SWAN GOLD MINING LIMITED

ABN 69 100 038 266

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

SWAN GOLD MINING LIMITED
ABN 69 100 038 266
CORPORATE DIRECTORY

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Michael Fotios	Executive Chairman
John Poynton	Non Executive Director
Craig Readhead	Non Executive Director
Wayne Zekulich	Non Executive Director

COMPANY SECRETARY
Wayne Zekulich

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Web-site: www.computershare.com.au

AUDITORS
Ernst & Young

SOLICITORS
Allion Legal

BANKERS
National Australia Bank Limited

STOCK EXCHANGE LISTING
Shares in Swan Gold Mining Limited are listed on the Australian Stock Exchange under the trading code SWA.

CONTENTS

This financial report covers the consolidated financial statements for the consolidated entity, consisting of Swan Gold Mining Limited and its subsidiaries.
The annual financial report is presented in Australian dollars.
Swan Gold Mining Limited is a company limited by shares, incorporated and domiciled in Australia.

DIRECTORS' REPORT

The directors of Swan Gold Mining Limited (previously named Monarch Gold Mining Company Limited) ("Swan Gold" or "Company") present their report on the results and state of affairs of the consolidated entity, being the Company and its controlled entities ("Group") for the financial year ended 30 June 2013.

DIRECTORS

The names of the directors of Swan Gold in office during the course of the financial year and up to the date of this report are as follows:

Michael Fotios	(appointed 14 September 2012)
John Poynton	(appointed 27 March 2013)
Craig Readhead	(appointed 27 March 2013)
Wayne Zekulich	(appointed 27 March 2013)
Martin Depisch	(appointed 25 July 2012, resigned 27 March 2013)
Damian Paul Delaney	(appointed 25 July 2012, resigned 27 March 2013)
Gerhard Kornfeld	(appointed 25 July 2012, resigned 27 March 2013)
Thomas Styblo	(appointed 14 September 2012, resigned 27 March 2013)
Peter Farris	(appointed 14 September 2012, resigned 4 February 2013)
Keith John Vuleta	(resigned 25 July 2012)
Allan Richard Brown	(resigned 25 July 2012)
Ian Leslie Price	(resigned 25 July 2012)

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

OPERATING AND FINANCIAL REVIEW

This review, provides to shareholders with an overview of Swan Gold's 2013 operations, financial position, business strategies and prospects.

The review also provides contextual information, including the impact of key events that have occurred during 2013 and material business risks faced by the business so that shareholders can make an informed assessment of the results and prospects of the Group. The review compliments the financial report and has been prepared in accordance with recently released guidance set out in RG 247.

<u>1. Swan Gold Operations</u>

Core Business
Swan Gold, via its subsidiaries, is the 100% owner of the Davyhurst Gold Project located in 120km north-west of Kalgoorlie, and the Mt Ida Gold Project located 200km north-west of Kalgoorlie. Processing infrastructure exists and includes a 1.2Mtpa processing plant, two camps (Davyhurst Central and Mt Ida), mains power and working bore fields.

The Group also holds a substantial tenement position (1,420 square kilometres, 150km strike length), surrounding the existing infrastructure.

Principal Activities and Significant Changes in those Activities
The principal activity of the Group during the financial year was mineral exploration and evaluation, and care and maintenance of its historically producing gold mines being the Davyhurst Gold Project and the Mt Ida Gold Project. There was no significant change in the nature of this activity during the year.

<u>2. Operating Financial Results</u>
The Company's financial performance and result is attributable to its ongoing exploration, evaluation and development costs, project care and maintenance costs and corporate administration costs.

The Groups net loss after tax for the year was $24,887,000 (2012: $4,413,000).

Financial Position
At 30 June 2013 total Group assets were $8,836,000 (2012: $35,431,000) and net deficits were $27,101,000 (2012: $5,215,000)

Liquidity and Capital Resources

Performance Measures	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009
	$'000	$'000	$'000	$'000	$'000
Net assets/ (liabilities)	(27,101)	(5,215)	(802)	3,761	(14,835)
Current assets	5,836	467	454	546	9,885
Cash	236	259	159	16	1,445
Shareholders' equity	167,666	164,666	164,666	164,666	137,474
Accumulated losses	(200,101)	(175,215)	(170,802)	(166,239)	(157,174)

The increase in net liabilities was primarily driven by the write off of historical capitalised exploration costs totalling $21,499,000 and impairment to property, plant and equipment of $5,223,000 which was partially offset by the reduction in loans payable resulting from the Investmet Transaction totalling $6,530,000 (refer below to significant changes in the state of affairs).

The increase in shareholders' equity is the result of issuing 150,000,000 ordinary shares at $0.02 per share as full payment of a working capital loan provided by Investmet Limited (refer below to significant changes in the state of affairs).

3. Key Developments

Significant Changes in the State of Affairs

On 18 August 2011, Swan Gold executed a conditional agreement with global commodity company DCM DECOmetal GmbH ("DCM") to acquire Swan Gold's subsidiaries that own the Carnegie and Mt Ida gold projects ("DCM transaction").

The main conditions of that agreement which was subject to shareholder and regulatory approval, as necessary, would see:

- DCM acquire the debt and associated rights of the Mt Ida Trust for $1,000,000;
- DCM pay a total amount of $10,000,000 to the Group Trust with $1,000,000 payable upon signing of the agreement and $9,000,000 payable within 6 months;
- Under separate arrangement DCM acquire the debt and associated rights of the Territory Trust of $6,700,000;
- All debts due by Swan Gold to the Mt Ida Trust, Group Trust, Territory Trust and Stirling Resources Ltd be extinguished by DCM at settlement;
- Amounts to be paid to Swan Gold of $5,000,000 at settlement;
- All shareholdings held by Stirling, Territory Resources Limited and DCM in Swan Gold be cancelled at settlement;
- Under this agreement DCM was to fund the ongoing operations of Swan Gold until the transaction was completed; and
- Settlement was due on or before 31 March 2012, subject to subsequent extensions.

With effect from 27 March 2013 this agreement was no longer in place.

On 3 May 2012, the Company announced to the ASX, that following extensive negotiations, a binding Terms Sheet, and subsequently a Restructure Deed, had been entered into by the Company, DCM and Investmet Limited and/or its nominees (Investmet), with the execution of a formal agreement, being the Restructure Deed, on 16 May 2012 ("the Investmet transaction").

Investmet has advised it intends to recapitalize Swan and provide sufficient funding to complete a review into recommencement of operations at the Carnegie and Mt Ida gold projects, including amongst other items thorough geological and economic reviews of resources, project data, exploration activities as required, and mine planning.

The main terms and conditions of the Restructure Deed were as follows:

- Swan Gold would conduct a share placement to sophisticated investors to raise working capital of a minimum of $7,500,000 by the issue of new ordinary shares at $0.02 effective on completion of the transaction ("Completion"). The issue would be fully underwritten by Investmet on terms reasonably satisfactory to Investmet and the Company;

- DCM would transfer 39,849,657 Swan Gold shares to Investmet in consideration for a cash payment by Investmet to the Trustee of the Territory Trust of $6,700,000 in satisfaction of all claims by the Territory Trust;
- The Group Trustee would transfer 134,483,578 Swan Gold shares to Investmet as consideration for the payment by Investmet to the Group Trust of $10,000,000; the payment would also extinguish all claims by the Group Trust under the recapitalization deed;
- Investmet would pay $144,240 to the Trustee of the Group Trust on behalf of Swan Gold to repay the loan made by the Trustee to Swan Gold. Swan Gold agreed to repay Investmet on interest free terms $144,240 within two business days of a written demand by Investmet;
- Investmet would advance $1,230,000 to DCM in consideration of DCM discharging the existing charge over the Mt Ida assets. A fresh security would be granted by Swan Gold as required to Investmet;
- Under the Restructure Deed DCM were to fund the ongoing operations of Swan Gold until Completion; and
- The Conditions of the Restructure Deed were to be satisfied or waived on or before 31 October 2012, with the exception of shareholder and regulatory approvals, and Loan Syndicate Arrangements which were to be finalised by 31 December 2012. Beyond these dates an alternative restructure or extension period was to be negotiated in good faith, but should no agreement be made within 5 Business Days then either party may terminate the Restructure Deed without incurring any liability.

The conditions for Completion to occur included amongst other items, all necessary shareholder, third party or regulatory approvals.

This transaction was also conditional on the completion of inter-related transactions between Investmet, DCM and each of Stirling Resources Limited and Redbank Copper Limited, the terms of which had been finalised but not released.

On 12 November 2012 the Company announced to the ASX that Stirling had received advice from the ASX that based on the terms of the Restructure Deed, Stirling would need to re-comply with the full ASX admission criteria. Consequently it was agreed by all parties to the Investmet Transaction, that as this event was a conditions precent of the transaction, Stirling would not be able to participate in the proposed transaction.

Swan Gold announced to the ASX on 14 December 2012 that DCM and Investmet had executed an Amended and Restated Restructure Deed ('Restructure Deed") which in effect removed Stirling from the Investmet Transaction.

The terms of the Investmet Transaction, which was previously announced to the ASX, have been varied such that:

1. Stirling no longer forms part of the inter-conditional transaction.
2. The capital raising to be undertaken by Swan Gold will be up to $15,000,000. This amount may increase to $17,500,000 with prior consent of Stirling. The capital raising is currently expected to be via a placement of new shares at $0.02 per share. Investmet agrees to underwrite $7,500,000 of the placement.
3. At Completion, $10,664,240 of the $20,664,240 debt to Investmet ("Investmet Debt") which is expected to arise from the completion of the Investmet Transaction, will be converted into ordinary Swan Gold shares at a deemed issue price of $0.02 per share. The Investmet Debt converted comprises $8,074,240 of the trust debts, and $2,590,000 of debt acquired from Stirling.
4. Under the Loan Syndicate Arrangements Investmet may elect to convert a further $5,000,000 of the balance of the $10,000,000 Investmet Debt owing. If Investmet elects to convert the additional debt to shares then Stirling will be entitled to convert a proportionate amount of the $5,000,000 debt owed to Stirling. Stirling may only convert a maximum amount of $2,500,000 of debt.
5. The proceeds of the capital raising will be used partially to repay debts of $4,200,000 to DCM.
6. Investmet waived the condition precedent to completion which required any plaint proceedings relating to the tenements of Swan Gold and its subsidiaries to be discontinued or withdrawn on terms satisfactory to Investmet. However, should the decision of the Warden in relation to Exemption Hearing No. 371130 not be n favour of Siberia Mining Corporation Pty Ltd, a wholly owned subsidiary of Swan Gold, Swan Gold will, subject to shareholder approval, allot and issue 37,500,000 Swan Gold shares to Investmet for nil cost.

Swan Gold has also agreed as part of the Investmet Transaction and associated revised terms that:

- the Swan Gold Notice of Meeting be lodged for review with the regulatory bodies on 30 November 2012;
- the Notice of Meeting must be mailed to Shareholders by 15 December 2012;
- the Shareholders' Meeting to approve the Investmet Transaction must be held by 15 January 2013; and
- the Investmet Transaction was to be complete by 28 February 2013 (refer below for further details).

To date, Swan Gold has complied with the above revised terms or as revised through subsequent Amendment Deeds. A General Meeting of the shareholders' was held on 15 January 2013 during which resolutions in relation to the placement of shares under the Investmet Transaction were approved. On 13 February 2013 Swan Gold announced to the ASX a Prospectus for the placement to sophisticated and professional investors to raise a minimum of $15,000,000 at $0.02 per share and up to a maximum of $17,500,000 by the issue of up to 875,000,000 shares before costs of the offer.

A supplementary Prospectus was lodged with the ASIC extending the Closing Date of the placement Offer from 26 February 2013 to 11 April 2013 and extending the Offer to investors who do not fall within an exception to section 708 of the Corporations Act 2001. On 13 May 2013 the placement Offer was further extended to 31 May 2013 subject to approval from ASIC and ASX.

On 31 May 2013 the Company announced that it had been notified by ASIC that the application for relief to extend the placement closing was refused. The placement offer was withdrawn as neither the subscription condition of $15,000,000 nor the 3 month quotation of the Offer was met as required by the Corporations Act 2001. Shares in Swan were not allotted or issued pursuant to the placement Offer and all application monies have been refunded to the applicants, in accordance with the terms of the Offer and the Corporations Act. The Company is at present considering its options moving forward and will provide an update as soon as additional information is available.

In addition to executing the amended Restructure Deed, Swan Gold and Investmet also executed a Deed of mendment and Restatement to the Loan Agreement ("Amended Loan Agreement"). Investmet and Swan Gold have agreed to amend the Loan Agreement such that drawdowns will be on an "as required" basis. Investmet has agreed to provide Swan Gold with a facility for working capital funding up to approximately $3,000,000. Investmet has to date loaned the Company the full funding of $3,000,000 of this facility.

Investmet and DCM intend to establish syndicated loan arrangements with Swan Gold to include general security interests over its assets, incorporating a two year moratorium on principal repayments and any accrued interest and at the end of the two year moratorium, Swan Gold may elect to repay the debt or require conversion at a price to be agreed between the parties at that time

Investmet will also work with the current board of Swan Gold towards finalizing the application for re-listing of the shares of Swan Gold on the ASX\ as soon as possible after completion.

Upon completion of the Investmet transaction, the DCM Share Sale agreement will be terminated and all of the Company's liabilities and obligations under the DCM Share Sale agreement and the Recapitalisation Deed will be discharged.

On 27 March 2013 the Company announced that it had executed agreements to revise the terms of the Swan Gold Restructure Deed ("Transactions"), to allow for the early debt purchase by Investmet of certain debts owed by Swan Gold to Stirling, DCM and MGMC Pty Ltd (as trustee for the Group Trust and Territory Trust)("MGMC").

Pursuant to the early debt purchase:

MGMC Debt:

1. Investmet has made payments of $18,074,240 to MGMC. Investmet was required to purchase the debts owed by Swan Gold to MGMC.
2. The security held by MGMC with respect to the debts owed by Swan Gold to MGMC has been assigned to a security trustee to be held on behalf of Investmet and other purchasers of that debt.

Stirling Debt:

1. Investmet has paid $2,590,000 to Stirling and, in turn, Stirling has assigned to Investmet $2,590,000 of the $7,590,000 debt owed by Swan to Stirling. Swan Gold continues to owe $5,000,000 to Stirling.
2. Stirling has procured Stirling Gold Pty Ltd to transfer to Investmet 88,053,475 shares in Swan Gold.

DCM Debt:

1. Swan Gold had intended to pay DCM $4,200,000 out of the proceeds of the current placement. However, under the early debt purchase agreements, Investmet has now paid $4,200,000 to DCM in consideration of DCM assigning to Investmet the debt owed by Swan Gold to DCM.
2. Swan Gold will now repay the $4,200,000 to Investmet out of the proceeds of the placement.
3. $1,230,000 to DCM in consideration of DCM discharging or procuring that the Trustee of the Mt Ida Trust discharges, all security held by the Trustee of the Mt Ida Trust in or over Swan Gold, or any of its subsidiaries and any of its assets.
4. The security held by MGMC with respect to the Mt Ida trust has been assigned to a security trustee to be held on behalf of Investmet and other purchasers of that debt.

The inter-conditionality of the Swan Gold and Redbank Copper Limited ("Redbank") Transactions, being a condition in each of the Swan Gold and Redbank Restructure Deeds, has been waived by Investmet, who had the sole benefit of the condition. This means that the Swan Gold and Redbank Transactions can now complete separately.

Following the early debt purchase, completion of the transactions as contemplated in the Restructure Deed remains outstanding. Accordingly Swan Gold has executed an Amendment Deed to the Swan Gold Restructure Deed with Stirling, Investmet and DCM. The effect of which is to amend the "Completion Date" for the Transaction to the date on which settlement of the Swan Gold placement is to occur.

The loan amount of $3,000,000 outstanding as at 31 December 2012, under the Interim Loan Agreement between the Company and Investmet, has been converted into fully paid ordinary shares in Swan Gold at a price of $0.02 per share, which has resulted in the Company issuing 150,000,000 shares to Investmet in accordance with shareholder approval obtained at the recent general meeting of Swan Gold shareholders.

A Deed of Termination and Release for the Recapitalisation Deed dated 21 July 2009 has been executed and was subject to Investmet making the payments to MGMC referred to above, which has since been completed. A Deed of Termination and Release for the share sale agreement between Swan Gold and DCM dated 18 August 2011 was also executed and completed on 27 March 2013.

Status of the Restructure as at 30 June 2013
At the date of this report, whilst the loan Amendment Deed as a whole remains incomplete, the summarised position at 30 June 2013 is as follows:

- Nil is payable to MGMC and DCM,
- $5,000,000 is payable to Stirling, and
- $24,864,240 is payable to the Investmet Ltd

Key terms of the Stirling debt
The Stirling debt represents an unsecured loan which is non-interest bearing and repayable on demand. Accordingly, the loan payable has been classified as current as at 30 June 2013.

Key terms of the Investmet debt
The Investmet debt represents an unsecured loan which is non-interest bearing and repayable on demand. Again, the loan payable has been classified as current as at 30 June 2013.

4. Other Developments

Swan Gold is awaiting the recommendation of the Warden regarding applications for exemption from expenditure that were heard in August 2012 in respect of M16/262-264 held by Siberia Mining (which tenements are also the subject of applications for forfeiture). An application for forfeiture of M24/352 held by Siberia Mining has been settled. Siberia Mining will lodge a minute of consent with Warden's Court.

The ability of the Group to maintain tenure to its tenements is dependent upon it continuing to meet the minimum expenditures on the tenements or obtaining exemptions for tenements in which the minimum expenditures have not been met.

In the opinion of the directors, there is no additional information available as at the date of this report on any likely developments which may materially affect the operations of the consolidated entity and the expected results of those operations in subsequent years.

Significant Events after Balance Date

Lady Bountiful Settlement

On the 14 November Swan Gold's wholly owned subsidiary Carnegie Gold Pty Ltd ("Carnegie") reached an agreement to relinquish its right to explore and mine tenement M24/862 (Lady Bountiful) with Norton Gold Fields Limited ("Norton"), Paddington Gold Pty Ltd ("Paddington") and Neil Edward Newman. In accordance with that agreement, Carnegie removed the caveat currently registered on M24/862 and consented to the dismissal of the action currently before the Wardens Court in return for net proceeds of $1.4 million from Norton. The current agreement between Carnegie and Neil Edward Newman for the rights to explore and mine M24/862 will cease upon completion.

Mining Rehabilitation Fund
Swan Gold successfully applied to the Western Australian Department of Mines and Petroleum ("DMP") for the Mining Rehabilitation Fund ("MRF") which saw the retirement of the Company's Environmental Bonds ('Bonds"). The DMP has to the date of this report approved the retirement of all Bonds totalling $5.2 million after a total levy fee of $251,000. The levy was calculated by the DMP and is based on 1% disturbance of the environment.

Other than the above, no matter or circumstance has arisen that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent years not otherwise disclosed in this report or the consolidated financial statements.

Withdrawal of Prospectus
Swan Gold advised that its placement to sophisticated and professional investors to raise a minimum of $15 million and a maximum of up to $17.5 million pursuant to the prospectus dated 13 February 2013 and supplementary prospectus dated 27 March 2013 (Offer) has been withdrawn. As referred to in its announcement on 13 May 2013, the Company had sought to extend the closing date of the Offer, subject to ASIC and ASX relief being granted.

On 28 May 2013, the Company was notified by ASIC the application for relief to extend the placement closing date was refused. Accordingly, as neither the minimum subscription condition of $15 million, nor the 3 month quotation condition of the Offer were met, as required by the Corporations Act 2001 (Cth) (Corporations Act), the Offer has been withdrawn. No shares were allotted nor issued pursuant to the Offer and all application monies received have been refunded by the Company to all of the applicants, in accordance with the terms of the Offer and the Corporations Act. The Company is at present considering its options moving forward and will provide an update as soon as additional information is available.

4. Business Strategies and Prospects (Incorporating Likely Developments and Expected Results)

Swan Gold is committed to growing its gold inventories through ongoing exploration activities. In addition, the Company is committed to recommencing gold operations at the Davyhurst and Mt Ida Gold Projects.

Over the next 12 months the Company is focussing on:

- Having its ordinary shares readmitted to official quotation on the ASX,
- Recapitalising the Company through:
    - the conversion of its existing loans payable to ordinary shares,
    - issuing new shares as part of an equity fund raising exercise, and
    - establishing a debt facility
- Upon recapitalisation, the funds will be applied to further the Groups exploration efforts, to refurbish the Davyhurst Gold project allowing for the processing of up to 1.2 mtpa of third party ore, Company ore or a combination of both.

DIVIDENDS

No amounts were paid by way of dividend since the end of the previous financial year. The directors do not recommend the payment of a dividend.

INFORMATION ON DIRECTORS

Director	Qualifications, experience and special responsibilities
Michael Fotios Non-Executive	*BSc (Hons) MAusIMM* A director since September 2012, Mr Fotios is a Geologist specialising in Economic Geology with 27 years extensive experience in exploration throughout Australia for gold, base metals, tantalum, tin and nickel and taking projects from exploration to feasibility. He previously held positions with Homestake Australia Limited and Sons of Gwalia Limited. He was Managing Director and a Director with Tantalum Australia NL (now ABM Resources Ltd) from September 1999 to October 2005. His last position was as Managing Director of Galaxy Resources Limited.

Michael Fotios is founder and current Executive Chairman of Investmet and regarded as having control of Investmet for the purposes of the Corporations Act 2001.

Other current directorships: Northern Star Resources Limited (from September 2009 to October 2013), Pegasus Metals Limited (from December 2009), Horseshoe Metals Limited (from May 2012), General Mining Corporation Limited (from June 2012), Redbank Copper Limited (from September 2012) and Stirling Resources Limited (from September 2012 to November 2012).

Former directorships in the last three years: Galaxy Resources Limited (from December 2006 to December 2008).

John Poynton
Non-Executive Director

AM Cit WA
John is the Chairman of Azure Capital Limited.

He is a Director of the Future Fund Board of Guardians and Crown Perth. In the not-for-profit arena, John is the Chairman of Council of Christ Church Grammar School, Giving West and Celebrate WA. He is also a member of Social Ventures Australia.

Previously, John was a Chairman of ASX Perth, Fleetwood, Alinta and the West Australian Museum Foundation – Deputy Chairman of Austal Limited – Director of Multiplex; Member of the Higher Education Endowment Fund Advisory Board, Payments System Board of the Reserve Bank of Australia, EFIC and of the Business School at the University of Western Australia.

John is a Life Member and Senior Fellow of the Financial Services Institute of Australasia (FINSIA), a Fellow of the Australian Institute of Company Directors (AICD) and of the Australian Institute of Management (AIM).

John is a Member in the General Division of the Order of Australia and is a past recipient of a WA Citizen of the Year award in the industry and commerce category.

John holds a Bachelor of Commerce and an honorary Doctor of Commerce from the University of Western Australia.

Craig Readhead
Non-Executive Director

B Juris Lib
Mr Readhead is one of WA's leading mining and resource lawyers with over 33 years legal and corporate advisory experience specialising in the resources sector, including the implementation of large scale mining projects both in Australia and overseas. In 2009, Craig was identified as one of the top ten Best Mining Lawyers in Australia published by the Australian Financial Review. Craig is a Partner of law firm, Allion Legal.

Current directorships: Heron Resources Limited, Beadell Resources Limited, General Mining Corporation Limited and Redbank Copper Limited.

Former directorships in the last three years: Galaxy Resources Limited to November 2013, Mt. Gibson Iron Limited to December 2012 and Frankland River Olive Company Limited to December 2012.

Wayne Zekulich
Non-Executive Director

BBus, FCA, FFTP
Mr Zekulich holds a Bachelor of Business Degree, is a Fellow of the Institute of Chartered Accountants and a Fellow of the Finance and Treasury Association Limited. He has a broad range of experience covering advice on mergers and acquisitions, arranging and underwriting project financings, privatisations and major acquisitions requiring extensive capital raisings in both debt and equity capital markets. He spent 4 years with the Commonwealth Bank as Executive Vice President WA, SA and NT and prior to that was Head of the Perth office of NM Rothschild & Sons and Director and Head of Deutsche Bank in Perth.

Currently, Wayne is Chief Financial Officer of Gindalbie Metals Limited, Chairman of Tesla Corporation, Director of Jaxon Construction, a committee member of Celebrate WA, a member of the Curtin Business School of Accounting Advisory Board and a member of the University of Western Australia Audit Committee.

Martin Depisch

Masters Degree in Economics and Social Sciences (Mag.rer.soc.oec)

Non-Executive Chairman

A director from July 2012 to March 2013, Mr Depisch is an Austrian national who completed his Master in Business Administration with emphasis on Finance at Karl-Franzens University in Graz Austria. Mr Depisch has over 15 years experience in financing and project management in the mining sector.

Other current directorships: Redbank Copper Limited (from November 2011) and Stirling Resources Limited (from November 2011).

Mr Depisch has not held directorships in any other listed companies in the last three years.

Damian Delaney
Non-Executive Director

CA
A director from July 2012 to March 2013, Mr Delaney is a chartered accountant with many years' experience working with international listed companies.

Other current directorships: Redbank Copper Ltd (from July 2012) and Genesis Minerals Limited (from March 2012).

Former directorships in the last three years: Nimrodel Resources Ltd (from January 2010 to August 2011) and Stirling Resources Limited (from July 2012 to November 2012).

Gerhard Kornfeld
Non-Executive Director

PhD in Economic and Social Sciences (Dr. rer. soc. oec)
A director from July 2012 to March 2013, Dr Kornfeld is an Austrian national who completed his PhD at the University of Economics in Vienna and has been involved in various executive positions throughout Europe. Before joining DCM as CEO in May 2012, he had been acting as CEO of VA TECH EZ, based in Prague and CEO of Mondi Russia, based in Syktyvkar.

Other current directorships: Australian Zircon NL (from August 2012), Stirling Resources Limited (from September 2012) and Redbank Copper Limited (from September 2012).

Mr Kornfeld has not held directorships in any other listed companies in the last three years.

Thomas Styblo
Non-Executive Director

L.L.M. Mag.rer.soc.oec
Mr Styblo is Director of Finance with DCM DECOmetal GmbH. He is an Executive Master of Laws (L.L.M) and holds a Masters Degree in Economics and Social Science (Mag.rer.soc.oec).

Other current directorships: Australian Zircon NL (from February 2012), Redbank Copper Limited (from April 2012) and Stirling Resources Limited (from April 2012).

Mr Styblo has not held directorships in any other listed companies in the last three years.

Peter Farris
Non-Executive Director

Diploma Business Tech, Diploma Business RMIT, MAICD
A director from September 2012 to February 2013, Mr Farris is a well respected and highly credentialed businessman in the Perth real estate industry and corporate advisory services. He has managed and developed major real estate companies with turnovers in excess of $200 million and has extensive experience in company management.

Other current directorships: Northern Star Resources Limited (April 2009), Redbank Copper Limited (from September 2012) and Stirling Resources Limited (from September 2012 to November 2012).

Mr Farris has not held directorships in any other listed companies in the last three years.

Allan Brown
Non-Executive Chairman

B.Sc (Hons), CP (Met) NSW, FAusIMM
A director from February 2010 to July 2012 and Chairman from June 2010 to July 2013. Mr Brown is a metallurgist with more than 40 years industry experience, specialising in the design, testing, commissioning and operation of base metal processing projects. He has worked as an industry consultant on metal processing projects in Australia and overseas for a range of local and global organisations including AngloGold, Newcrest and CBH Resources. Prior to his consulting career, he worked as Project and Mine Manager for a number of gold and base metal developers including Wiluna Gold, Sally Malay Nickel and Murchison Zinc.

Other current directorships: Mutiny Gold Limited (from July 2003).

Former directorships in the last three years: Redbank Copper Limited (from December 2009 to November 2011).

Keith Vuleta Non-Executive Director	*B.Bus (Acc & Com Law), C.A., MAICD* A Chartered Accountant for more than 20 years, having trained with Ernst & Young. He has held positions as Finance Director, Chief Financial Officer and Company Secretary for public companies in the mining, engineering and financial services industries. Other current directorships: Matilda Zircon Limited (from May 2009). Former directorships in the last three years: Redbank Copper Limited (from October 2009 to November 2011).
Ian Price Non-Executive Director	*B. Eng, FAusIMM* A director from February 2010 to July 2012. Mr Price is a mining engineer with more than 30 years experience in mine operations, public company management and consulting. He has been involved in all aspects of mining from exploration, feasibility studies, permitting, project development and construction through to operations, corporate management and project financing. He also has experience in base metals, gold and coal mining and processing and has a strong background in underground mining working throughout Australasia and Asia. Other current directorships: Anchor Resources Limited (from June 2011). Former directorships in the last three years: Redbank Copper Limited (from October 2009 to February 2011).

Interests in the shares and options of Swan Gold

Details of directors' interests in the securities of Swan Gold as at the date of this report are as follows:

Director	Fully paid shares	Unlisted options
Michael Fotios (1)	412,386,710	-
John Poynton	10,000,000	-
Craig Readhead	-	-
Wayne Zekulich	-	-

(1) The shares are held by Invesmet Limited, of which Mr Fotios is the Executive Chairman and substantial shareholder.

COMPANY SECRETARIES

Wayne Zekulich BBus, FCA, FFTP

Mr Zekulich holds a Bachelor of Business Degree, is a Fellow of the Institute of Chartered Accountants and a Fellow of the Finance and Treasury Association Limited. He has a broad range of experience covering advice on mergers and acquisitions, arranging and underwriting project financings, privatisations and major acquisitions requiring extensive capital raisings in both debt and equity capital markets. He spent 4 years with the Commonwealth Bank as Executive Vice President WA, SA and NT and prior to that was Head of the Perth office of NM Rothschild & Sons and Director and Head of Deutsche Bank in Perth.

Currently, Wayne is Chief Financial Officer of Gindalbie Metals Limited, Chairman of Tesla Corporation, Director of Jaxon Construction, a committee member of Celebrate WA, a member of the Curtin Business School of Accounting Advisory Board and a member of the University of Western Australia Audit Committee.

Linda Paini B.Bus (Accounting), CPA

Company Secretary from 24 October 2012 to 15 January 2014. Ms Paini is a Certified Practising Accountant and holds a Bachelor of Business Degree from the Edith Cowan University. She has more than 16 years accountancy and corporate secretarial experience, with a focus in the last seven years on the resource sector. Ms Paini has previously provided company secretary support for a number of listed corporations.

Ildiko Wowesny B.Bus.

Company Secretary from 26 February 2010 to 24 October 2012. Ms Wowesny is a qualified Accountant with experience in company secretarial roles together with corporate management, accounting and financial areas. She has served as Company Secretary for ASX listed resource companies for some considerable time together with 5 years at Deloitte Touche Tohmatsu and also a period in the United Kingdom with resource groups.

MEETINGS OF DIRECTORS

The number of meetings of the Board of Directors held during the year and the number of meetings attended by each director was as follows:

	Board	
	No. held whilst in office	No. attended
Allan Brown	-	-
Keith Vuleta	-	-
Ian Price	-	-
Damian Delaney	4	4
Martin Depisch	4	4
Gerhard Kornfeld	4	4
Michael Fotios	5	4
Peter Farris	2	1
Thomas Styblo	2	2
Craig Readhead	3	3
John Poynton	3	3
Wayne Zekulich	3	3

REMUNERATION REPORT (audited)

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

Details of key management personnel during the year up to the date of this report:

Directors

Name	***Position***	***Appointed***	***Resigned***
Michael Fotios	Non-Executive Director	14 September 2012	
John Poynton	Non-Executive Director	27 March 2013	
Craig Readhead	Non-Executive Director	27 March 2013	
Wayne Zekulich	Non-Executive Director	27 March 2013	
Martin Depisch	Non-Executive Director	25 July 2012	27 March 2013
Damian Paul Delaney	Non-Executive Director	25 July 2012	27 March 2013
Gerhard Kornfeld	Non-Executive Director	25 July 2012	27 March 2013
Thomas Styblo	Non-Executive Director	14 September 2012	27 March 2013
Peter Farris	Non-Executive Director	14 September 2012	4 February 2013
Keith John Vuleta	Non-Executive Director		25 July 2012
Allan Richard Brown	Non-Executive Director		25 July 2012
Ian Leslie Price	Non-Executive Director		25 July 2012

Executives

Ildiko Wowesny	Company Secretary		24 October 2012
Linda Paini	Company Secretary	24 October 2012	15 January 2014

Principles used to determine the nature and amount of remuneration

Directors and executives remuneration
Overall remuneration policies are determined by the Board of Directors and are adapted to reflect competitive market and business conditions. Within this framework, the board considers remuneration policies and practices generally, and determines specific remuneration packages and other terms of employment for executive directors and senior management. Executives may be provided with longer-term incentives through participation in option schemes, which serve to align the interests of the executives with those of shareholders. Executive remuneration and other terms of employment are reviewed annually by the remuneration committee having regard to performance, relevant comparative information and expert advice.

Non-executive directors' remuneration
The Company's Policy is to remunerate non- executive directors at market rates (for comparable companies) for time commitment and responsibilities. Fee's for non-executive directors are not linked to the performance of the company, however to align directors interest with shareholders interest directors are encouraged to hold shares in the Company. The amount of aggregate remuneration sought to be approved by shareholders and the fee structure is reviewed annually against fees paid to NED's of comparable companies.

Payments to non-executive directors reflect the demands that are made on, and the responsibilities of the NED's. Non-executive director's fee and payments are reviewed annually by the remuneration committee. The Company's constitution and the ASX listing rules specify that the NED fee pool shall be determined from time to time by a general meeting.

In accordance with current corporate governance practices, the structure for the remuneration of non-executive directors and senior executives is separate and distinct. Shareholders approve the maximum aggregate remuneration for non-executive directors, with the current approved limit being $500,000. The Board determines the actual payments to directors. The Board approves any consultancy arrangements for non-executive directors who provide services outside of and in addition to their duties as non-executive directors.

During the year ended 30 June 2013 the current Board of Directors did not receive remuneration for time and effort served.

REMUNERATION REPORT (audited)

Details of remuneration

The following table discloses details of the nature and amount of each element of the emoluments of each director of Swan Gold and each of the officers receiving the highest emoluments for the year ended 30 June 2013.

30 June 2013	Primary (short-term)			Post-employment	Equity (share-based payments)	
Name	Salary and directors fees	Consulting fees	Non-monetary benefits	Superannuation		Total
	$	$	$	$	$	$
Directors						
Michael Fotios	-	-	-	-	-	-
John Poynton	-	-	-	-	-	-
Craig Readhead	-	-	-	-	-	-
Wayne Zekulich	-	-	-	-	-	-
Damian Delaney	-	-	-	-	-	-
Martin Depisch	-	-	-	-	-	-
Dr Gerhard Kornfeld	-	-	-	-	-	-
Peter Farris	-	-	-	-	-	-
Thomas Styblo	-	-	-	-	-	-
Allan Brown	5,450	-	-	-	-	5,450
Keith Vuleta	4,360	-	-	-	-	4,360
Ian Price	4,360	-	-	-	-	4,360
Executives						
Linda Paini	-	-	-	-	-	-
Ildiko Wowesny	-	-	-	-	-	-
	13,000	-	-	1,170	-	14,170

30 June 2012	Primary (short-term)			Post-employment	Equity (share-based payments)	
Name	Salary and directors fees	Consulting fees	Non-monetary benefits	Superannuation		Total
	$	$	$	$	$	$
Directors						
Allan Brown	75,000	-	-	6,750	-	81,750
Keith Vuleta	63,291	-	-	5,696	-	68,987
Ian Price	60,000	-	-	5,400	-	65,400
Executives						
Ildiko Wowesny (i)	40,744	-	-	-	-	40,744
Total	239,035	-	-	17,846	-	256,881

(i) Company secretarial services were provided by Stirling Resources Ltd from 1 July 2011 to 30 October 2011 as is also included in the management fee detailed in Note 22 to the financial report.

There were no proportions of any elements of Key Management Personnel remuneration that related to performance. Other than directors of Swan Gold, there were no other executive officers of the consolidated entity during the year.

There were no options granted to key management personnel during the year (2012: nil).

No shares were issued during the year as a result of the exercise of options granted as part of remuneration. There were no alterations to the terms and conditions of options granted as remuneration since their grant date. There were no forfeitures during the period.

REMUNERATION REPORT (audited)

Information on any benefits received by directors of Swan Gold by reason of a contract made by the consolidated entity with a director or a director-related entity is contained in Note 22 of the financial report.

Service agreements
The terms of employment for executive directors and specified executives were not formalised in service agreements during the year ended 30 June 2013.

Company performance
The table below shows the performance of the consolidated entity as measured by its earnings per share. Swan Gold shares have been suspended from trading since Voluntary Administrators were appointed on 10 July 2008. In the past five years the consolidated entity has incurred losses and no dividends have been paid. Any improvement to earnings is viewed as a long term position that is not yet fully determinable.

	30 June 2013 Cents	30 June 2012 Cents	30 June 2011 Cents	30 June 2010 Cents	30 June 2009 Cents
Earnings/(loss) per share	(0.30)	(0.59)	(0.61)	(1.38)	(5.94)

End of Remuneration Report (audited)

ENVIRONMENTAL REGULATIONS

The consolidated entity is subject to significant environmental regulation in respect to its mineral exploration activities. These obligations are regulated under relevant government authorities within Australia. The consolidated entity is a party to exploration and mine development licences. Generally, these licences specify the environmental regulations applicable to exploration and mining operations in the respective jurisdictions. The consolidated entity aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates.

Compliance with environmental obligations is monitored by the Board of Directors. No environmental breaches have been notified to the consolidated entity by any government agency during the year ended 30 June 2013.

NON-AUDIT SERVICES

Non-audit services provided by Ernst & Young during their period as external auditors for taxation consulting advice was nil (2012: $30,196). Further details of remuneration of the auditors are set out at Note 19.

The board has considered the non-audit services provided during the year and is satisfied that the provision of those services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 and did not compromise the auditor independence requirements of the Corporations Act 2001, for the following reasons:

- all non-audit services were subject to the corporate governance guidelines adopted by Swan Gold;
- non-audit services have been reviewed by the audit committee to ensure that they do not impact the impartiality or objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in Professional Statement F1, Professional Independence, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity, acting as an advocate for Swan Gold or jointly sharing economic risks and rewards.

AUDITOR INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included immediately following the Directors' Report and forms part of this Directors' Report.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into indemnity agreements with each of the directors and officers of the Company. Under the agreements, the Company will indemnify those officers against certain claims or for any expenses or costs which may arise as a result of work performed in their respective capacities as officers of the Company or any related entities.

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

During the year, the Company paid premiums in respect of the above insurance policy. The contract prohibits the disclosure of the nature of the liabilities and/or the amount of the premium.

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to Swan Gold under the *ASIC Class Order 98/0100*. Swan Gold is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.

Michael Fotios
Executive Chairman
Perth, Western Australia
1 April 2014

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Auditor's Independence Declaration to the Directors of Swan Gold Mining Limited

In relation to our audit of the financial report of Swan Gold Mining Limited and its controlled entities for the financial year ended 30 June 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

G H Meyerowitz
Partner
1 April 2014

GHM:MM:SWAN:006

SWAN GOLD MINING LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2013
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	NOTE	CONSOLIDATED 2013 $'000	2012 $'000
Revenue	5(a)	74	124
Other income	5(b)	6,718	239
Employee and directors – remuneration expense	5(c)	(636)	(738)
Raw materials and consumables used	5(d)	(349)	(674)
Administrative expenses	5(e)	(981)	(790)
Other expenses		(46)	(82)
Finance costs	5(f)	(69)	(75)
Depreciation		(81)	(728)
Exploration expenditure		(2,795)	(1,689)
Impairment of Property, Plant and Equipment		(5,223)	-
Capitalised exploration write off		(21,499)	-
Loss before income tax expense		(24,887)	(4,413)
Income tax expense	6	-	-
Loss for the year		**(24,887)**	**(4,413)**
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		**(24,887)**	**(4,413)**
Attributable to:			
- Members of Swan Gold		(24,887)	(4,413)
- Non-controlling interest		-	-
		(24,887)	**(4,413)**
Basic and diluted loss per share (cents per share)	28	0.03	0.59

The above statement should be read in conjunction with the accompanying notes.

SWAN GOLD MINING LIMITED AND CONTROLLED ENTITIES
AS AT 30 JUNE 2013
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	CONSOLIDATED 2013 $'000	2012 $'000
CURRENT ASSETS			
Cash and cash equivalents	27	236	259
Trade and other receivables	7	5,524	182
Prepayments		13	-
Inventory		63	26
TOTAL CURRENT ASSETS		5,836	467
NON-CURRENT ASSETS			
Receivables	8	-	5,162
Property, plant and equipment	9	3,000	8,303
Deferred exploration expenditure	10	-	21,499
TOTAL NON-CURRENT ASSETS		3,000	34,964
TOTAL ASSETS		8,836	35,431
CURRENT LIABILITIES			
Trade and other payables	11	1,648	314
Loans and borrowings	12	30,114	11,683
Provisions	13	27	41
Obligations to the Group Trust	14	-	9,970
Obligations to the Mt Ida Trust	14	-	1,013
Obligations to the Territory Trust	14	-	13,477
TOTAL CURRENT LIABILITIES		31,789	36,498
NON-CURRENT LIABILITIES			
Provisions	13	4,148	4,148
TOTAL NON-CURRENT LIABILITIES		4,148	4,148
TOTAL LIABILITIES		35,937	40,646
NET LIABILITIES		(27,101)	(5,215)
SHAREHOLDERS DEFICIT			
Contributed equity	15	167,666	164,666
Accumulated losses		(200,101)	(175,215)
Reserves	16	5,292	5,292
TOTAL PARENT ENTITY INTEREST		(27,143)	(5,257)
Non-controlling interest	17	42	42
TOTAL DEFICIENCY IN SHAREHOLDER FUNDS		(27,101)	(5,215)

The above statement should be read in conjunction with the accompanying notes.

SWAN GOLD MINING LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2013
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent entity					
Consolidated	**Contributed equity $'000**	**Accumulated losses $'000**	**Reserves $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total equity $'000**
At 1 July 2011	164,666	(170,802)	5,292	(844)	42	(802)
Other comprehensive loss	-	-	-	-	-	-
Loss for the year	-	(4,413)	-	(4,413)	-	(4,413)
Total comprehensive loss for the year	-	(4,413)	-	(4,413)	-	(4,413)
At 30 June 2012	164,666	(175,215)	5,292	(5,257)	42	(5,215)
Other comprehensive loss	-	-	-	-	-	-
Loss for the year	-	(24,887)	-	(24,887)	-	(24,887)
Total comprehensive loss for the year	-	(24,887)	-	(24,887)	-	(24,887)
Issued of ordinary shares	3,000	-	-	3,000	-	3,000
At 30 June 2013	167,666	(200,101)	5,292	(27,143)	42	(27,101)

The above statement should be read in conjunction with the accompanying notes.

SWAN GOLD MINING LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2013
CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTE	CONSOLIDATED 2013 $'000	2012 $'000
Cash flows from operating activities			
Receipts from customers		(146)	124
Payments to suppliers and employees		(568)	(2,663)
Payments for mineral exploration expenditure		(2,833)	(1,715)
Interest received		74	124
Interest paid		(16)	(75)
Net cash outflow from operating activities	27	(3,489)	(4,205)
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		-	(34)
Payments for rental and security bonds		(34)	-
Net cash outflow from investing activities		(34)	(34)
Cash flows from financing activities			
Proceeds from share issue		3,000	-
Loan proceeds from other parties		500	4,339
Net cash inflow from financing activities		3,500	4,339
Net increase / (decrease) in cash and cash equivalents		(23)	100
Cash and cash equivalents at the beginning of the financial year		259	159
Cash and cash equivalents at the end of the financial year	27	236	259

The above statement should be read in conjunction with the accompanying notes

1. CORPORATE INFORMATION

The financial report of Swan Gold for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the Directors on the date of signing of the Directors' Report. Swan Gold is a company limited by shares that is incorporated and domiciled in Australia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general-purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations. The financial report has been prepared on a historical cost basis. The financial report is presented in Australian dollars, and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated.

(b) Statement of compliance

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

(c) Adoption of New and Revised Standards

In the year ended 30 June 2013, the Group has adopted all of the new and revised Standards and Interpretations issued by the AASB. None have had an impact on the accounting policies of the Group or the Group's financial position or performance. Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 June 2013. Except as otherwise outlined below, the impact of these standards has not yet been determined.

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 10	*Consolidated Financial Statements*	AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and UIG-112 *Consolidation - Special Purpose Entities.* The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. **Consequential amendments were also made to this and other standards via AASB 2011-7 and AASB 2012-10.** There will be no impact on the Group from this standard as all subsidiaries are wholly owned.	1 Jan 2013	1 July 2013
AASB 11	*Joint Arrangements*	AASB 11 replaces AASB 131 *Interests in Joint Ventures* and UIG-113 *Jointly- controlled Entities - Non-monetary Contributions by Ventures*. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method. **Consequential amendments were also made to this and other standards via AASB 2011-7, AASB 2010-10 and amendments to AASB 128.** The Group currently has a Joint Arrangement that meets the definition of a Joint Operation under AASB 11. Accordingly there will be no change to the accounting treatment applied.	1 January 2013	1 July 2013

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 12	*Disclosure of Interests in Other Entities*	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates, structured entities and subsidiaries with non-controlling interests.	1 January 2013	1 July 2013
AASB 13	*Fair Value Measurement*	AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. **Consequential amendments were also made to other standards via AASB 2011-8.** There will be no recognition or measurement impact on the Group from this standard as it does not change the way the Group estimates the fair value of its financial assets and financial liabilities. The Group will be required to include additional disclosures including a comparison of the carrying value and the fair value for the Groups financial assets and financial liabilities. As at 30 June 2013, the carrying value of the Groups financial assets and financial liabilities approximate their fair value.	1 January 2013	1 July 2013
AASB 119 (Revised 2011)	*Employee Benefits*	The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. **Consequential amendments were also made to other standards via AASB 2011-10.**	1 January 2013	1 July 2013
Interpretation 20	*Stripping Costs in the Production Phase of a Surface Mine*	This interpretation applies to stripping costs incurred during the production phase of a surface mine. Production stripping costs are to be capitalised as part of an asset, if an entity can demonstrate that it is probable future economic benefits will be realised, the costs can be reliably measured and the entity can identify the component of an ore body for which access has been improved. This asset is to be called the "stripping activity asset". The stripping activity asset shall be depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. The units of production method shall be applied unless another method is more appropriate. **Consequential amendments were also made to other standards via AASB 2011-12.** The impact of this standard has not yet been determined by management as the Group is currently not in the production phase. Upon completion of the Investmet Transaction, and the recommencement of mine operations, management will review Interpretation 20 and assess the impact.	1 January 2013	1 July 2013

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 2012-2	Amendments to Australian Accounting Standards - *Disclosures - Offsetting Financial Assets and Financial Liabilities*	AASB 2012-2 principally amends AASB 7 *Financial Instruments: Disclosures* to require disclosure of the effect or potential effect of netting arrangements. This includes rights of set-off associated with the entity's recognised financial assets and liabilities on the entity's financial position, when the offsetting criteria of AASB 132 are not all met.	1 January 2013	1 July 2013
AASB 2012-5	Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle	AASB 2012-5 makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The standard addresses a range of improvements, including the following: ► Repeat application of AASB 1 is permitted (AASB 1) ► Clarification of the comparative information requirements when an entity provides a third balance sheet (AASB 101 *Presentation of Financial Statements*).	1 January 2013	1 July 2013
AASB 2012-9	Amendment to AASB 1048 arising from the withdrawal of Australian Interpretation 1039	AASB 2012-9 amends AASB 1048 *Interpretation of Standards* to evidence the withdrawal of Australian Interpretation 1039 *Substantive Enactment of Major Tax Bills in Australia.*	1 January 2013	1 July 2013
AASB 2011-4	Amendments to Australian Accounting Standards to *Remove Individual Key Management Personnel Disclosure Requirements* [AASB 124]	This amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies. It also removes the individual KMP disclosure requirements for all disclosing entities in relation to equity holdings, loans and other related party transactions.	1 July 2013	1 July 2013
AASB 1053	*Application of Tiers of Australian Accounting Standards*	This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements: (a) Tier 1: Australian Accounting Standards (b) Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements. The following entities apply Tier 1 requirements in preparing general purpose financial statements: (a) For-profit entities in the private sector that have public accountability (as defined in this standard) (b) The Australian Government and State, Territory and Local governments The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements: (a) For-profit private sector entities that do not have public accountability (b) All not-for-profit private sector entities (c) Public sector entities other than the Australian Government and State, Territory and Local governments. **Consequential amendments to other standards to implement the regime were introduced by AASB 2010-2, 2011-2, 2011-6, 2011-11, 2012-1, 2012-7 and 2012-11.**	1 July 2013	1 July 2013
AASB 2012-3	Amendments to Australian Accounting Standards - *Offsetting Financial Assets and Financial Liabilities*	AASB 2012-3 adds application guidance to AASB 132 *Financial Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	1 January 2014	1 July 2014
Interpretation 21	***Levies***	This Interpretation confirms that a liability to pay a levy is only recognised when the activity that triggers the payment occurs. Applying the going concern assumption does not create a constructive obligation.	1 January 2014	1 July 2014

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 9	*Financial Instruments*	AASB 9 includes requirements for the classification and measurement of financial assets. It was **further amended by AASB 2010-7** to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. (b) Allows an irrevocable election on initial rec investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. (d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: ► The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ► The remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. **Further amendments were made by AASB 2012-6** which amends the mandatory effective date to annual reporting periods beginning on or after 1 January 2015. AASB 2012-6 also modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances. **Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.**	1 Jan 2015	1 July 2015

* Designates the beginning of the applicable annual reporting period unless otherwise stated
^ The AASB have not yet issued the Australian equivalent of this Interpretation.

(d) Going concern

As at 30 June 2013, the Group's current liabilities exceeded its current assets by $25.95 million and the groups Shareholders' deficit totalled $27.1 million. The consolidated entity recorded a loss of $24.9 million for the year ended 30 June 2013.

At the date of this report a Loan Facility Agreement between Swan Gold, Investmet, M6 Securities and Stirling is being prepared and once executed will result in:

- $24,864,240, being the full amount of the Investmet debt, converting to ordinary shares at a price of $0.02 per ordinary share resulting in the issue 1,243,212,000 ordinary Swan Gold shares, and
- $2,500,000, being the 50% of the Stirling debt, converting to ordinary shares at a price of $0.02 per ordinary share resulting in the issue of 125,000,000 ordinary Swan Gold shares.

The Company is working towards the re-admission of its ordinary shares to official quotation on the ASX. As part of the re-admission process, the Company will look to raise upward of $20 million via a placement to institutional sophisticated investors. Whilst there is strong appetite for the placement at this stage no binding term sheet exists nor is there any certainty that the placement will occur

The ability of the Group to operate as a going concern and meet its debts as and when they fall due is primarily dependent upon the Directors meeting the terms and conditions under the Investmet transaction and successfully recapitalising the Group. Failure to do so may result in the Group being unable to meet its debts as and when they fall due and realise its assets and settle its liabilities in the ordinary course of business. The financial report has been prepared on the basis that the consolidated entity will continue to meet their commitments and can therefore continue normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The directors believe that at the date of signing the financial report there are reasonable grounds to believe that having regard to the matters set out above, the consolidated entity will be able meet the terms and conditions under the Investmet transaction and successfully recapitalise the Group.

Should the consolidated entity not achieve the matters set out above, there is significant uncertainty whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not be able to continue as a going concern.

(e) Principles of consolidation

The consolidated financial statements comprise the financial statements of Swan Gold and its subsidiaries (as outlined in Note 24) (the Group) as at and for the period ended 30 June each year.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in subsidiaries held by Swan Gold are accounted for at cost in the separate financial statements of the parent entity less any impairment charges. Dividends received from subsidiaries are recorded as a component of other revenues in the separate income statement of the parent entity, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the parent will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist.
Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

The acquisition of subsidiaries which are businesses is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent. Losses are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss, or retained earnings, as appropriate

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivables taking into account contractually defined terms of payment and excluding taxes or duty. The following specific recognition criteria must also be met before revenue is recognised.

Interest

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

(g) Property, plant and equipment

All assets acquired, including property, plant and equipment are initially recorded at their cost of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Property, plant and equipment located on a mine site is included at cost less provision for depreciation and any impairment in value. All such assets are depreciated over the estimated remaining economic life of the mine, using a unit of production basis.

All other property, plant and equipment is included at cost less provision for depreciation and any impairment in value and depreciated on a straight-line basis commencing from the time the asset is held ready for use.

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

(h) Other financial assets

Financial assets in the scope of AASB 139 “Financial Instruments – Recognition and Measurement” are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments or available for sale investments as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The consolidated entity determines the classification of its financial assets at initial recognition.

All regular way purchases and sales of financial assets are recognised on the trade date (the date that the consolidated entity commits to purchase the asset). Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place.

Loans, receivables and security deposits

Loans, receivables and security deposits are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired as well as through the amortisation process.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm’s length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis; and option pricing models, making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

(i) Deferred exploration and evaluation expenditure

Once the legal right to explore has been acquired, exploration and evaluation costs are expensed to the Statement of Comprehensive Income as incurred unless the Directors conclude that a future economic benefit is more likely than not to be realised. Costs incurred during this phase are expensed in the Statement of Comprehensive Income as ‘exploration and evaluation expenditure’. In evaluating if expenditures meet the criteria to be capitalised, several different sources of information are utilised. The information that is used to determine the probability of future economic benefits depends on the extent of exploration and evaluation that has been performed.

Impairment
The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

The recoverable amount of capitalised exploration and evaluation expenditure 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 an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in profit or loss.

(j) Impairment of non-financial assets

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

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

(k) Jointly controlled assets

The Group has an interest in a joint venture that is a jointly controlled assets. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Group recognises its interest in the jointly controlled assets by recognising its interest in the assets and the liabilities of the joint venture. The Group also recognises the expenses that it incurs and its share of the income that it earns from the use and output of the jointly controlled assets.

(l) Income tax

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

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

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

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

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that is has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

(m) Trade and other receivables

Trade receivables, which generally have 30 to 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less an allowance for impairment. An allowance for doubtful debts is made when there is objective evidence that the consolidated entity will not be able to collect the debts. Bad debts are written off when identified.

Collectability of trade receivables is reviewed on an ongoing basis. Financial difficulties of the debtor, default payments or debts more than 180 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(n) Trade and other payables

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

(o) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process.

(p) Contributed equity

Ordinary share capital is recognised at the fair value of the consideration received. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(q) Goods and services tax

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the tax authority is included as a current asset or liability in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from or payable to the tax authority are classified as operating cash flows.

(r) Employee benefits

Provision for employee benefits represents the amount which the consolidated entity has a present obligation to pay resulting from employees' service provided up to the balance date.

Liabilities arising in respect of employee benefits expected to be settled within twelve months of the balance date are measured at their nominal amounts based on remuneration rates which are due to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the balance date.

(s) Share based payments

The consolidated entity may provide benefits to employees (including directors) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares ("equity settled transactions"). The cost of these equity settled transactions with employees is measured by reference to the fair value at the date they are granted. The value is determined using a binomial model. The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date"). The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the directors, will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(t) 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 lessor 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.

Finance leases

Leases which effectively transfer substantially all the risks and benefits incidental to ownership of the leased item to the consolidated entity are capitalised at the present value of the minimum lease payments and disclosed as plant and equipment under lease. A lease liability of equal value is also recognised. Capitalised lease assets are depreciated over the shorter of the estimated useful life of the assets and the lease term.

(u) Rehabilitation costs

Full provision for rehabilitation costs is made based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the balance date. Increases due to additional environmental disturbances are capitalised and amortised over the remaining lives of the operations. These increases are accounted for on a net present value basis.

Rehabilitation provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a financing cost. The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances.

(v) Inventories

Ore and Gold stocks are valued at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure relating to mining activities, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(w) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Swan Gold does not currently hold qualifying assets but, if it did, the borrowing costs directly associated with this asset would be capitalised (including any other associated costs directly attributable to the borrowing and temporary investment income earned on the borrowing).

(x) Earnings per share

Basic earnings per share is determined by dividing net operating results after income tax attributable to members of the parent entity, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to potential ordinary shares.

(y) Cash and cash equivalents

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

For the purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis, net of outstanding bank overdrafts.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Refer to Note 23 for details.

4. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) Significant accounting judgements

In the process of applying the consolidated entity's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of exploration expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

The determination of Joint Ore Reserves Committee (JORC) resource is in itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure.

The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in the statement of comprehensive income in the period when the new information becomes available.

(b) Significant accounting estimates and assumptions

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

Impairment

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

Impairment of deferred exploration expenditure

The future recoverability of deferred exploration expenditure is dependent on a number of factors, including whether the Group decides to exploit the related tenement itself or, if not, whether it successfully recovers the related exploration asset through sale.

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

Provision for decommissioning and restoration costs

Decommissioning and restoration costs are a normal consequence of mining and the majority of this expenditure is incurred as the end of a mine's life. In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine) and the estimated future level of inflation.

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other mine sites. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the binomial model using the assumptions detailed in the financial statements.

		CONSOLIDATED 2013 $'000	CONSOLIDATED 2012 $'000
5.	**REVENUE AND EXPENSES**		
(a)	Revenue		
	- interest	74	124
		74	124
(b)	Other income		
	- Management fees	181	-
	- Gain on loan forgiveness	6,530	-
	- sundry income	7	239
		6,718	239
(c)	Employee and directors' benefits expenses		
	- wages and salaries	636	738
		636	738
(d)	Raw materials and consumables used		
	- care and maintenance expenses	332	627
	- contractors and subcontractors	17	47
		349	674
(e)	Corporate and administration expenses		
	- audit and accounting fees	69	94
	- consulting fees	89	30
	- legal fees	270	138
	- travel and accommodation expenses	4	8
	- regulatory	181	87
	- insurance	226	96
	- management fees	142	337
		981	790
(f)	Finance costs		
	- bank fees	53	48
	- interest expense	16	27
		69	75

6. INCOME TAX

		CONSOLIDATED 2013 $'000	CONSOLIDATED 2012 $'000
a.	**The components of tax expense comprise:**		
	Current tax	-	-
	Deferred tax	-	-
	Income tax expense reported in statement of comprehensive income	-	-
b.	**The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:**		
	Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2012: 30%)	(7,466)	(1,324)
	Add/(less) tax effect of:		1,324
	- Losses and other deferred tax balances not recognised	-	1,123
	- Non-allowable items	-	-
	- Non-assessable items	-	-
	Income tax expense reported in Statement of Comprehensive Income	-	(1,324)
c.	**Deferred tax recognised:**		
	Deferred tax liabilities:		
	Accrued interest	-	4
	Other	1	1
	Deferred tax assets:		
	Carry forward revenue losses	1	5
	Net deferred tax	-	-
d.	**Unrecognised deferred tax assets:**		
	Carry forward revenue losses	42,811	43,410
	Exploration tenements & rehabilitation	256	256
	Property, Plant & Equipment	3,437	1,870
	Provisions & accruals	1,262	1,263
	Other	83	33
		47,849	46,832

The tax benefits of the above deferred tax assets will only be obtained if:

(a) the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;

(b) the company continues to comply with the conditions for deductibility imposed by law; and

(c) no changes in income tax legislation adversely affect the company in utilising the benefits.

e. **Tax consolidation:**

Swan Gold and its wholly owned Australian resident subsidiary have formed a tax consolidated group. Swan Gold is the head entity of the tax consolidated group.

7. TRADE AND OTHER RECEIVABLES CURRENT

	CONSOLIDATED 2013 $'000	2012 $'000
Trade debtors	139	80
Security deposits (i)	5,196	-
Other	189	102
	5,524	182

(i) Security deposits are held in a 90 day term deposit that is rolled over at each maturity date. The deposit is not available for use until the consolidated entity has been released from any rehabilitation obligations in regard to tenements to which the security deposit relates. During the year the Group applied to the Western Australian Department of Mines and Petroleum ("DMP") for the release of the Group's environmental bonds. The application was successful and funds were released to the Group subsequent to year end. Accordingly, the Group has classified the security deposits as current as at 30 June 2013.

At 30 June, the ageing analysis of trade and other receivables is as follows:

		Total	0-180 Days	+ 181 Days PDNI *	+ 181 Days CI **
2013	Consolidated	328	328	-	-
2012	Consolidated	182	182	-	-

* Past due not impaired (PDNI)
** Considered impaired (CI)

Receivables past due but not considered impaired are nil (2012: nil).

8. RECEIVABLES NON-CURRENT

	CONSOLIDATED 2013 $'000	2012 $'000
Security deposits (i)	-	5,162
Sundry receivables – joint venturer (ii)	6,534	6,534
Allowance for non-recovery	(6,534)	(6,534)
	-	5,162

	CONSOLIDATED 2013 $'000	CONSOLIDATED 2012 $'000
Reconciliation of allowance for non-recovery		
Opening balance	(6,534)	(6,534)
Movement in allowance	-	-
	(6,534)	(6,534)

(i) Security deposits are held in a 90 day term deposit that is rolled over at each maturity date. The deposit is not available for use until the consolidated entity has been released from any rehabilitation obligations in regard to tenements to which the security deposit relates.
(ii) Sundry receivables comprise of debts due from a joint venture partner - Refer to Note 25.

9. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED 2013 $'000	CONSOLIDATED 2012 $'000
Property, plant and equipment		
At cost	14,116	15,175
Less accumulated depreciation	(5,893)	(2,884)
Less impairment	(5,223)	(4,139)
	3,000	8,152
Plant and equipment – under finance lease		
At cost	-	614
Less accumulated depreciation	-	(463)
	-	151
Total property, plant and equipment	3,000	8,303

Reconciliation

	2013	2012
Property, plant and equipment		
Carrying amount at beginning of period	8,152	8,704
Additions	-	33
Transfer from Plant and equipment – under finance lease	133	-
Depreciation	(62)	(585)
Impairment	(5,223)	-
	3,000	8,152
Plant and equipment – under finance lease		
Carrying amount at beginning of period	151	294
Transfer from Plant and equipment – under finance lease	(133)	-
Depreciation expense	(18)	(143)
	-	151

Impairment of Property, Plant and Equipment

The processing plant is currently held in care and maintenance. During the period the Company obtained a market valuation report from an independent third party. The report contained an upper, preferred and lower valuation based on a trade sale. The carrying value of the property, plant and equipment at year end has been impaired to the lower valuation contained in the report to ensure the carrying value reflects the risk of pricing uncertainty due to current second hand market conditions and to cover costs to sell.

10. DEFERRED EXPLORATION EXPENDITURE

	CONSOLIDATED	
	2013 $'000	2012 $'000
Cost	27,967	27,967
Less: accumulated impairment	(27,967)	(6,468)
	-	21,499

The ultimate recoupment of deferred exploration expenditure carried forward is dependent upon the successful development and exploitation, or alternatively sale, of the respective areas of interest at an amount greater than or equal to the carrying value.

Impairment of Deferred Exploration Expenditure

Due to current global equity market conditions, there can be no certainty the Group will be able to obtain funding to undertake future exploration programmes. The Group has determined that the fair value of the deferred exploration expenditure is nil as at 30 June 2013 and accordingly an impairment charge of $21.5 million has been recognised in the statement of comprehensive income for the year ended 30 June 2013.

11. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2013 $'000	2012 $'000
CURRENT		
Trade payables and accruals	1,648	314
	1,648	314

Trade creditors and accruals are non-interest bearing and generally settled on 60 day terms.

12. LOANS AND BORROWINGS

CURRENT

Non-interest Bearing		
Secured loans (i)	-	144
Unsecured loan (ii)	5,250	11,539
Unsecured loan (ii) - Investmet	24,864	-
	30,114	11,683

(i) The secured loan is a non-interest bearing working capital loan from the Group Trust, secured by the fixed and floating charge granted under the Recapitalisation Deed on 26 February 2010.

(ii) $5,000,000 of the unsecured loan is a working capital loan from Stirling Resources Ltd which is non-interest bearing and will not be recalled until such time as Swan Gold has sufficient working capital. The balance of the unsecured loan is also a working capital loan from Investmet Limited which has been lent under the same terms and conditions.

(iii) $24,864,240 represent an unsecured loan from Investmet Limited which is non-interest bearing and repayable on demand. Accordingly, the loan has been classified as current as at 30 June 2013.

Also, refer to Note 22 relating to unsecured loans by related parties. Refer to note 14 for details of the unsecured loan.

13. PROVISIONS

CURRENT

Employee benefits	27	41

NON-CURRENT

Rehabilitation		
Opening balance	4,148	4,148
Rehabilitation amount provided in current year	-	-
Closing balance	4,148	4,148

The Group makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis on the development of mines or installation of those facilities.

The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites. These provisions have been created based on Swan Gold's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for necessary decommissioning works required which will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. This, in turn, will depend upon future gold prices, which are inherently uncertain.

14. OBLIGATIONS TO CREDITORS TRUSTS

On 14 December 2012 the Amended and Restated Swan Gold Restructure Deed was executed between DCM DECOmetalGmbH, Investmet Ltd, Swan Gold and Stirling Resources Ltd.

As a result of executing the above deed, Investmet made the following payments:

- $10,000,000 to MGMC Pty Ltd (Trustee) as trustee of the Group Trust in consideration for, amongst other things, the assignment to Investmet of the debt owed to the Trustee of the Group Trust by Swan Gold;

- $144,240 to the Trustee of the Group Trust as payment on behalf of Swan Gold to repay in full a loan made by the Trustee of the Group Trust to Swan Gold;

- $6,700,000 to the Trustee of the Territory Trust in consideration for, amongst other things, assigning to Investmet all of the debt owed by Swan Gold in respect of the Territory Trust;

- $1,230,000 to DCM in consideration of DCM discharging or procuring that the Trustee of the Mt Ida Trust discharges, all security held by the Trustee of the Mt Ida Trust in or over Swan Gold, or any of its subsidiaries and any of its assets.

- $4,200,000 to DCM in order to repay on behalf of Swan Gold, the debt owed by Swan Gold to DCM; and

- $2,590,000 to Stirling in consideration of Stirling assigning to Investmet $2,590,000 of debt owed by Swan Gold to Stirling.

It was also acknowledged that these were the full face value of the debts. As a result of Investmet making the above payments, Swan Gold owed a total of $24,864,240 to Investmet and $5,000,000 to Stirling and all of Swan Gold'sobligations to the creditors' trusts were extinguished.

The obligations to the Creditor's trusts and Investmet at 30 June 2013 are as follows:

	CONSOLIDATED	
	2013	2012
	$'000	$'000
CURRENT		
Group Trust		
Instalments pursuant to the Recapitalisation Deed	-	9,628
Additional costs incurred until Completion	-	342
	-	9,970
Mt Ida Trust		
Instalments pursuant to the Recapitalisation Deed	-	1,013
Territory Trust		
Outstanding claim of trust at Completion	-	22,572
Proceeds from disposal of Minjar Gold assets (Note 24), after interest received and expenses incurred by the Minjar Gold Creditor's Trust	-	(9,095)
	-	13,477

Reconciliation of the Movement in the Creditors Trust and Loans and Borrowings

Obligations to Group Trust	
Opening	9,970
Amount assigned to Investmet	(9,970)
Debt forgiveness	-
Closing	-
Obligations to Mt Ida Trust	
Opening	1,013
Amount assigned to Investmet	(1,013)
Debt forgiveness	-
Closing	-
Obligations to Territory Trust	
Opening	13,477
Amount assigned to Investmet	(6,947)
Debt forgiveness	(6,530)
Closing	-
Current - Loans and Borrowings	
Opening	11,683
Amounts borrowed from DCM during the period	250
Amount assigned to Investmet	(6,933)
Amounts borrowed from Investmet	3,250
Converted to ordinary shares	(3,000)
Debt forgiveness	-
Closing	5,250
Current - Loans and Borrowings	
Opening	-
Amount assigned to Investmet	24,864
Closing	24,864

	CONSOLIDATED 2013 $'000	2012 $'000
15. CONTRIBUTED EQUITY		
(a) *Share capital*		
892,820,993 (2012: 742,820,993) ordinary fully paid shares	167,666	164,666

(b) *Movements in ordinary share capital*	**Shares**	**$'000**
Balance 30 June 2011	742,820,993	164,666
Balance 30 June 2012	742,820,993	164,666
- Shares issued i)	150,000,000	3,000
Balance 30 June 2013	892,820,993	167,666

i) During the period Investmet and Swan Gold entered into an interim loan agreement whereby Investmet agreed to provide Swan Gold with a facility for working capital funding up to approximately $3,000,000. On 15 April 2013 the loan amount of $3,000,000 owing from Swan Gold to Investmet was converted into fully paid ordinary shares in Swan Gold at a price of $0.02 per share, which resulted in the Company issuing 150,000,000 shares to Investmet.

Ordinary shares entitle the holder to participate in dividends in proportion to the number of and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

Capital Management
When managing capital, management's objective is to safeguard the entity's ability to continue as a going concern as well as to maintain optimum returns to shareholders and benefits to other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. In order to sustain these objectives Management:

- Appointed Voluntary Administrators in July 2008;
- Negotiated the recapitalisation of the Company in February 2010;
- Executed an agreement with global commodity company DCM DECOmetal GmbH (DCM) to acquire Swan Gold's subsidiaries that own the Carnegie and Mt Ida gold projects;
- Executed a Restructure Deed with Investmet Limited (Investmet) and DCM which replaced the DCM agreement with a plan to recapitalise Swan Gold to fund a review into the recommencement of operations at the Carnegie and Mt Ida gold projects (Refer to note 14).

Capital is comprised of shareholders' equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Management has no current plans to reduce the capital structure through a share buy-back.

The Group is not subject to any externally imposed capital restrictions.

	CONSOLIDATED	
	2013	2012
	$'000	$'000
16. RESERVES		
Option premium and share-based payments reserve	5,292	5,292

Movements in share options	2013 No	2013 WAEP $	2012 No	2012 WAEP $
Outstanding at beginning of the year	115,000,000	0.07	122,633,334	0.07
Expired	(115,000,000)	0.07	(7,633,334)	0.40
Outstanding at end of the year	-	-	115,000,000	0.07

No options over ordinary fully paid shares were outstanding at year end.

Nature and purpose of reserve

The option premium and share-based payment reserve represents the premium paid to the parent entity by option holders, the value of equity benefits provided to directors, employees as part of their remuneration and the value of services provided to the Group paid for by the issue of equity.

	CONSOLIDATED	
	2013	2012
	$'000	$'000
17. NON-CONTROLLING INTERESTS		
Interest in:		
Share capital	42	42

18. KEY MANAGEMENT PERSONNEL

(a) Compensation of key management personnel

Remuneration by category	CONSOLIDATED	
	2013	2012
	$	$
Key management personnel		
Short-term	13,000	239,035
Post-employment	1,170	17,846
	14,170	256,881

(b) Option holdings of key management personnel (consolidated)

30 June 2013	Balance at 1 July 2012	Granted as remuneration	Options exercised	Net change other	Balance at 30 June 2013	Balance vested and exercisable at 30 June 2013
Directors						
Michael Fotios	-	-	-	-	-	-
John Poynton	-	-	-	-	-	-
Craig Readhead	-	-	-	-	-	-
Wayne Zekulich	-	-	-	-	-	-
Damian Delaney	-	-	-	-	-	-
Martin Depisch	-	-	-	-	-	-
Dr Gerhard Kornfeld	-	-	-	-	-	-
Peter Farris	-	-	-	-	-	-
Thomas Styblo	-	-	-	-	-	-
Allan Brown	-	-	-	-	-	-
Keith Vuleta	-	-	-	-	-	-
Ian Price	-	-	-	-	-	-
Executives						
Linda Paini	-	-	-	-	-	-
Ildiko Wowesny	-	-	-	-	-	-

Other changes during the year include the expiration of options.

During the year ended 30 June 2013 there were no individuals (other than the directors) who were responsible for the strategic direction and management of the consolidated entity, hence no executives are named above in respect of this period.

(c) Option holdings of key management personnel (consolidated)

30 June 2012	Balance at 1 July 2011	Granted as remuneration	Options exercised	Net change other	Balance at 30 June 2012	Balance vested and exercisable at 30 June 2012
Directors						
Allan Brown	-	-	-	-	-	-
Keith Vuleta	-	-	-	-	-	-
Ian Price	-	-	-	-	-	-

Other changes during the year include allocations of options issued pursuant to the Recapitalisation Deed, effect upon resignation and expiration of options.

During the year ended 30 June 2012 there were no individuals (other than the directors) who were responsible for the strategic direction and management of the consolidated entity, hence no executives are named above in respect of this period.

(d) Shareholdings of key management personnel (consolidated)

30 June 2013	Balance at 1 July 2012	On the exercise of options	Net change other	Balance at 30 June 2013
Directors				
Michael Fotios	-	-	-	-
John Poynton	10,000,000	-	-	10,000,000
Craig Readhead	-	-	-	-
Wayne Zekulich	-	-	-	-
Damian Delaney	-	-	-	-
Martin Depisch	-	-	-	-
Dr Gerhard Kornfeld	-	-	-	-
Peter Farris	-	-	-	-
Thomas Styblo	-	-	-	-
Allan Brown	-	-	-	-
Keith Vuleta	333,334	-	-	333,334
Ian Price				
Executives				
Linda Paini	-	-	-	-
Ildiko Wowesny	-	-	-	-

30 June 2012	Balance at 1 July 2011	On the exercise of options	Net change other	Balance at 30 June 2012
Directors				
Allan Brown	-	-	-	-
Keith Vuleta	333,334	-	-	333,334
Ian Price	-	-	-	-

Other changes during the year include allocations of shares issued pursuant to the Recapitalisation Deed and effect upon resignation.

Except for equity issued as part of remuneration, all equity transactions with key management personnel have been entered into under terms and conditions no more favourable than those the consolidated entity would have adopted if dealing at arm's length.

(e) Loans to key management personnel

There were no loans to key management personnel during the financial year.

(f) Other transactions with directors

Transactions during the year between the consolidated entity and directors or their director-related entities are set out in Note 22.

19. REMUNERATION OF AUDITORS

	CONSOLIDATED 2013 $	2012 $
Amounts paid or due and payable to the auditors for:		
Auditing and reviewing the financial reports	30,000	63,364
Taxation advisory services	-	30,196
	30,000	93,560

20. EXPENDITURE COMMITMENTS

(b) Capital expenditure commitments

Under the terms of mineral tenement licences held by the consolidated entity, minimum annual expenditure obligations of $4,120,263 (2012: $4,278,228) may be required to be expended during the forthcoming financial year in order for the tenements to maintain a status of good standing. This expenditure may be incurred by the consolidated entity or its joint venture partners and may be subject to variation from time to time in accordance with Department of Industry and Resources regulations.

21. SEGMENT INFORMATION

The Group has identified its segments based on the internal management reporting that is used by the executive management team in assessing performance and allocating resources. Segments have been identified as the ongoing care and maintenance and mine development work segment and exploration segment. The Group operates in one geographical segment – Australia.

The accounting policies used by the Group in reporting segment information internally, is the same as those contained in Note 2 to the financial statements.

The following items and associated assets and liabilities are not allocated to operating segments as management do not consider these to be part of the core operations of both segments:

(i) Impairment of assets
(j) Corporate assets and liabilities
(k) Administrative expenses.

Segments	Mine Under Care and Maintenance	Exploration	Consolidated
Year ended 30 June 2013	**$'000**	**$'000**	**$'000**
Segment revenue	32	42	74
Segment loss	(2,226)	(1,195)	(3,421)
Impairment of property, plant & equipment	-	-	(5,223)
Write-off of capitalised exploration expenditure	-	-	(21,499)
Gain on loan forgiveness	-	-	6,530
Other unallocated corporate costs	-	-	(1,274)
Total loss			**24,887**
Segment assets	7,294	1,149	8,443
Other unallocated assets	-	-	393
Total assets			**8,836**
Segment liabilities	(4,595)	(356)	(4,951)
Other unallocated liabilities	-	-	*(30,986)
Total liabilities	-	-	**(35,937)**
Included within segment loss:			
Interest expense	(22)	(29)	(51)
Interest revenue	32	42	74
Unallocated interest expense			(18)
Additions to non-current assets	-	-	-

* Corporate segment liabilities include the following amounts:
- $872,000 Provisions and trade and other payables
- $5,000,000 Loan from Stirling Resources Ltd
- $250,000 Loan from Investmet Ltd (Current)
- $24,864,000 Loan from Investmet Ltd (Non-current)

Segments Year ended 30 June 2012	Mine Under Care and Maintenance $'000	Exploration $'000	Consolidated $'000
Segment revenue	49	68	117
Unallocated revenue	-	-	7
Total revenue			**124**
Segment profit/(loss)	(1,531)	(1,649)	(3,180)
Other unallocated corporate costs	-	-	(1,233)
Total loss			**(4,413)**
Segment Assets	12,414	22,646	35,060
Other unallocated assets	-	-	371
Total assets			**35,431**
Segment Liabilities	(4,188)	(49)	(4,237)
Other unallocated liabilities	-	-	*(36,409)
Total liabilities			**(40,646)**
<u>Included within segment loss:</u>			
Interest expense	(37)	(26)	(63)
Interest revenue	50	68	118
Unallocated interest expense			(12)
Unallocated interest revenue			6
Additions to non-current assets	33	-	33

* Corporate segment liabilities include the following amounts:
  - $333,000 Provision and trade and other payables
  - $9,970,000 Obligations to Group Trust
  - $1,013,000 Obligation to Mt Ida Trust
  - $13,477,000 Obligation to Territory Trust
  - $7,589,000 Loan from Stirling Resources Ltd
  - $3,950,000 Loan from DCM Decometal

22. RELATED PARTIES

(a) Transactions with related parties

i. During the period management fees totalling $119,830 (2012: $23,411) were charged by Stirling Resources Ltd. The management fees were charged for services and facilities provided by Stirling Resources Ltd, based upon an agreed monthly rate.

ii. During the period Investmet and Swan Gold entered into an interim loan agreement whereby Investmet agreed and did provide Swan Gold with a facility for working capital funding. During the period Swan Gold drew down $3,250,000 of the loan. On 15 April 2013 $3,000,000 owing from Swan Gold to Investmet was converted into fully paid ordinary shares in Swan Gold at a price of $0.02 per share, which resulted in the Company issuing 150,000,000 shares to Investmet. At 30 June 2013 Swan Gold owed to Investment $250,000.

iii. On 14 March 2013 the Company announced that it had executed agreements to revise the terms of the Swan Gold Restructure Deed ("Transactions"), to allow for the early debt purchase by Investmet of certain debts owed by Swan Gold to Stirling, DCM and MGMC Pty Ltd (as trustee for the Group Trust and Territory Trust)("MGMC").

Pursuant to the early debt purchase, the following payments were made by Investmet:

- $10,000,000 to MGMC Pty Ltd (Trustee) as trustee of the Group Trust in consideration for, amongst other things, the assignment to Investmet of the debt owed to the Trustee of the Group Trust by Swan Gold;
- $144,240 to the Trustee of the Group Trust as payment on behalf of Swan to repay in full a loan made by the Trustee of the Group Trust to Swan Gold;
- $6,700,000 to the Trustee of the Territory Trust in consideration for, amongst other things, assigning to Investmet all of the debt owed by Swan Gold in respect of the Territory Trust;
- $1,230,000 to DCM in consideration of DCM discharging or procuring that the Trustee of the Mt Ida Trust discharges, all security held by the Trustee of the Mt Ida Trust in or over Swan Gold, **or** any of it**s** subsidiaries and any of its assets.
- $4,200,000 to DCM in order to repay on behalf of Swan Gold, the debt owed by Swan to DCM; and
- $2,590,000 to Stirling in consideration of Stirling assigning to Investmet $2,590,000 of debt owed by Swan to Stirling.

As a result of Investmet making the above payments, Swan Gold owed a total of $24,864,240 to Investmet and $5,000,000 to Stirling.

Other transactions with directors and specified executives are set out in Note 18.

23. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Policies and Objectives

The consolidated entity's principal financial instruments are cash and short term deposits and loans. The main purpose of these financial instruments is to provide working capital and raise finance for the consolidated entity's operations. The consolidated entity has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations. The main risks arising from the consolidated entity's financial instruments are interest rate risk and credit risk. The Board reviews and agrees policies for managing each of these risks.

The Group's activities expose it to a variety of financial risks: market risk (including commodity risk), credit risk, liquidity risk, and interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance without limiting the Group's potential upside.

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to gold price risk and assessments of market forecasts for gold prices. Liquidity risk is measured through the development of rolling future cash flow forecasts at various gold prices.

Risk management is carried out by executive management with guidance from the Audit Committee under policies approved by the Board. The Board also monitors risk regularly at Board meetings and provides guidance where necessary for overall risk management, including guidance on specific areas, such as mitigating commodity price, interest rate and credit risks where applicable.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including the setting of limits for any hedging coverage of gold, credit allowances, and future cash flow forecast projections.

(b) Net Fair Values

The carrying amounts of financial assets and financial liabilities recorded in the financial statements represent their respective amortised costs net of impairment. As at 30 June 2013 the fair value of the Groups financial assets and financial liabilities approximate their carrying value.

(c) Credit Risk

Credit risk relates to the risk that a counter party will default on its contractual obligations resulting in financial loss to the consolidated entity. The exposure of the consolidated entity to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of the assets as indicated in the statement of financial position.

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Group's maximum exposure to credit risk at reporting date in relation to each class of financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position.

In relation to managing potential credit risk exposures, the Group has in place policies that aim to ensure that cash transactions are limited to high credit quality financial institutions and that the amount of credit exposure to any one financial institution is limited as far as is considered commercially appropriate.

(d) Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates is minimal and relates primarily to finance leases with fixed rates of interest.

Interest rate risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates. The exposure of the consolidated entity to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities is set out below.

CONSOLIDATED

30 June 2013	**$'000**	**30 June 2012**	**$'000**
Financial assets		**Financial assets**	
Floating rate		*Floating rate*	
Cash	236	Cash	259
Security deposits	5,196	Security deposits	5,162
Fixed rate		*Fixed rate*	
Sundry receivables	-	Sundry receivables	-
Total	**5,432**	Total	**5,421**
Financial liabilities		**Financial liabilities**	
Fixed rate		*Fixed rate*	
Finance lease liability	-	Finance lease liability	-
Unsecured loans	-	Unsecured loans	-
Floating rate		*Floating rate*	
Unsecured loans	-	Unsecured loans	-
Total	**-**	Total	**-**

The Group's policy is to manage its exposure to interest rate risk by holding cash on short term, fixed rate deposits and variable rate deposits with reputable high credit quality financial institutions.

The Group constantly analyses its interest rate exposure. Consideration is given to potential renewals of existing positions, alternative financing and the mix of fixed and variable interest rates.

(e) ***Sensitivity Analysis***

The following tables summaries the sensitivity of the Group's financial assets and liabilities to interest rate risk. Had the relevant variables, as illustrated in the tables, moved, with all other variables held constant, post tax profit and equity would have been affected as shown. The analysis has been performed on the same basis for 2013 and 2012.

	30 June 2013				**30 June 2012**			
CONSOLIDATED	**Interest rate risk -1% (i)**		**Interest rate risk +1% (i)**		**Interest rate risk -1% (i)**		**Interest rate risk +1% (i)**	
	Profit $'000	**Equity $'000**	**Profit $'000**	**Equity $'000**	**Profit $'000**	**Equity $'000**	**Profit $'000**	**Equity $'000**
Financial assets								
Cash	(2)	-	2	-	(3)	-	3	-
Security deposits	(52)	-	52	-	(52)	-	52	-
Financial liabilities								
Unsecured loans					-	-	-	-
Total increase/(decrease)	(54)	-	54	0	(55)	-	55	-

The rate of 1% applied in the above analysis for 2013 and 2012 is based on management's expected movement for the interest rate over the next financial year.

(g) ***Liquidity risk***

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of loans and other available lines of credit. The Group manages liquidity risk by monitoring forecast cash flows. The table below reflects all contractually fixed pay-offs and receivables for settlement, repayments and interest resulting from recognised financial assets and liabilities as of 30 June 2013. Cash flows for financial assets and liabilities without fixed amount or timing are based on the conditions existing at 30 June 2013.

Subsequent to 30 June 2013, the consolidated entity continued to meet their commitments with funds provided by Investmet Limited (Investmet) whereby Investmet plans to recapitalise Swan Gold to fund a review into the recommencement of operations at the Carnegie and Mt Ida gold projects.

Maturity analysis of financial assets and liabilities based on management's expectations

Trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations. These assets are considered in the Group's overall liquidity risk. To monitor existing financial assets and liabilities as well as to enable an effective controlling of future risks, the Company has established comprehensive risk reporting covering its business that reflects expectations of management of expected settlement of financial assets and liabilities.

(g) *Liquidity risk (continued)*

CONSOLIDATED

30 June 2013	**< 6 months $'000**	**6 - 12 months $'000**	**1 - 5 years $'000**	**>5 years $'000**	**Total $'000**
Financial assets					
Trade and other receivables	-	-	5,196	-	5,196
	-	-	5,196	-	5,196
Financial liabilities					
Trade and other payables	(1,648)	-	-	-	(1,648)
Non- interest bearing loans & borrowings - Current					
Loan from Stirling Resources Ltd	-	(5,000)	-	-	(5,000)
Loan from Invesmet Ltd	-	(250)	-	-	(250)
Loan from Investmet Ltd	-	(24,864)	-	-	(24,864)
	(1648)	(30,114)	-	-	(31,762)
Net Maturity	(1,648)	(30,114)	5,196	-	(26,566)

CONSOLIDATED

30 June 2012	**< 6 months**	**6 - 12 months**	**1 - 5 years**	**>5 years**	**Total**
Financial assets					
Trade and other receivables	-	-	5,162	-	5,162
	-	-	5,162	-	5,162
Financial liabilities					
Trade and other payables	(314)	-	-	-	(314)
Non-interest bearing loans & borrowings - Current					
Loan from Group Trust	-	(144)	-	-	(144)
Loan from Stirling Resources Ltd	-	(7,589)	-	-	(7,589)
Loan from DCM DECOmetal GMBH	-	(3,950)	-	-	(3,950)
Obligations to the Group Trust	(9,970)	-	-	-	(9,970)
Obligations to the Mt Ida Trust	(1,013)	-	-	-	(1,013)
Obligations to the Territory Trust	(13,477)	-	-	-	(13,477)
	(24,774)	(11,683)	-	-	(36,457)
Net Maturity	(24,774)	(11,683)	5,162	-	(31,295)

24. INVESTMENTS IN CONTROLLED ENTITIES

Name of entity	Country of incorporation	Class of shares	Equity holding 2013	2012
Monarch Nickel Pty Ltd	Australia	Ordinary	100	100
Monarch Gold Pty Ltd	Australia	Ordinary	80	80
Carnegie Gold Pty Ltd	Australia	Ordinary	100	100
Siberia Mining Corporation Pty Ltd	Australia	Ordinary	100	100
Mt Ida Gold Pty Ltd	Australia	Ordinary	100	100
Controlled entities of Siberia Mining Corporation Pty Ltd				
Ida Gold Operations Pty Ltd	Australia	Ordinary	100	100
Pilbara Metals Pty Ltd	Australia	Ordinary	100	100
Siberia Gold Operations Pty Ltd	Australia	Ordinary	100	100

25. INTERESTS IN JOINTLY CONTROLLED ASSETS

The consolidated entity entered into a joint arrangement with Kingsday Holdings Pty Ltd for the operation of the Mt Ida Excluded Area joint venture. Under the agreement Swan Gold retains a 70% interest in the asset. The consolidated entity contributes 100% of the funding of the joint venture with the other participant's share repayable from the gold production of the asset. Swan Gold will be paid interest on the funds used and in relation to the other participant's share of costs at a rate of 30% per annum during periods where mining operations are accruing on the Mt Ida Excluded Area. The face value of the amount receivable as at 30 June 2013 is $6,534,000 with an applicable notional interest rate of 30%, subject to an interest free period of 20 months when Swan Gold had yet to recommence mining operations. This balance continues to be fully impaired as at 30 June 2013 as the recovery of this balance is dependent on gold production and remains uncertain. There are no assets employed by the joint venture and the Group's expenditure in respect of the joint venture is brought to account initially as exploration and evaluation through profit and loss.

The joint venture has no contingent liabilities or capital commitments.

26. CONTINGENT LIABILITIES

There were no contingent liabilities identified as at 30 June 2013.

27. CASH FLOW STATEMENT

	CONSOLIDATED	
	2013 $'000	2012 $'000
a) Reconciliation of cash		
Cash balances comprise:		
Cash at bank	236	259

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

	2013 $'000	2012 $'000
b) Reconciliation of net cash outflow from operating activities to loss after income tax		
Loss after income tax	(24,887)	(4,413)
Adjusted for non- cash items		
Depreciation	81	728
Historic exploration expenditure written off	21,499	-
Forgiveness of Creditors Trust obligations	(6,529)	-
Impairment of property, plant and equipment	(5,223)	-
Changes in operating assets and liabilities		
(Increase)/decrease in receivables	(146)	(50)
Increase/(decrease) in payables	1,334	(617)
(Increase)/decrease of prepayments	(12)	163
Increase/(decrease) of provisions	(14)	10
(Increase)/decrease of inventory	(38)	(26)
Net cash outflow from operating activities	(3,489)	(4,205)

Payments to suppliers and employees include creditors held in the creditors' trust. These payments include a mix of operating and financing creditors which could not be separated and have been included in operating cash flows.

Non-cash financing and investing activities

During the prior year the consolidated entity entered into non-cash financing and investing transactions which are not reflected in the statement of cash flows. These related to the recapitalisation of the Group. Refer to Note 15.

28. EARNINGS PER SHARE

	CONSOLIDATED 2013 $'000	2012 $'000
Loss used in the calculation of basic earnings per share	24,887	4,413
	Number	**Number**
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	777,361,209	742,820,993
Effect of dilution:		
Share options	nil	nil
Weighted average number of ordinary shares on issue adjusted for the effect of dilution	777,361,209	742,820,993

There were no options on issue at balance date.

There were no other movements in ordinary shares and options which occurred subsequent to balance date.

29. SUBSEQUENT EVENTS

Lady Bountiful Settlement
On 14 November 2013 Swan Gold'swholly owned subsidiary Carnegie Gold Pty Ltd ("Carnegie") reached an agreement to relinquish its right to explore and mine tenement M24/862 (Lady Bountiful) with Norton Gold Fields Limited ("Norton"), Paddington Gold Pty Ltd ("Paddington") and Neil Edward Newman. Per the agreement, Carnegie removed the caveat currently registered on M24/862 and consented to the dismissal of the action currently before the Wardens Court in return for net proceeds of $1.4 million from Norton. The current agreement between Carnegie and Neil Edward Newman for the rights to explore and mine M24/862 will cease upon completion.

Mining Rehabilitation Fund
Swan Gold successfully applied to the Western Australian Department of Mines and Petroleum ("DMP") for the Mining Rehabilitation Fund ("MRF") which saw the retirement of the Company's Environmental Bonds ('Bonds"). The DMP has to the date of this report approved the retirement of all performance bonds totalling $5.2 million after a total levy fee of $251,000. The levy was calculated by the DMP and is based on 1% disturbance of the environment.

Withdrawal of Prospectus
Swan Gold advises that its placement to sophisticated and professional investors to raise a minimum of $15 million and a maximum of up to $17.5 million pursuant to the prospectus dated 13 February 2013 and supplementary prospectus dated 27 March 2013 (Offer) has been withdrawn. As referred to in its announcement on 13 May 2013, the Company had sought to extend the closing date of the Offer, subject to ASIC and ASX relief being granted.

On 28 May 2013, the Company was notified by ASIC the application for relief to extend the placement closing date was refused. Accordingly, as neither the minimum subscription condition of $15 million, nor the 3 month quotation condition of the Offer were met, as required by the Corporations Act 2001 (Cth) (Corporations Act), the Offer has been withdrawn. No shares were allotted nor issued pursuant to the Offer and all application monies received have been refunded by the Company to all of the applicants, in accordance with the terms of the Offer and the Corporations Act. The Company is at present considering its options moving forward and will provide an update as soon as additional information is available.

The ability of the Group to maintain tenure to its tenements is dependent upon it continuing to meet the minimum expenditures on the tenements or obtaining exemptions for tenements in which the minimum expenditures have not been met.

In the opinion of the directors there is no additional information available as at the date of this report on any likely developments which may materially affect the operations of the consolidated entity and the expected results of those operations in subsequent years.

30. PARENT ENTITY INFORMATION

(a) Financial Position

	2013 $'000	2012 $'000
Assets		
Current assets	392	243
Non-current assets	27,163	30,911
Total assets	27,555	31,154
Liabilities		
Current liabilities	6,122	36,410
Non- Current liabilities	24,864	-
Total liabilities	30,986	36,410
Equity/(Deficit)		
Contributed equity	167,666	164,666
Accumulated losses	(176,389)	(175,214)
Reserves	5,292	5,292
Total equity/(deficit)	(3,431)	(5,256)

(b) Financial performance

Profit/(Loss) for the year	(1,175)	(1,233)
Other comprehensive income	-	-
Total loss for the year	(1,175)	(1,233)

Guarantees

Swan Gold and its subsidiaries have entered into a Deed of Cross Guarantee. The effect of the deed is that Swan Gold has guaranteed to pay any deficiency in the event of winding up of any controlled entity or if they do not meet their obligations under the terms of loans, leases or other liabilities subject to the guarantee. The controlled entities have also given a similar guarantee in the event that Swan Gold is wound up or if it does not meet its obligations under the terms of loans, leases or other liabilities subject to the guarantee.

Tax consolidation

For the purposes of income taxation, Swan Gold and its 100% owned subsidiaries have formed a tax consolidated group. Swan Gold is the head entity of the tax consolidated group.

(i) *Members of the tax consolidated group and the tax sharing agreement*
Swan Gold and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 July 2002. Swan Gold is the head entity of the tax consolidated group. Members of The Group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

(ii) *Tax effect accounting by members of the tax consolidated group.*
The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied The Group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 *Income Taxes.*

SWAN GOLD MINING LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2013
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Swan Gold Mining Limited, I state that:

1. In the opinion of the directors:

   a. The financial statements, notes and the additional disclosures included in the directors' report designed as audited, of the consolidated entity are 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 2013 and of its performance for the year ended on that date.

      ii. Complying with Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.

   b. The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2(b).

   c. Subject to the matters disclosed in Note 2(d), 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. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2013.

On behalf of the board

Michael Fotios
Director

Perth, Western Australia
1 April 2014

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
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Independent auditor's report to the members of Swan Gold Mining Limited

Report on the financial report

We have audited the accompanying financial report of Swan Gold Mining Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

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

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

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

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

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

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

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

Emphasis of Matter

Without qualifying our audit opinion, we draw attention to Note 2 (d) which describes the principal conditions that raise doubt about the consolidated entity's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the remuneration report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Swan Gold Mining Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

G H Meyerowitz
Partner
Perth
1 April 2014

The Board of Directors of Swan Gold is responsible for the establishment of a corporate governance framework that has regard to the best practice recommendations set by the ASX Corporate Governance Council. Swan Gold's objective is to achieve best practice in corporate governance, having due regard to the practicality of implementation of the best practice recommendations given the current nature and scale of the Company's activities, and the Company's Board, senior executives and employees are committed to achieving this objective.

This statement summarises the corporate governance practices that have been adopted by the Board and reports on an "if not, why not" basis those recommendations the Company has opted not to follow. In addition to the information contained in this statement, the Company's website at www.swangoldmining.com.au contains additional details of its corporate governance procedures and practices.

These practices, unless otherwise stated, were in place for the entire financial year.

Board of Directors

The Board is responsible for guiding and monitoring the Company on behalf of shareholders by whom they are elected and to whom they are accountable. The Board's primary responsibility is to oversee the Company's business activities and management for the benefit of shareholders. Day to day management of the Company's affairs and the implementation of corporate strategies and policy initiatives are formally delegated by the Board to the Executive Director and senior executives, as set out in the Company's Board charter.

Board composition

The Board charter states that:

- the Board is to comprise an appropriate mix of both executive and non-executive directors.
- the roles of Chairman and Executive Director are not combined.
- the Chairman is elected by the full Board and is required to meet regularly with the Executive Director.

Board members should possess complementary business disciplines and experience aligned with the Company's objectives, with a number of directors being independent and where appropriate, major shareholders and executives are being represented on the Board. Consequently, at various times there may not be a majority of directors classified as being independent, according to ASX guidelines. However, where any director has a material personal interest in a matter, the director will not be permitted to be present during discussions or to vote on the matter.

Directors' independence

Having regard to the share ownership structure of the Company, it is considered appropriate by the Board that a major shareholder may be represented on the Board. Mr Michael Fotios is a nominee Director of Investmet Limited, who has signed the Restructure Deed and Amended Restructure Deed for the proposed restructure and recapitalisation of the Company. Such appointment would not be deemed to be independent under ASX guidelines, however, the Company considers this satisfactory in the Company's current position, pending restructure and recapitalisation.

The Chairman is expected to bring independent thought and judgement to his role in all circumstances. Where matters arise in which there is a perceived conflict of interest, the Chairman must declare his interest and abstain from any consideration or voting on the relevant matter.

The Board has adopted ASX recommended principles in relation to the assessment of directors' independence. Financial materiality thresholds used in the assessment of independence are set at 10% of the annual gross expenditure of the Company and/or 25% of the annual income or business turnover of the Company.

Board performance review

The Board has adopted a formal process for an annual self assessment of its collective performance and the performance of individual directors. The Board is required to meet annually with the purpose of reviewing the role of the Board, assessing its performance over the previous 12 months and examining ways in which the Board can better perform its duties. Due to changes in the composition of the Board during the period, no formal assessment was undertaken during the year ended 30 June 2013. It is anticipated this review will take place following completion of the restructure and recapitalisation process.

Trading in Company securities by directors, officers and employees
Trading of shares is covered by, amongst other things, the Corporations Act and the ASX Listing Rules. The Board has established a Securities Trading Policy that establishes strict guidelines as to when a Director, officer or an employee can deal in Company securities. The policy prohibits trading in the Company's securities whilst the Director, officer or employee is in the possession of price sensitive information or the Company is in a closed period, as defined.

The Company prohibits Directors and employees from entering into transactions in associated products which limit the economic risk of participating in the unvested entitlements under any equity based remuneration schemes.

For details of shares held by Directors please refer to the Directors' Report in these Financial Statements.

The Company's Securities Trading Policy can be found on the Company's website.

Independent advice
A director is free to seek independent professional advice at the Company's expense concerning any aspect of his duties about which he feels obliged. There have been no instances of this recently.

General risk management
The Company conducts a regular annual review of its insurance requirements, coupled with implementation of insurance from time to time to cover specific projects or specific locations.

Shareholder communication
The board aims to ensure that shareholders and investors have equal access to the Company's information. The Company has policies and procedures designed to ensure compliance with ASX Listing Rules. This disclosure policy includes identification and recognition of matters which may have a material effect on the price of the Company's shares and notifying them to ASX. The Company also has in place a strategy to disseminate information to shareholders and encourage effective participation at shareholder meetings, as well as to communicate material to regulatory authorities and the broader community.

Review of corporate governance
The Board has reviewed its current practices in light of the ASX Principles, with a view to making amendments where applicable, after taking into account the Company's size and the resources it has available. As the Company's activities develop, further consideration will be given to increasing the size of the Board and the implementation of additional governance committees.

Diversity
The Company has established a Diversity Policy having regard to the suggestions set out in the ASX Principles. The Diversity Policy covers gender, age, ethnicity and cultural background. It includes a requirement that the Board establish measurable objectives for achieving gender diversity, with progress in achieving these objectives assessed annually by the Board. Due to the current nature and scale of the Company's activities, the Board has not established measurable objectives for achieving gender diversity but will review this position on a regular basis going forward. At the date of this report the company has 8 employees and 1 employee is a woman. There are no female Directors on the Board.

ASX Best Practice Recommendations

The table below identifies the ASX Best Practice Recommendations and whether or not the Company has complied with the recommendations during the reporting period:

	Principle	Action taken and reasons if not adopted
	Principle 1: Lay solid foundation for management and oversight	
1.1	Formalise and disclose the functions reserved to the Board and those delegated to management	Adopted
1.2	Disclose the process for evaluating the performance of directors	
1.3	Provide the information indicated in the Guide to reporting on Principle 1	
	Principle 2: Structure the Board to add value	Adopted except:
2.1	A majority of the Board should be independent	2.1 The Company comprises 4 directors, 2 of whom are considered independent. The Company intends to revisit Director independence following completion of the proposed restructure and recapitalisation as announced on 3 May 2012.
2.2	The chairperson should be an independent director	2.2 The current Chairman is Mr Michael Fotios who is not considered independent. Notwithstanding that the current Chairman does not meet the requirements of ASX Principle 2.2, the Board considers that the current Chairman possesses an appropriate level of expertise and can make quality judgements in the best interest of the Company on all relevant issues.
2.3	The roles of chairperson and chief executive officer should not be exercised by the same individual	
2.4	The Board should establish a nomination committee	2.4. The Board considers that the Company is not currently of a size to justify the formation of a Nomination Committee. The Board as a whole undertakes the process of reviewing the skill base and experience of existing Directors to enable identification or attributes required in new Directors.
2.5	Disclose the process for evaluating the performance of the Board, its committees and individual directors	
2.6	Provide the information indicated in Guide to reporting on Principle 2	
	Principle 3: Promote ethical and responsible decision making	
3.1	Establish a code of conduct to and disclose the code or a summary of the code as to:	Adopted except:
3.1.1	the practices necessary to maintain confidence in the Company's integrity	3.3 While the company has established a Diversity Policy as recommended, due to the current nature and scale of the Company's activities, the Company has not established the measureable objectives and has therefore reported on progress on achieving these objectives.
3.1.2	the practices necessary to take into account their legal obligations and reasonable expectations of their stakeholders	
3.1.3	The responsibility and accountability of individuals for reporting and investigating reports of unethical practices	
3.2	Companies should establish a policy concerning trading in the Company's securities by directors, officers and employees.	
3.3	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measureable	3.5 Due to its nature the Board has

	objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.	not yet set measureable objectives, or reported progress against those objectives.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	
3.5	Provide the information indicated in Guide to Reporting on Principle 3	
	Principle 4: Safeguard integrity in financial reporting	Not Adopted:
4.1	The Board should establish an Audit Committee	
4.2	Structure the audit committee so that it consists of: • Only non-executive directors • A majority of independent directors • An independent chairperson who is not the chairperson of the Board • At least three members	4.1. The Board considers that the Company is not of a size, nor are its financial affairs of such complexity to justify the formation of an Audit Committee.
4.3	The audit committee should have a formal operating charter	The Board as a whole undertakes the selection and proper application of accounting policies, the integrity of financial reporting, the identification and management of risk and review of the operation of the internal control systems. When the Company has grown to a sufficient size to warrant it, the Board intends to establish an Audit Committee to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance.
4.4	Provide the information indicated in Guide to reporting on Principle 4	
	Principle 5: Make timely and balanced disclosure	
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance	Adopted
5.2	Provide the information indicated in the 'Guide to reporting on Principle 5	
	Principle 6: Respect the rights of shareholders	
6.1	Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings	Adopted
6.2	Provide the information indicated in Guide to reporting on Principle 6	
	Principle 7: Recognize and manage risk	
7.1	Establish and disclose policies for the oversight and management of material business risks	Adopted except:
7.2	The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively.	7.3 While the executives assess, analyse and report to the Board on risk, the Board is yet to establish a formal risk management and reporting policy
7.3	The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	

	Principle 8: Encourage enhanced performance	
8.1	The Board should establish a Remuneration Committee	Adopted except: 8.1 and 8.2 The Board considers that the Company is not currently of a size, nor are it's affairs of such complexity to justify the formation of a Remuneration Committee. The Board as a whole is responsible for the remuneration arrangements for Directors and executives of the Company and considers is more appropriate to set aside time at Board meetings each year to specifically address matters that would ordinarily fall to a Remuneration Committee.
8.2	The Remuneration Committee should be structured so that it: • consists of a majority of independent Directors; • is chaired by an independent Director; and • has at least 3 members.	
8.3	Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives	
8.4	Provide the information indicated in Guide to reporting on Principle 8	

SWAN GOLD MINING LIMITED AND CONTROLLED ENTITIES
FOR THE YEAR ENDED 30 JUNE 2013
TENEMENT SCHEDULE

TENEMENT NO.	INTEREST %	PROJECT NAME AND LOCATION
E 16/252	100	Lady Ida, Coolgardie, WA
E 16/327	100	Lady Ida, Coolgardie, WA
E 16/332	100	Lady Ida, Coolgardie, WA
E 16/337	100	Lady Ida, Coolgardie, WA
E 16/344	100	Lady Ida, Coolgardie, WA
E 16/347	100	Lady Ida, Coolgardie, WA
E 16/355	100	Lady Ida, Coolgardie, WA
E 16/400	100	Lady Ida, Coolgardie, WA
E 16/412	100	Lady Ida, Coolgardie, WA
E 16/413	100	Lady Ida, Coolgardie, WA
E 16/414	100	Lady Ida, Coolgardie, WA
E 29/640	100	Mount Ida, North Coolgardie, WA
E 29/641	100	Mount Ida, North Coolgardie, WA
E 29/647	100	Mount Ida, North Coolgardie, WA
E 29/657	100	Siberia, North Coolgardie, WA
E 30/332	100	Riverina, North Coolgardie, WA
E 30/333	100	Riverina, North Coolgardie, WA
E 30/334	100	Davyhurst Central, North Coolgardie,WA
E 30/335	100	Davyhurst Central, North Coolgardie,WA
E 30/336	100	Davyhurst Central, North Coolgardie,WA
E 30/338	100	Davyhurst Central, North Coolgardie,WA
E 30/449	100	Davyhurst Central, North Coolgardie,WA
L 15/223	100	Lady Ida, Coolgardie, WA
L 15/224	100	Davyhurst Central, Coolgardie, WA
L 16/58	100	Lady Ida, Coolgardie, WA
L 16/62	100	Lady Ida, Coolgardie, WA
L 16/68	100	Lady Ida, Coolgardie, WA
L 16/72	100	Lady Ida, Coolgardie, WA
L 16/73	100	Lady Ida, Coolgardie, WA
L 16/77	100	Lady Ida, Coolgardie, WA
L 24/100	100	Lady Ida, Broad Arrow, WA
L 24/101	100	Lady Ida, Broad Arrow, WA
L 24/107	100	Lady Ida, Broad Arrow, WA
L 24/115	100	Lady Ida, Broad Arrow, WA
L 24/123	100	Lady Ida, Broad Arrow, WA
L 24/124	100	Lady Ida, Broad Arrow, WA
L 24/127	100	Lady Ida, Broad Arrow, WA
L 24/128	100	Lady Ida, Broad Arrow, WA
L 24/170	100	Lady Ida, Broad Arrow, WA

L 24/174	100	Lady Ida, Broad Arrow, WA
L 24/188	100	Lady Ida, Broad Arrow, WA
L 24/189	100	Lady Ida, Broad Arrow, WA
L 24/85	100	Lady Ida, Broad Arrow, WA
L 24/98	100	Lady Ida, Broad Arrow, WA
L 24/99	100	Lady Ida, Broad Arrow, WA
L 29/34	100	Mount Ida, North Coolgardie, WA
L 29/38	100	Mount Ida, North Coolgardie, WA
L 29/40	100	Mount Ida, North Coolgardie, WA
L 29/71	100	Mount Ida, North Coolgardie, WA
L 29/72	100	Mount Ida, North Coolgardie, WA
L 29/74	100	Mount Ida, North Coolgardie, WA
L 30/19	100	Davyhurst Central, North Coolgardie,WA
L 30/21	100	Davyhurst Central, North Coolgardie,WA
L 30/23	100	Davyhurst Central, North Coolgardie,WA
L 30/35	100	Davyhurst Central, North Coolgardie,WA
L 30/36	100	Davyhurst Central, North Coolgardie,WA
L 30/37	100	Davyhurst Central, North Coolgardie,WA
L 30/38	100	Davyhurst Central, North Coolgardie,WA
L 30/41	100	Davyhurst Central, North Coolgardie,WA
L 30/43	100	Davyhurst Central, North Coolgardie,WA
L 30/9	100	Davyhurst Central, North Coolgardie,WA
M 16/220	100	Davyhurst Central, Coolgardie, WA
M 16/262	100	Lady Ida, Coolgardie, WA
M 16/263	100	Lady Ida, Coolgardie, WA
M 16/264	100	Lady Ida, Coolgardie, WA
M 16/268	100	Lady Ida, Coolgardie, WA
M 16/470	100	Davyhurst Central, Coolgardie, WA
M 24/115	100	Siberia, Broad Arrow, WA
M 24/159	100	Siberia, Broad Arrow, WA
M 24/208	100	Siberia, Broad Arrow, WA
M 24/290	100	Siberia, Broad Arrow, WA
M 24/352	100	Siberia, Broad Arrow, WA
M 24/376	100	Siberia, Broad Arrow, WA
M 24/39	100	Siberia, Broad Arrow, WA
M 24/427	100	Siberia, Broad Arrow, WA
M 24/51	100	Siberia, Broad Arrow, WA
M 24/633	100	Siberia, Broad Arrow, WA
M 24/754	100	Siberia, Broad Arrow, WA
M 24/755	100	Siberia, Broad Arrow, WA
M 24/830	100	Siberia, Broad Arrow, WA

M 24/845	100	Siberia, Broad Arrow, WA
M 24/846	100	Siberia, Broad Arrow, WA
M 24/847	100	Siberia, Broad Arrow, WA
M 24/848	100	Siberia, Broad Arrow, WA
M 29/165	95	Mount Ida, North Coolgardie, WA
M 29/2	100	Mount Ida, North Coolgardie, WA
M 29/422	100	Mount Ida, North Coolgardie, WA
M 30/1	100	Davyhurst Central, North Coolgardie,WA
M 30/100	100	Davyhurst Central, North Coolgardie,WA
M 30/102	100	Davyhurst Central, North Coolgardie,WA
M 30/103	100	Davyhurst Central, North Coolgardie,WA
M 30/106	100	Davyhurst Central, North Coolgardie,WA
M 30/107	100	Davyhurst Central, North Coolgardie,WA
M 30/108	100	Davyhurst Central, North Coolgardie,WA
M 30/109	100	Davyhurst Central, North Coolgardie,WA
M 30/111	100	Davyhurst Central, North Coolgardie,WA
M 30/122	100	Davyhurst Central, North Coolgardie,WA
M 30/123	100	Davyhurst Central, North Coolgardie,WA
M 30/126	100	Davyhurst Central, North Coolgardie,WA
M 30/127	100	Riverina, North Coolgardie, WA
M 30/129	100	Davyhurst Central, North Coolgardie,WA
M 30/131	100	Davyhurst Central, North Coolgardie,WA
M 30/132	100	Davyhurst Central, North Coolgardie,WA
M 30/133	100	Riverina, North Coolgardie, WA
M 30/135	100	Davyhurst Central, North Coolgardie,WA
M 30/137	100	Davyhurst Central, North Coolgardie,WA
M 30/148	100	Davyhurst Central, North Coolgardie,WA
M 30/150	100	Davyhurst Central, North Coolgardie,WA
M 30/157	100	Riverina, North Coolgardie, WA
M 30/159	100	Davyhurst Central, North Coolgardie,WA
M 30/16	100	Riverina, North Coolgardie, WA
M 30/178	100	Riverina, North Coolgardie, WA
M 30/182	100	Riverina, North Coolgardie, WA
M 30/187	100	Davyhurst Central, North Coolgardie,WA
M 30/21	100	Davyhurst Central, North Coolgardie,WA
M 30/34	100	Davyhurst Central, North Coolgardie,WA
M 30/39	100	Davyhurst Central, North Coolgardie,WA
M 30/42	100	Davyhurst Central, North Coolgardie,WA
M 30/43	100	Riverina, North Coolgardie, WA
M 30/44	100	Davyhurst Central, North Coolgardie,WA
M 30/48	100	Davyhurst Central, North Coolgardie,WA

M 30/5	100	Davyhurst Central, North Coolgardie,WA
M 30/59	100	Davyhurst Central, North Coolgardie,WA
M 30/60	100	Riverina, North Coolgardie, WA
M 30/63	100	Davyhurst Central, North Coolgardie,WA
M 30/7	100	Davyhurst Central, North Coolgardie,WA
M 30/72	100	Davyhurst Central, North Coolgardie,WA
M 30/73	100	Davyhurst Central, North Coolgardie,WA
M 30/74	100	Davyhurst Central, North Coolgardie,WA
M 30/75	100	Davyhurst Central, North Coolgardie,WA
M 30/80	100	Davyhurst Central, North Coolgardie,WA
M 30/84	100	Riverina, North Coolgardie, WA
M 30/97	100	Riverina, North Coolgardie, WA
M 30/98	100	Riverina, North Coolgardie, WA
P 16/2500	100	Lady Ida, Coolgardie, WA
P 16/2501	100	Lady Ida, Coolgardie, WA
P 16/2502	100	Lady Ida, Coolgardie, WA
P 16/2503	100	Lady Ida, Coolgardie, WA
P 16/2504	100	Lady Ida, Coolgardie, WA
P 16/2505	100	Lady Ida, Coolgardie, WA
P 16/2506	100	Lady Ida, Coolgardie, WA
P 16/2507	100	Lady Ida, Coolgardie, WA
P 16/2514	100	Davyhurst Central, Coolgardie, WA
P 16/2518	100	Lady Ida, Coolgardie, WA
P 16/2550	100	Lady Ida, Coolgardie, WA
P 16/2551	100	Lady Ida, Coolgardie, WA
P 16/2774	100	Lady Ida, Coolgardie, WA
P 16/2775	100	Lady Ida, Coolgardie, WA
P 24/4182	100	Siberia, Broad Arrow, WA
P 24/4750	100	Siberia, Broad Arrow, WA
P 24/4751	100	Siberia, Broad Arrow, WA
P 24/4752	100	Siberia, Broad Arrow, WA
P 24/4753	100	Siberia, Broad Arrow, WA
P 24/4754	100	Siberia, Broad Arrow, WA
P 29/1938	100	Mount Ida, North Coolgardie, WA
P 29/1939	100	Mount Ida, North Coolgardie, WA
P 29/1940	100	Mount Ida, North Coolgardie, WA
P 29/1941	100	Mount Ida, North Coolgardie, WA
P 29/1942	100	Mount Ida, North Coolgardie, WA
P 29/1943	100	Mount Ida, North Coolgardie, WA
P 29/1944	100	Mount Ida, North Coolgardie, WA
P 29/1945	100	Mount Ida, North Coolgardie, WA

P 29/1946	100	Mount Ida, North Coolgardie, WA
P 29/1947	100	Mount Ida, North Coolgardie, WA
P 29/1948	100	Mount Ida, North Coolgardie, WA
P 29/1949	100	Mount Ida, North Coolgardie, WA
P 29/1950	100	Mount Ida, North Coolgardie, WA
P 29/2310	100	Mount Ida, North Coolgardie, WA
P 29/2311	100	Mount Ida, North Coolgardie, WA
P 29/2312	100	Mount Ida, North Coolgardie, WA
P 29/2313	100	Mount Ida, North Coolgardie, WA
P 29/2314	100	Mount Ida, North Coolgardie, WA
P 29/2315	100	Mount Ida, North Coolgardie, WA
P 29/2317	100	Mount Ida, North Coolgardie, WA
P 29/2318	100	Mount Ida, North Coolgardie, WA
P 29/2319	100	Mount Ida, North Coolgardie, WA
P 29/2320	100	Mount Ida, North Coolgardie, WA
P 29/2321	100	Mount Ida, North Coolgardie, WA
P 29/2322	100	Mount Ida, North Coolgardie, WA
P 29/2323	100	Mount Ida, North Coolgardie, WA
P 29/2324	100	Mount Ida, North Coolgardie, WA
P 29/2325	100	Mount Ida, North Coolgardie, WA
P 29/2326	100	Mount Ida, North Coolgardie, WA
P 29/2327	100	Mount Ida, North Coolgardie, WA
P 29/2328	100	Mount Ida, North Coolgardie, WA
P 30/1012	100	Mount Ida, North Coolgardie, WA
P 30/1013	100	Mount Ida, North Coolgardie, WA
P 30/1014	100	Mount Ida, North Coolgardie, WA
P 30/1015	100	Mount Ida, North Coolgardie, WA
P 30/1016	100	Mount Ida, North Coolgardie, WA
P 30/1017	100	Riverina, North Coolgardie, WA
P 30/1018	100	Riverina, North Coolgardie, WA
P 30/1020	100	Riverina, North Coolgardie, WA
P 30/1021	100	Riverina, North Coolgardie, WA
P 30/1023	100	Riverina, North Coolgardie, WA
P 30/1024	100	Riverina, North Coolgardie, WA
P 30/1025	100	Riverina, North Coolgardie, WA
P 30/1026	100	Riverina, North Coolgardie, WA
P 30/1027	100	Riverina, North Coolgardie, WA
P 30/1033	100	Riverina, North Coolgardie, WA
P 30/1034	100	Riverina, North Coolgardie, WA
P 30/1038	100	Riverina, North Coolgardie, WA
P 30/1040	100	Riverina, North Coolgardie, WA

P 30/1042	100	Davyhurst Central, North Coolgardie,WA
P 30/1043	100	Davyhurst Central, North Coolgardie,WA
P 30/1051	100	Davyhurst Central, North Coolgardie,WA
P 30/1055	100	Davyhurst Central, North Coolgardie,WA
P 30/1056	100	Davyhurst Central, North Coolgardie,WA
P 30/1060	100	Davyhurst Central, North Coolgardie,WA
P 30/1074	100	Riverina, North Coolgardie, WA
P 30/1086	100	Davyhurst Central, North Coolgardie,WA
P 30/1087	100	Davyhurst Central, North Coolgardie,WA

Additional information required by the Australian Securities Exchange Listing Rules and not disclosed elsewhere in this report is set out below:

SHAREHOLDINGS (as at 14 March 2014)
Substantial shareholders

The number of shares held by substantial shareholders and their associates are set out below:

Shareholder	Number of ordinary shares	% of issue capital
Investmet Limited	412,386,710	46.15
Stirling Gold Pty Ltd	86,238,215	9.65

Voting Rights
Each shareholder is entitled to receive notice of and attend and vote at generals meetings of the Company. At a general meeting every shareholder present in person or by proxy, representative or attorney will have one vote on a show of hands and on a poll, one vote for each share held.

Distribution of equity security holders

Category	Total shareholders
1-1,000	430
1,001-5,000	1,510
5,001-10,000	1,038
10,001-100,000	1,553
100,001-9,999,999,999	292
	4,823

On market buy-back
There is not currently any on market buyback.

Securities on issue

Category	Number
Ordinary Shares	893,487,661

ASX Additional Information Continued

Twenty largest shareholders – 23 January 2014

CLASS GROUP: *G1/ORDINARY SHARES (GROUPED)

HOLDER NO	NAME AND ADDRESS	UNITS	% I/C	RANK
	INVESTMET LIMITED	412,386,710	46.15	1
	STIRLING GOLD PTY LTD	86,238,215	9.65	2
	MGMC PTY LTD <GROUP A/C>	43,723,382	4.89	3
	MRS SUSAN KIERNAN	40,000,000	4.48	4
	MGMC PTY LTD <MT IDA A/C>	30,625,384	3.43	5
	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	27,890,187	3.12	6
	J P MORGAN NOMINEES AUSTRALIA LIMITED	17,363,649	1.94	7
	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	8,581,500	0.96	8
	BESPOKEN PROPERTIES GMBH	7,499,584	0.84	9
	AMP LIFE LIMITED	6,625,571	0.74	10
	WESTNET HOLDINGS PTY LTD <THE JP AVIATION A/C>	6,000,000	0.67	11
	J P MORGAN NOMINEES AUSTRALIA LIMITED	5,032,471	0.56	12
	MINERAL RESOURCES LIMITED	5,000,000	0.56	13
	CITICORP NOMINEES PTY LIMITED	4,162,954	0.47	14
	CLIFFWAY PTY LTD <JOHN HARTLEY POYNTON PERSONAL SUPERANNUATION FUND A/C>	4,000,000	0.45	15
	MARTIN PLACE SECURITIES NOMINEES PTY LTD	3,620,000	0.41	16
	ABBOTSLEIGH PTY LTD	3,424,862	0.38	17
	DR LEON EUGENE PRETORIUS	3,000,000	0.34	18
	CUNNINGHAM PETERSON SHARBANEE SECURITIES PTY LTD	2,690,000	0.30	19
	TAYCOL NOMINEES PTY LTD	2,600,000	0.29	20
	REPORT TOTAL	720,464,469	80.64	
	REMAINDER	173,023,192	19.36	
	GRAND TOTAL	893,487,661	100.00	