	42,000	-	(8,400)	(33,600)	-	-
Other key management personnel						
J.E. Quayle	180,000	-	(72,000)	(108,000)	-	-
	672,000	-	(240,000)	(432,000)	-	-
2009						
Directors						
C.J. Bain	-	60,000	-	-	60,000	-
B.R. Hochwimmer	-	174,000	-	-	174,000	-
D.G. Turnbull	-	174,000	-	-	174,000	-
S.G. Poke	-	42,000	-	-	42,000	-
R.G. Udovenya	-	42,000	-	-	42,000	-
Other key management personnel						
J.E. Quayle	180,000	-	-	-	180,000	-
	180,000	492,000	-	-	672,000	-

NOTES TO THE FINANCIAL STATEMENTS

22 Related party disclosures (continued)

(d) Key management personnel options holdings

	Opening balance 1 July	Options exercised/ (lapsed)	Net change Other (iii)	Closing balance 30 June	Vested and exercisable at 30 June
2010					
Directors					
C.J. Bain (i)	878,333	(478,333)	-	400,000	400,000
B.R. Hochwimmer	2,250,000	(2,250,000)	-	-	-
D.G. Turnbull	2,250,000	(2,250,000)	-	-	-
S.G. Poke	1,876,250	(1,876,250)	-	-	-
R.G. Udovenya (ii)	500,000	(100,000)	-	400,000	400,000
Other key management personnel					
J.E. Quayle	1,075,000	(75,000)	-	1,000,000	1,000,000
	8,829,583	(7,029,583)	-	1.800,000	1.800,000
2009					
Directors					
C.J. Bain (i)	913,333	-	(35,000)	878,333	878,333
B.R. Hochwimmer	2,250,000	-	-	2,250,000	2,250,000
D.G. Turnbull	2,250,000	-	-	2,250,000	2,250,000
S.G. Poke	1,876,250	-	-	1,876,250	1,876,250
R.G. Udovenya (ii)	500,000	-	-	500,000	500,000
Other key management personnel					
J.E. Quayle	1,075,000	-	-	1,075,000	1,075,000
	8,864,583	-	(35,000)	8,829,583	8,829,583

(i) Includes 400,000 options held by Investor Resources Finance Pty Ltd , a company in which C J Bain has an interest.
(ii) Includes 400,000 options held by LAH Securities Pty Ltd , a company in which R G Udovenya has an interest.
(iii) Net change during the previous year represents net of bonus options disposed by Investor Resources Finance Pty Ltd, a company in which C J Bain has an interest and bonus options acquired by C J Bain from Investor Resources Finance Pty Ltd.

All equity transactions with directors and other key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

(e) Other related party transactions during the year:

Drilling services at normal commercial rates totalling $489,989 (2009:$ 672,570) were provided by Edrill Pty Ltd, of which S G Poke is a part owner. At year end an amount of $70,310 remained outstanding (2009:$Nil).

Legal services at normal commercial rates totalling $44,630 (2009: $3,265) were provided by ResourcesLaw International, of which R G Udovenya is a partner. At year end an amount of $Nil remained outstanding (2009: $495). Directors fee payable to R G Udovenya totalling $13,125 (2009: Nil) was also paid to ResourcesLaw International.

A fee at normal commercial rates of $20,600 (2009:Nil) was paid to Blackwatch International Pty Ltd, of which R G Udovenya is a shareholder. At year end an amount of $Nil remained outstanding (2009:$NIL).

Capital raising fee and management fees at normal commercial rates totalling $172,747 (2009:NIL) were provided by Phillip Capital Pty Ltd. C J Bain is Chief Investment Officer of Phillip Resources Fund which is managed by Phillip Capital Pty Ltd. At year end an amount of $Nil remained outstanding (2009:$Nil).

(f) Other transactions and balances with Key Management Personnel:

There were no related party transactions other than those described in Note 22(e).

23 Financial instruments

(a) Market risk

The Group's exposure to market risk primarily consist of financial risks associated with changes in interest rates as detailed in note 23(f). As the level of risk is low, the Group does not use any derivatives to hedge its exposure. Market risks are managed through cash flow forecasts and sensitivity analysis on a regular basis.

(b) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of equity. The Group's capital structure consist of equity comprising issued capital, reserves and accumulated losses. Operating cash flows are used to maintain and monitor the Group's operating, investing and financing activities.

Categories of financial instruments

		Consolidated
	2010	**2009**
	$	**$**
Financial assets		
Loans and receivables	60,763	25,107
Cash and cash equivalents	1,186,319	430,591
Financial liabilities		
Trade payables	367,091	83,916
Loans	-	-

(c) Credit risk exposure

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure to credit risks are continously monitored and controlled by counterparty limits that are reviewed and approved by the management on a regular basis.

The Group 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 as the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represent the Group's maximum exposure to credit risk.

23 Financial instruments (continued)

(d) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching profiles of financial assets and liabilities.

Liquidity and interest risk table

The following table details the Group's remaining contractual maturity for its financial assets.

Consolidated	Weighted average effective interest rate %	Less than 1 month $	1-3 months $	3 months to 1 year $	1-5 years $
2010					
Non-interest bearing	-	16,627	-	-	4,136
Variable interest rate instruments	2.16	1,186,319	-	-	-
Fixed interest rate instruments	5.37	-	20,000	20,000	-
2009					
Non-interest bearing	-	20,971	-	-	4,136
Variable interest rate instruments	3.59	389,363	-	-	-
Fixed interest rate instruments	6.81	-	20,696	20,532	-

The following table details the Group's remaining contractual maturity for its financial liabilities.

Consolidated	Weighted average effective interest rate %	Less than 1 month $	1-3 months $	3 months to 1 year $	1-5 years $
2010					
Non-interest bearing	-	367,091	-	-	-
Variable interest rate instruments	-	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-
2009					
Non-interest bearing	-	83,916	-	-	-
Variable interest rate instruments	-	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-

(e) Fair values

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at cost less any accumulated impairments in the financial statements approximates their fair values.

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

- Holdings in unlisted shares are measured at cost less any impairments. The directors consider that no other measure could be used reliably.
- Other financial assets and financial liabilities are determined in accordance with generally accepted pricing models.

23 Financial instruments (continued)

(f) Interest rate risk management

The Group is exposed to interest rate risks as it holds funds at both fixed and variable interest rates. This risk is managed through the use of cash flow forecasts supplemented by sensitivity analysis

The Group currently holds no amounts of borrowed funds.

Interest rate sensitivity analysis

A sensitivity analysis have been determined based on the exposure to interest rates at reporting date with the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's net loss would decrease by $1,431 or increase by $1,431. (2009 increase by $2,529 or decrease by $2,529). This is mainly due to the Group's exposure to variable interest rates on cash and cash equivalents.

24 Segment information

The Group's activities consist of gold and base metal exploration in one geographic region of North-East Victoria. There are no other significant classes of business, either singularly or in aggregate. Internal monthly management reports are provided to the Group's directors that consolidate operations in one segment. Therefore the Group's activities are classed as one business segment and as a result operating result and financial information are not separately disclosed in this note.

25 Contingent liabilities and contingent assets

No contingent liabilities or contingent assets existed at the reporting date except under tenement licences in Victoria where the Group is required to rehabilitate each licence area to its original state subsequent to any exploration works.

26 Parent entity information

a. Financial position

	2010	2009
	$	$
Assets		
Current assets	1,262,062	467,360
Non-current assets	4,501,052	3,306,115
Total assets	5,763,114	3,773,475
Liabilities		
Current liabilities	395,358	94,969
Non-current liabilities	-	-
Total liabilities	395,358	94,969
Net assets	5,367,756	3,678,506
Equity		
Issued capital	7,984,615	5,422,823
Accumulated losses	(2,848,169)	(1,989,734)
Reserves	231,310	245,417
Total Equity	5,367,756	3,678,506

b. Financial performance

	2010	2009
	$	$
Profit (loss) for the year	(858,435)	(1,135,314)
Other comprehensive income	-	-
Total comprehensive income	(858,435)	(1,135,314)

26 Parent entity information (continued)

c. Expenditure commitments

	2010	2009
Exploration expenditure	**$**	**$**
Not longer than 1 year	590,000	360,000
Between 1 and 5 years	1,300,000	1,800,000
Longer than 5 years	-	-
	1,890,000	2,160,000

d. Guarantees

There were no guarantees entered into during the year by the parent entity in relation to the debts of its subsidiary.

e. Contingent liabilities

The parent entity had no contingent liabilities at 30 June 2010 (2009:$Nil) except under tenement licences where the entity is required to rehabilitate each licence area to its original state subsequent to any exploration works.

27 Subsidiaries

Details of the Company's subsidiaries at 30 June 2010 are as follows:

Name of subsidiary	Place of incorporation	Ownership interest	
		2010	2009
Dart Resources Pty Ltd	Australia	100%	100%

DART MINING NL
ABN 84 119 904 880

DIRECTORS' DECLARATION

The Directors of Dart Mining NL declare that:

1. in the opinion of the Directors, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
2. the attached financial statements are in compliance with International Financial Reporting Standards as stated in note 1 to the financial statements;
3. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position performance of the consolidated entity; and
4. the Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors of Dart Mining NL made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Board

C J Bain
Director

R G Udovenya
Director

Melbourne
29 September 2010

Deloitte.

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Independent Auditor's Report to the Members of Dart Mining NL

We have audited the accompanying financial report of Dart Mining NL, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 19 to 46.

Directors' Responsibility for the Financial Report

The directors of company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu

Deloitte

Auditor's Independence Declaration

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

Auditor's Opinion

In our opinion:

(a) the financial report of Dart Mining NL is in accordance with the *Corporations Act 2001*, including:
   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

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

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 12 of the directors' report for the year ended 30 June 2010. 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 Dart Mining NL for the year ended 30 June 2010, complies with section 300A of the *Corporations Act 2001.*

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

C M J Bryan
Partner
Chartered Accountants
Melbourne, 29 September 2010

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Ltd Listing Rules and not disclosed elsewhere in this report is as follows. The information is current as at 30 August 2010.

TWENTY LARGEST SHAREHOLDERS

	Name of holder	Percentage of issued capital	No. of ordinary shares held
1	MR RUSSELL SIMPSON & MRS ELIZABETH SIMPSON & MS MEREDITH SIMPSON	7.62%	6,753,507
2	NORTH EAST GEOLOGICAL CONTRACTORS PTY LTD	5.25%	4,655,000
3	TESANEER PTY LTD	3.97%	3,520,000
4	B HOCHWIMMER AND ASSOCIATES PTY LTD	3.81%	3,375,000
5	GONCANG PTY LTD	2.82%	2,500,000
6	SPECIALISED ALLOYS SERVICES PTY LTD	2.71%	2,400,000
7	MR RUSSELL MCLARTY SIMPSON & MRS ELIZABETH VERNON SIMPSON	1.52%	1,349,000
8	GRANITE HILLS (VICTORIA) PTY LTD	1.35%	1,200,000
9	BRUCE BIRNIE PTY LTD	1.24%	1,100,000
10	MINADCO PTY LTD	1.17%	1,034,998
11	BANNABY INVESTMENTS PTY LIMITED	1.13%	1,000,000
12	J BARLOW CONSULTANTS PTY LTD	1.13%	1,000,000
12	MR STEPHEN PHILIP HUNT	1.13%	1,000,000
12	FORTY TRADERS LIMITED	1.13%	1,000,000
13	EAGLE EYE METALS LIMITED	1.13%	1,000,000
14	EAGLE EYE METALS LIMITED	1.13%	1,000,000
15	MR MATTHEW GARY WALLACE	1.07%	950,000
16	STONNINGTON SECURITIES PTY LTD	0.95%	840,000
17	ARCHER TRADING NZ LTD	0.85%	750,000
18	SARACEN MINERAL HOLDINGS LIMITED	0.79%	697,500
19	MRS LOUISE ROSANNE HOCHWIMMER & MR BERNHARD RUPERT HOCHWIMMER	0.75%	662,500
19	GRANITE HILLS (VICTORIA) PTY LTD	0.74%	660,000
20	HELUSS NOMINEES PTY LTD	0.68%	600,000

SHARES ON ISSUE

Ordinary fully-paid shares	88,669,084

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders as advised to the Company are set out below:

Name	No. of Ordinary Shares	Percentage of Issued Capital
R Simpson, E Simpson and M Simpson	6,753,507	7.62%
B R Hochwimmer	4,625,000	5.22%
D G Turnbull	4,655,000	5.25%
S G Poke	3,772,500	4.25%

DISTRIBUTION OF MEMBER HOLDINGS

Size of holding	No of holders	Ordinary shares No of shares
1 – 1,000	9	1,387
1,001 – 5,000	72	270,648
5,001 – 10,000	239	2,203,195
10,001 – 100,000	449	17,815,147
100,001 and over	142	68,378,707
Total Holders	911	88,669,084

The number of security investors holding less than a marketable parcel of securities is 82 with a combined total of 277,163 securities.

VOTING RIGHTS

All shares carry one vote per share without restriction.

OPTIONS ON ISSUE

As 30 August 2010, a total of 2,800,000 unlisted options remain outstanding. Details are as follows:

- 1,800,000 unlisted options exercisable on or before 31 December 2010 at an exercise price of 20 cents each
- 1,000,000 unlisted executive options exercisable at 20 cents issued to the former Chief Executive Officer John E Quayle. These executive options vested in two tranches of 500,000 on 6 December 2007 and 6 December 2008 and are exercisable at any time during the employment of the executive and for 3 months after the executive ceases employment, or 31 December 2010, whichever is the earlier, after which time they lapse. As Mr Quayle retired on 31 May 2010, and these options have not been exercised, they lapsed on 31 August 2010.

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TENEMENT SCHEDULE

Tenement number	Licensed holder	Name & region of subject of licence	Area km2	Current beneficial interest
EL4724	Dart Mining NL	Buckland, north-east Victoria including Fairleys prospect	212	100%
EL4726	Dart Mining NL	Dart, north-east Victoria including Mountain View, Elliot, Morgan and Unicorn prospects	680	100%
EL 5131	Dart Mining NL	Bunroy, north-east Victoria abutting Dart EL	445	100%
EL 5132	Dart Mining NL	Boebuck, north-east Victoria abutting Dart EL	325	100%
EL 5123	Dart Mining NL	Myrtleford, Victoria	61	100%
EL 5058	Dart Mining NL	Cudgewa and Koetong, north-east Victoria abutting Dart EL	1082	100%
EL 5194	Dart Mining NL	Mt. Alfred, north-east Victoria abutting Dart EL	136	100%