NAVAHO GOLD LIMITED AND CONTROLLED ENTITIES

ACN: 068 958 752

ANNUAL REPORT 2014

CONTENTS

CORPORATE INFORMATION

DIRECTORS
Nicholas Mather
Brian Moller
Ben Harrison (resigned 24 February 2014)
Karl Schlobohm (appointed 24 February 2014)

COMPANY SECRETARY
Karl Schlobohm

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COUNTRY OF INCORPORATION
Australia

STOCK EXCHANGE LISTING
Australian Securities Exchange Ltd
ASX Code: NVG

INTERNET ADDRESS
www.navahogold.com

AUSTRALIAN BUSINESS NUMBER
ABN 79 068 958 752

CHAIRMAN'S REPORT

Dear Shareholder

The past year has seen a continuation of the tough global commodity and stock market conditions that have stifled growth and investor confidence over the past 24 months, particularly for junior exploration and resource companies. The instability and general retraction of economic and financial markets across the world has continued to have an impact on Navaho Gold.

The Company continued its efforts on cost minimization and capital preservation, and continued to review and trim its portfolio of gold project interests. This resulted in the recent decision to terminate the Company's interest and involvement in the Utah Clipper gold project in Nevada, USA which was proving expensive to maintain and had yielded inconclusive geological results in the two previous periods. At the same time, and due to the aforementioned market conditions affecting industry participants across the board, the Company sought further opportunities to broaden and diversify its project base on favourable entry terms.

The upshot of this strategy has seen Navaho Gold's potential project base broadened with the Company successfully tendering for a highly prospective oil and gas tenement (Roma Shelf) in Queensland, and agreeing terms with Mr Neil Stuart for the scrip-based acquisition of his private company (Excarb Pty Ltd) with favourable farm-in rights over prospective coal projects in Argentina.

I am particularly pleased that Neil Stuart has agreed to join the Board of Navaho and to act as its interim CEO until a suitable candidate is secured. Neil has an enviable track record of geological success and wealth-creation involving, amongst others, Argentinean projects. As a founding Director of Oroplata Ltd, Neil was instrumental in acquiring the highly prospective Cerro' Negro Epithermal Gold Project from MIM Holdings Ltd and advancing the project until the company merged with Andean Resources Ltd which itself was taken-over by the large Canadian miner Goldcorp in 2010 for $3.7 billion.

Neil has already started work on the Argentinean coal projects at Marayes, and has also been looking for potential new project opportunities in Argentina on behalf of Navaho. I look forward to Neil's involvement at Board level once the Excarb transaction is completed.

Shareholders would be aware that the scrip-based acquisition of Excarb Pty Ltd, the company that holds the rights to the Argentinean coal projects, is to be approved (amongst other matters) at a shareholders meeting to be convened on 1 October 2014. I look forward to broad shareholder support for this important acquisition, and the other matters to be put to the meeting.

Recent desk top studies into the two Australian oil and gas projects held by 98.75% subsidiary, Navgas Pty Ltd, are generating some fruitful leads in both the Queensland and South Australian project areas. As part of the deep review of historical data for the South Australian shale gas project applications, records of an area of extensive historic oil shows has been revealed, and which would appear to have remained unexplored for the past 50 years. In relation to the Roma Shelf project in Queensland, the Company is currently in the process of refining several drill prospects in 'Brownfields' oil gas and condensate producing areas. The potential prospectivity of these two oil and gas projects could ultimately prove to be an important fillip in reversing the Company's fortunes.

I am hopeful that shareholders can look forward to improved market and commodity conditions in the new financial year as your Board continues to work to restore shareholder value.

Yours sincerely

Nick Mather
Chairman

REVIEW OF OPERATIONS

The continuation of difficult market conditions for Australia's junior exploration participants hampered the Company's ability to significantly advance its US-based projects during the year. This resulted in the recent decision to terminate the Company's involvement and interest in the Utah Clipper gold project in Nevada, USA due primarily to its relatively high holding costs and the mixed geological results encountered to date. However, the Company continued to look for opportunities to diversify and build on its existing and potential project portfolio as set out in this review.

The Company's current project portfolio can be broken down into the following components:

1. Gold Projects, USA

The Company maintains an interest in the following projects located in the USA:

Figure 1 – Project Location Map, USA

Carlin East Project, Nevada
Via Option Agreement with Genesis Gold Corp.

At the time of this report, Navaho Gold has entered negotiations with the owner of the Carlin East Project (Genesis Gold Corp) to effectively convert the project arrangement from an "all or nothing" call option to a more traditional farm-in arrangement.

The Carlin East Project lies approximately 6km to the north-east of Newmont's Leeville gold mining operation, and the favourable structural setting has never been drill tested, making this a compelling exploration project. The project also lies in close proximity to Barrick's Post-Betze and Meikle mines. The geophysical data indicates proven mineralized structures may trend into the Carlin East project area.

Whilst a permit to drill the permit area has been obtained from the Bureau of Land Management, no activities on the project were undertaken during the period.

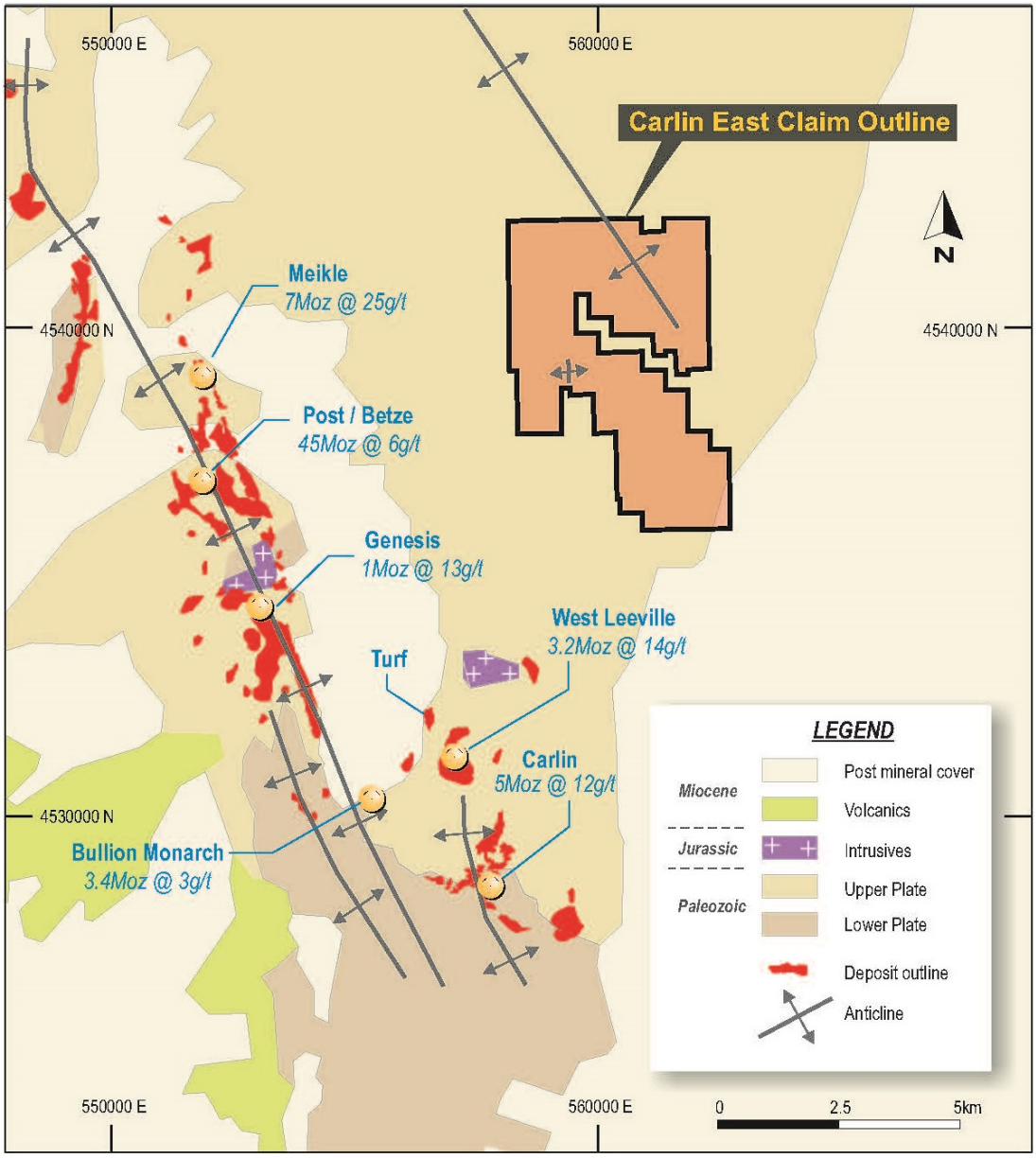

Figure 2 - Carlin East Project location with structural trends and locations of established mines

New Mexico Project, New Mexico
Via New Mexico Alliance Agreement with Genesis Gold Corp.

The Company currently holds a 51% equitable interest in the New Mexico Alliance with Genesis Gold Corp as a result of its prior expenditure in relation to securing the project areas.

This provided Navaho Gold with a 51% interest in five separate projects within the New Mexico Alliance area. Each of these projects has the potential to yield world-class gold discoveries similar to the Carlin-style gold deposits in the prolific gold province of Nevada.

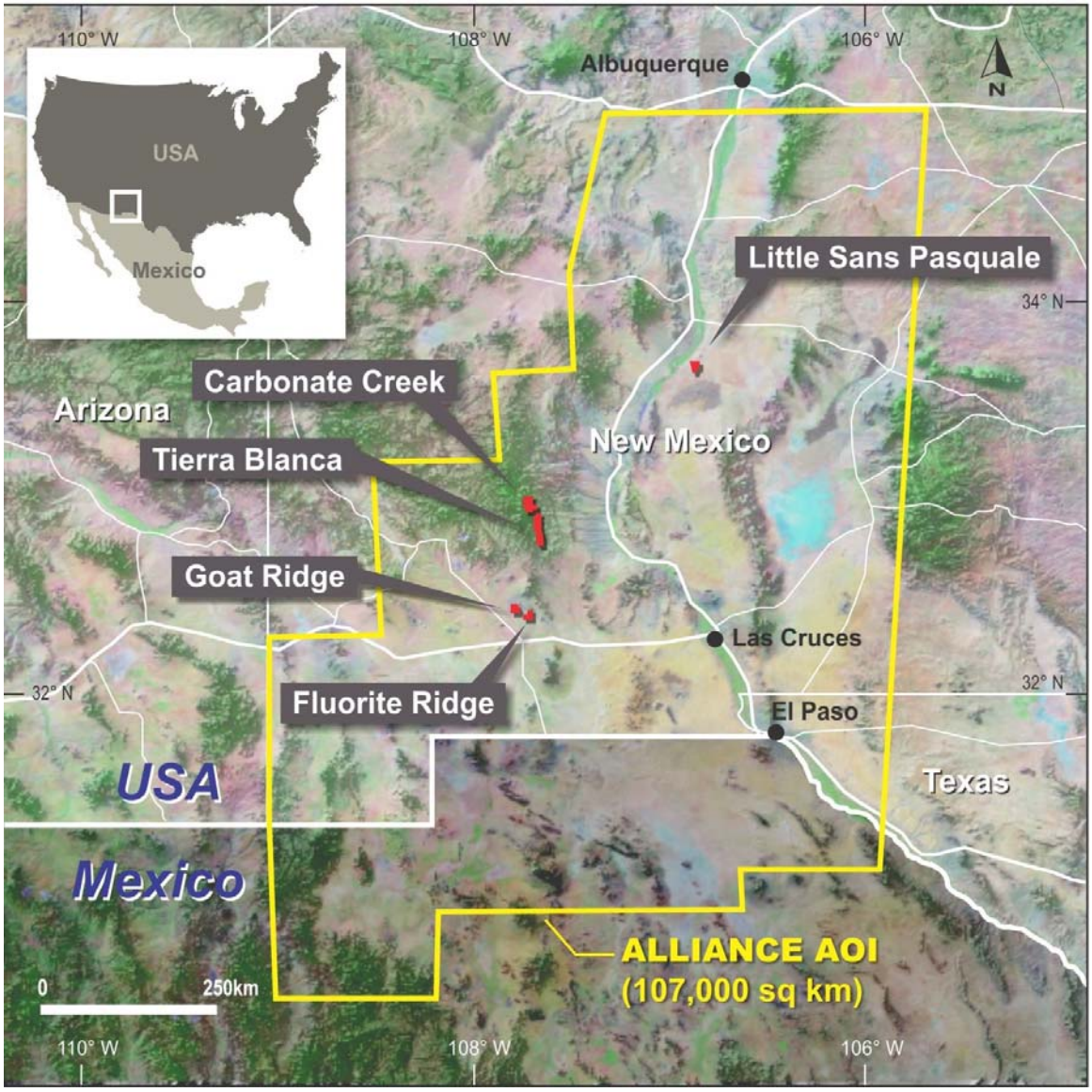

Figure 3 - Location of the New Mexico projects within the defined Alliance Area

Initial exploration results from work undertaken by the Company were highly encouraging. Surface rock chip sampling returned highly anomalous gold and silver assays from several of the projects. However, due to the prolonged continuation of underlying market conditions, no substantive work was undertaken during the period.

Navaho Gold is currently undertaking a strategic review of these assets to determine the best options for their divestment or development to maximise shareholder value.

2. Oil & Gas Projects, Australia (NavGas)

South Australian Oil & Gas Project

The South Australian gas project is held within NavGas Pty Ltd, a 98.75% subsidiary of Navaho Gold. The project area incorporates six (6) PELA's (Petroleum Exploration Licence Applications) covering approximately 53,000km^2 and is located as outlined in Figure 4. The project was originally generated by the Company on the basis of its potential prospectivity for unconventional shale gas.

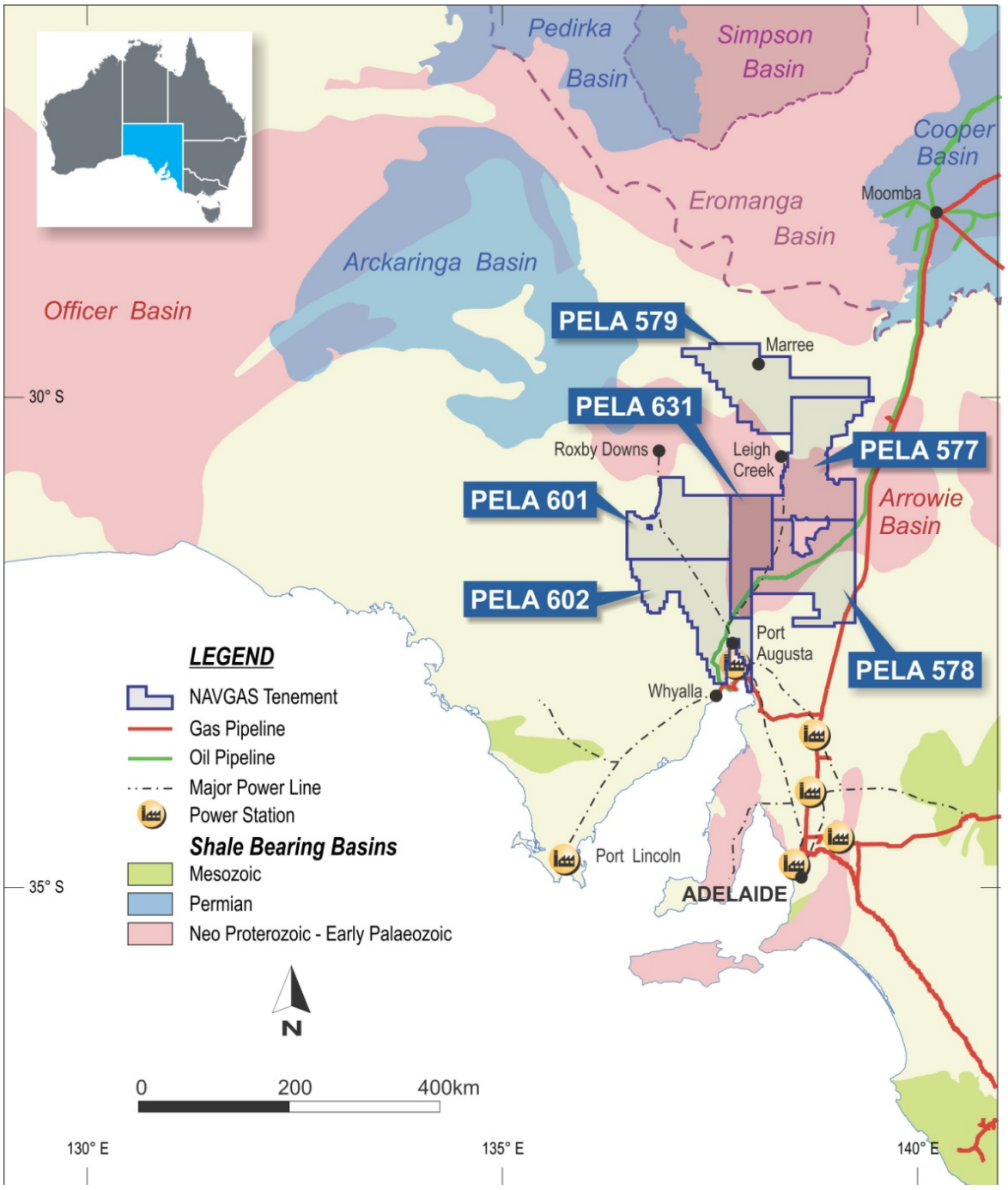

Figure 4: Project area in South Australia held by NavGas

As part of the recent detailed review of historical data for the South Australian shale gas project applications, records of an area of historic oil shows extending over 70km^2 at Wilkatana (within NavGas' PELA 631) have been revealed, which may subsequently have remained unexplored for the past 50 years (refer Figure 5).

The Wilkatana area appears to represent a super giant Cambrian aged oil field which has been breached by erosion. Oil and gas shows occur in Cambrian reef limestones and adjacent Protorezoic aged Pound Quatzite and overlying Tertiary sediments.

The area to the north over the Torrens Hinge Zone covers an area of 2,200km^2 east of the Torrens and plunges at a shallow angle to the north with potential for additional traps in Cambrian reef limestones and Protorezoic sandstone units in fold closures at the Torrens Hinge Zone and against Cambrian salt diapirs.

Gravity data suggests that a number of salt diapirs may exist, and existing scant seismic coverage suggests that the area is prospective for several fold closures. The Company's investigations are continuing.

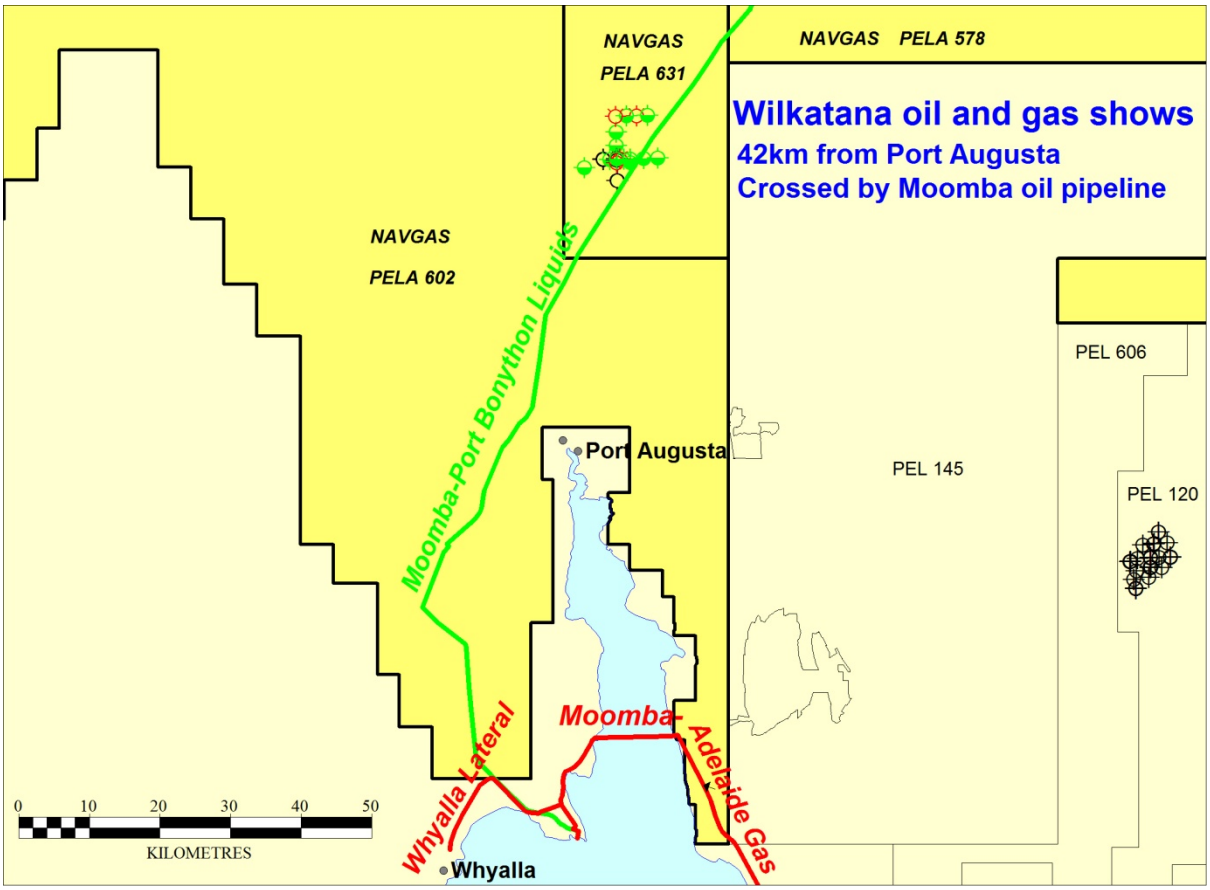

Figure 5 – Location Map – Wilkatana Oil Field, South Australia

The South Australian project area is favourably located adjacent to gas pipeline infrastructure, and is positioned to take advantage of the expected current forecast increases in local demand for gas in Eastern Australia in the next five (5) plus years.

Roma Shelf Oil & Gas Project, Queensland

During the year NavGas was successful in tendering for ATP1183 (Roma Shelf) which is considered prospective for oil, gas and condensate targets (refer Figure 6). The granted tenement area extends over a highly prospective area of the Roma Shelf, and surrounds the Riverslea Oil Field and Major Gas/Condensate Field, both of which are excluded from the permit under Petroleum Leases. The Boxleigh Gas Field adjoins the Roma Shelf Project area to the east.

Based on a reinterpretation of the existing seismic database and an analysis of petroleum wells drilled by previous explorers, NavGas believes that several promising conventional petroleum targets exist within the Roma Shelf Project.

Several leads have been identified within the Roma Shelf, in areas peripheral to the Major Gas/Condensate Field, and in the area to the east between Major and Boxleigh (see Figure 7). The largest of these is an untested lead measuring 4.8km^2 with an exploration target focussed on light crude / condensate. The target oil, condensate, and gas bearing Showgrounds Sandstone Reservoir is predicted to lie at approximately 1700m depth.

In the north of the Roma Shelf Project, the 4.8 km^2 Riverslea West lead lies up-dip from the Riverslea Oil Field. Previous drilling on the edge of closure is not considered by NavGas to be an effective test. The target Evergreen Formation sand is predicted at approximately 1440m depth and NavGas considers the lead to be prospective for discovery. Several smaller oil-prospective leads have been identified within the Roma Shelf Project area in the vicinity of the shut-in Martini Oil Field. The target is oil hosted in Moolayember sand reservoirs at approximately 1520m depth.

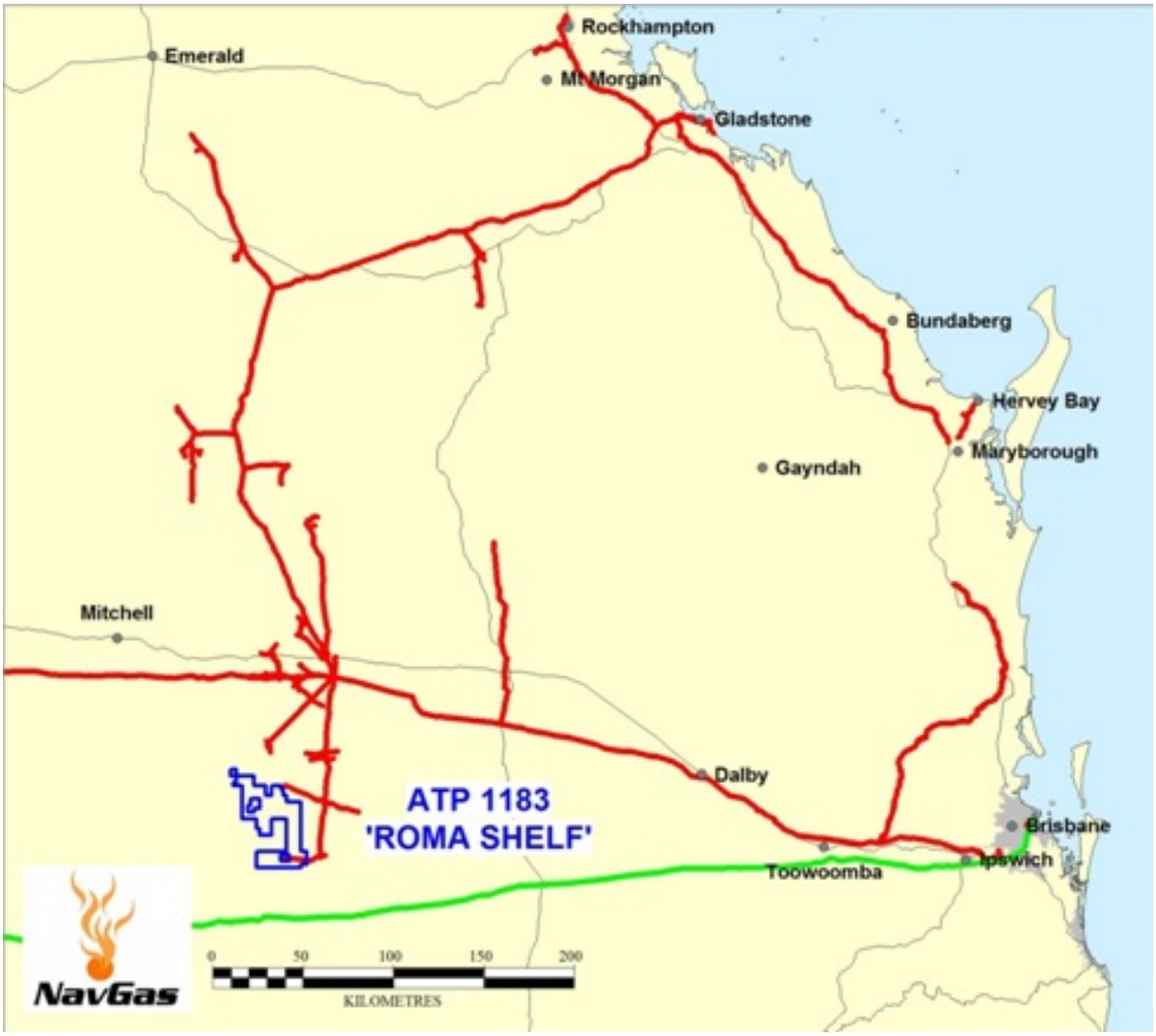

Figure 6 - Location Map for the Roma Shelf Project with existing gas pipeline infrastructure

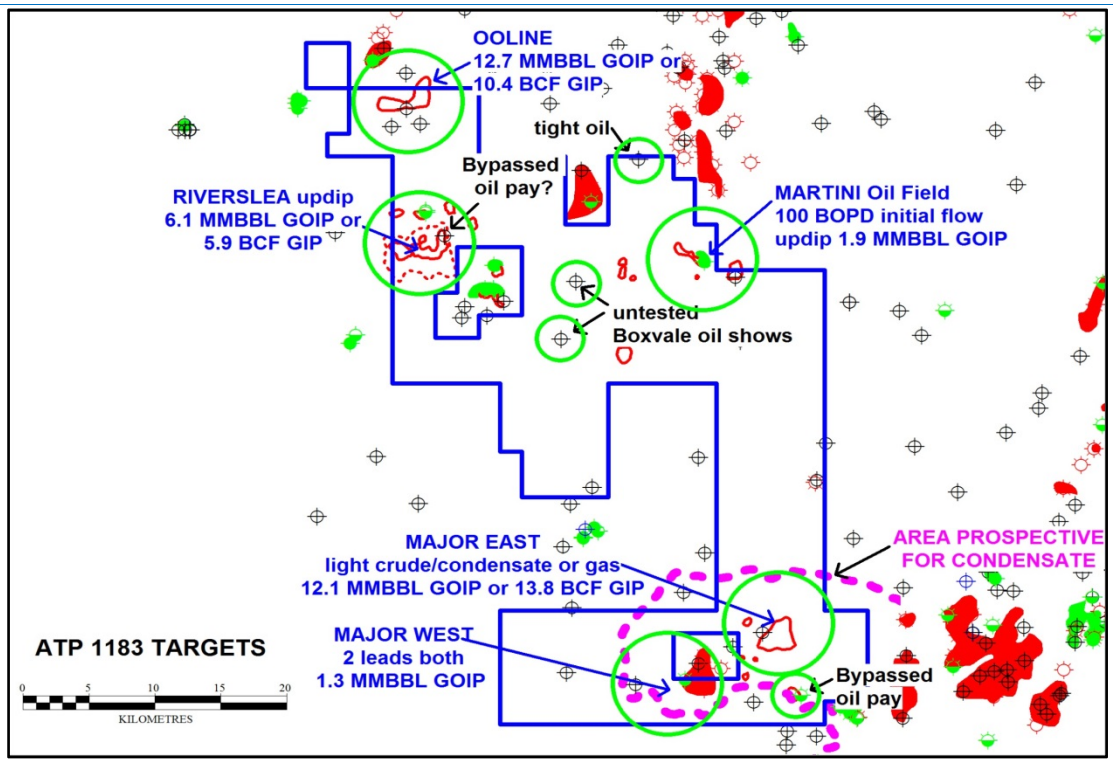

Figure 7 – Initial targets identified within the Roma Shelf Project

The Roma Shelf Project is situated in an area with established production facilities and infrastructure, and is well serviced by existing gas pipelines.

In September 2014, NavGas applied to have the tenure period automatically extended from four to six years, under amendments made to Queensland's Petroleum and Gas (Production and Safety) Act.

3. Coal Projects, Argentina (Excarb) – *Pending Shareholder Approval*

The Company announced to the market in July 2014 its intention to acquire 100% of the shares in Excarb Pty Ltd (Excarb) via a scrip-for-scrip transaction, to be approved by shareholders at a general meeting called for 1 October 2014. Excarb is a company controlled by well-known entrepreneurial geologist Mr Neil Stuart, and has rights over prospective coal projects at Marayes in the San Juan Province of Argentina (Figure 8).

The Marayes coal project sites are located in proximity to the village and railway station of Marayes, 110km east of San Juan, and 210km northeast of Mendoza. The project is currently comprised of five (5) tenement areas over which Excarb has farm-in rights to earn a 100% interest in the tenements by meeting all costs to keep the tenements in good standing, obtain a transfer of ownership of the tenements, and if coal production arises, pay a royalty of between $USD1.50 to $USD2.00 per tonne to Elementos Ltd.

The coal is hosted in Triassic aged rock units. Shallow coal mining activities took place during the First World War and again in the 1940's and early 1950's. The coal occurs in 6 main banded seams which can be up to or in excess of 2m thick with the coal content making up approximately 90% of the whole seam. The seams dip at 5 to 15 degrees to the west and extend over approximately 50km of strike length north to south on the tenements. Selected sampling of old dumps has shown that a high volatile bituminous coal may be available with calorific or heat values up to 8088 kcal/kg or 33.78MJ/kg.

Market opportunities potentially exist for new power generation facilities for at least 2Mtpa within the San Juan province or replacing presently imported coal to the power station located near Rosario port on the Rio Parana. Exporting coal through the ports of Santa Fe or Rosario (some 600km to the east of the mining project on the existing rail network) and local mining and industrial applications are also possibilities.

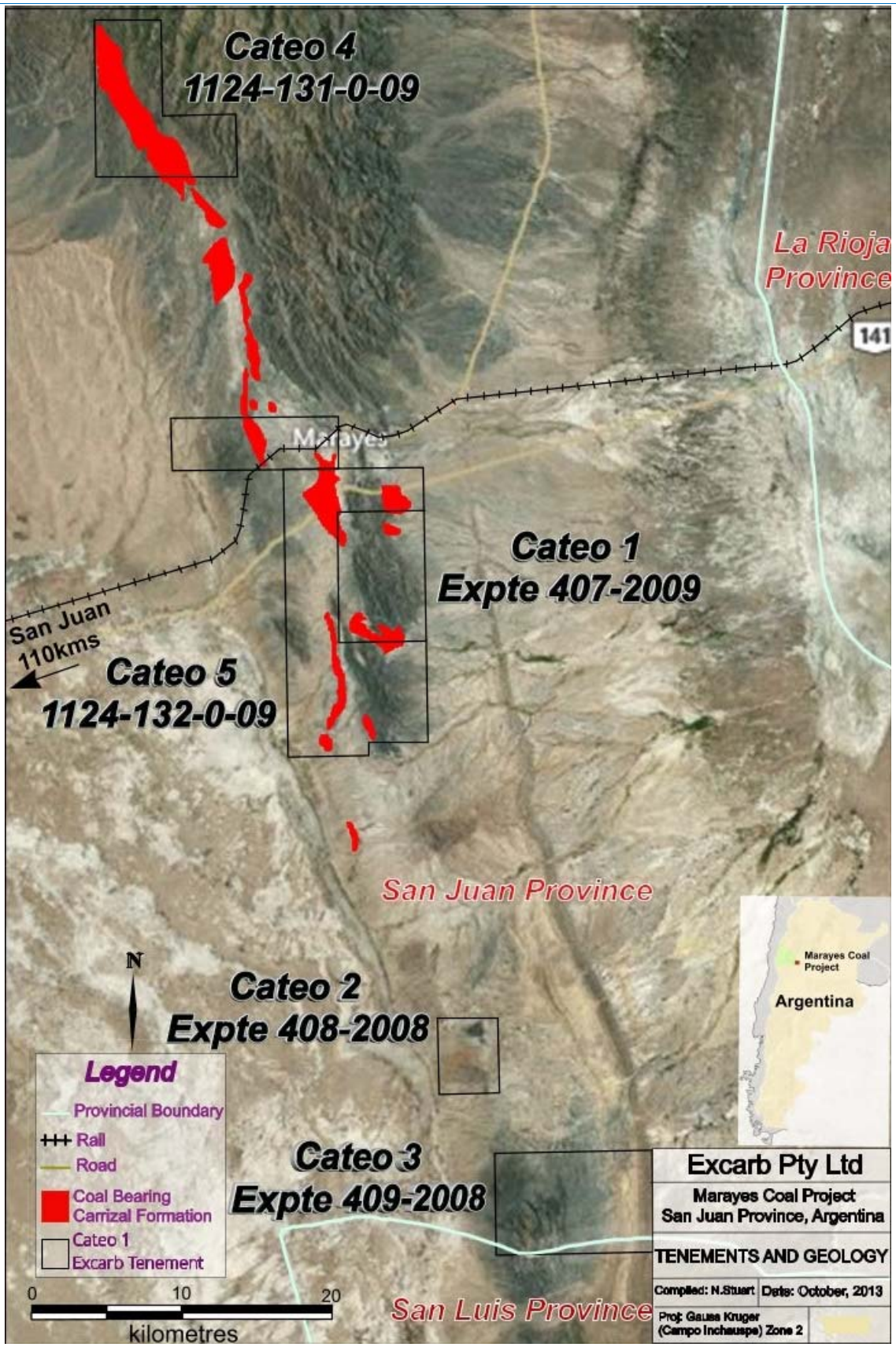

Figure 8 - Location of Marayes Projects, Argentina

Navaho and the vendors of Excarb executed a Share Sale Agreement in July 2014 containing the following elements:

(i) Navaho will acquire Excarb for an initial scrip-based consideration of 10 million Navaho shares, subject to shareholders approving the acquisition at the meeting of 1 October 2014;

(ii) Excarb to retain its interest in the Marayes coal projects but cancel its option over the Nirihuau coal projects, with a consequent reduction in the total share and milestone based consideration payable;

(iii) The further "milestone shares" of 17,000,000 will be allotted by Navaho to the Excarb vendors in the event of the introduction of a suitable new mining, oil or gas related project opportunity to Navaho by 30 June 2015;

(iv) A capital raising of $500,000 will be undertaken to support the transaction and as a condition precedent to completion;

(v) Neil Stuart to join the Navaho Board upon the completion of the transaction.

About Neil Stuart

Neil Stuart is a highly experienced exploration geologist with over 40 years of experience in the minerals industry. Earlier in his career, he worked with Utah development Company (for uranium, base metals and coal) with activity in all states of Australia, Kenya, Morocco, South Africa, Madagascar and Indonesia and then managed the highly successful coal exploration program for Marathon Petroleum Australia Ltd.

In 1979, he established a geological consultancy based in Brisbane and has since undertaken assignments for numerous major and junior mining companies. Work during this period involved many commodities including gold, metals, coal and uranium. Since 2000, he has been heavily involved in project delineation and acquisition in Australia, and Argentina. As a founding Director of Oroplata Ltd, Mr Stuart was instrumental in acquiring the highly prospective Cerro' Negro Epithermal Gold Project from MIM Holdings Ltd and advancing the project until the company merged with Andean Resources Ltd which itself was taken-over by the large Canadian miner Goldcorp. Goldcorp is to begin gold production at Cerro Negro later this year.

Mr Stuart was also a co-founder of ASX and TSX listed Orocobre Limited, which is now developing the Salar Olaroz lithium project in north-western Argentina. Production of battery-grade lithium carbonate is expected to begin at the project before the end of 2014.

In the last three (3) years, Mr Stuart has served on the Boards of the following ASX-listed companies:

- Axiom Mining Ltd;
- Bowen Energy Ltd;
- Orocobre Ltd;
- OGL Resources Limited;
- Elementos Limited.

COMPETENT PERSON STATEMENT

The information in this Announcement that relates to Exploration Targets, Exploration Results or Mineral Resources is based on information compiled by Mr Nicholas Mather B.Sc. (Hons) Geol., who is a Member of The Australian Institute of Mining and Metallurgy. Mr Mather is employed by Samuel Capital Pty Ltd, which provides certain consultancy services including the provision of Mr Mather as the Managing Director of DGR Global Ltd and a Director of Navaho Gold Limited.

Mr Mather has more than five years' experience which is relevant to the style of mineralisation and type of deposit being reported and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' (the JORC Code). This public report is issued with the prior written consent of the Competent Person(s) as to the form and context in which it appears.

DIRECTORS' REPORT

Your Directors submit their report for the year ended 30 June 2014.

Directors

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

Nicholas Mather
Brian Moller
Ben Harrison (resigned 24 February 2014)
Karl Schlobohm (appointed 24 February 2014)

Nicholas Mather – Chairman
BSc (Hons,Geol), MAusIMM

Nick Mather's special area of experience and expertise is the generation of and entry into undervalued or unrecognized resource exploration opportunities. He has been involved in the junior resource sector at all levels for more than 25 years. In that time he has been instrumental in the delivery of major resource projects that have delivered significant gains to shareholders. As an investor, securing projects and financiers, leading exploration campaigns and managing emerging resource companies, Mr Mather brings a wealth of valuable experience.

During the past three years Mr Mather has also served as a Director of the following listed companies:

- DGR Global Ltd
- Orbis Gold Ltd
- Aus Tin Mining Ltd (formerly AusNiCo Ltd)
- Bow Energy Ltd (resigned December 2011)
- Armour Energy Ltd
- Lakes Oil NL (appointed 7 February 2012)
- SolGold plc which is listed on the London Stock Exchange (AIM)

Brian Moller – Non Executive Director
LLB (Hons)

Brian Moller is a corporate partner in the Brisbane based law firm Hopgood Ganim. He was admitted as a solicitor in 1981 and has been a partner since 1983. He practices almost exclusively in the corporate area with an emphasis on capital raising, mergers and acquisitions.

He holds an LLB Hons from the University of Queensland and is a member of the Australian Mining and Petroleum Law Association.

Mr Moller acts for many public listed resource and industrial companies and brings a wealth of experience and expertise to the board particularly in the corporate regulatory and governance areas. During the past three years Mr Moller has also served as a Director of the following listed companies:

- DGR Global Ltd
- AusNiCo Ltd
- Platina Resources Ltd
- SolGold plc (formerly Solomon Gold plc), which listed on the London Stock Exchange (AIM)
- Buccaneer Energy Ltd (resigned 29 November 2013)
- Aguia Resources Ltd

Karl Schlobohm – Non Executive Director/Company Secretary
B.Comm, B.Econ, M.Tax, CA, AICD

Karl Schlobohm is a Chartered Accountant with over 20 years' experience across a wide range of industries and businesses. He has extensive experience with financial accounting, corporate governance, company secretarial duties and board reporting. In the 5 years prior to joining the DGR Global group, Mr Schlobohm contracted into roles as CFO and/or Company Secretary for a number of ASX-listed resource companies including Linc Energy, Discovery Metals and Meridian Minerals.

He currently acts as the Company Secretary for ASX-listed DGR Global Limited, Aus Tin Mining Limited, Armour Energy Limited and LSE(AIM)-listed SolGold Plc.

Directors' Report (continued)

As at the date of this report, the interest of the Directors in the shares and options of Navaho Gold Limited were:

	Number of ordinary shares	Number of options over ordinary shares
Nicholas Mather	18,781,237	-
Brian Moller	12,812,518	-
Karl Schlobohm	679,985	-

Corporate structure

Navaho Gold Limited is a company limited by shares that is incorporated and domiciled in Australia. It became an ASX listed public company on 11 April 2011.

Principal activities

The principal activities of the Group during the financial year involved exploration for and ultimate development of "Carlin Style" gold mineralization in Nevada, USA and Queensland, Australia. There was no significant change in the nature of the activities of the Group during the financial year.

Dividends

No dividends were declared or paid during the financial year or since the end of the financial year.

Review and results of operations

The loss after income tax for the Group for the year ended 30 June 2014 was $3,983,395 (2013: $3,566,999).

The Directors confirm that the period since the Company's admission on the Australian Securities Exchange, the Company has used its cash (and assets in a form readily convertible to cash) in a way consistent with its business objectives.

The review of operations for the year is discussed in the Annual Report under the heading "Review of Operations".

Significant changes in the state of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Group that occurred during the financial year under review not otherwise disclosed in this report or the financial statements of the Group for the financial year.

Future developments, prospects and business strategies

Planned developments in the operations of the Group and the expected results of those operations in subsequent financial years have been discussed where appropriate in the Annual Report under Review of Operations.

There are no further developments of which the Directors are aware which could be expected to affect the results of the Group's operations and plans.

Environmental regulations and performance

The Directors have put in place strategies and procedures to ensure that the Group manages its compliance with environmental regulations. The Directors are not aware of any breaches of any applicable environmental regulations.

Proceedings on behalf of company

No person has applied to the Court under section 237 of *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Director's Report (continued)

Remuneration report (audited)

This remuneration report for the year ended 30 June 2014 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* (the "Act") and its regulations. This information has been audited as required by section 308(3C) of the Act.

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

The remuneration report is presented under the following sections:

1. Individual key management personnel disclosures
2. Remuneration policy
3. Non-executive Director remuneration arrangements
4. Executive remuneration arrangements
5. Company performance and the link to remuneration
6. Executive contractual arrangements
7. Equity instruments disclosures
8. Additional disclosures relating to key management personnel

1. Individual key management personnel disclosures

Key management personnel

(i) Directors

Nicholas Mather	Non-executive Chairman
Brian Moller	Non-executive Director
Ben Harrison	Executive Director and Acting Chief Executive Officer (resigned effective 24 February 2014)
Karl Schlobohm	Non-executive Director (appointed 24 February 2014) and Company Secretary

(ii) Other key management personnel (including executives)

Jason Babcock	Consulting Exploration Manager (USA)
Priy Jayasuriya*	Chief Financial Officer

* Priy Jayasuriya was remunerated by DGR Global Ltd.

Ben Harrison resigned from Navaho Gold Limited effective 24 February 2014. There were no changes to KMP after reporting date and before the date the financial report was authorised for issue.

2. Remuneration policy

Navaho Gold Limited's remuneration strategy is designed to attract, motivate and retain employees and NEDs by identifying and rewarding high performers and recognising the contribution of each employee to the continued growth and success of the Group.

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and the Executive team. The Board assesses the appropriateness of the nature and amount of remuneration of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum shareholder benefit from the retention of a high quality Board and Executive team. Such officers are given the opportunity to receive their base remuneration in a variety of forms including cash and fringe benefits. It is intended that the manner of payments chosen will be optimal for the recipient without creating undue cost for the Company. Further details on the remuneration of Directors and Executives are set out in this Remuneration Report.

The Company aims to reward the Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company. The Board's policy is to align Executive objectives with shareholder and business objective by providing a fixed remuneration component and offering long-term incentives.

In accordance with best practice corporate governance, the structure of NED and executive remuneration is separate and distinct.

Directors' Report (continued)

Remuneration report (audited) (continued)

3. Non-executive Director (NED) remuneration arrangements

The board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest caliber, whilst incurring a cost that is acceptable to shareholders. The Company's specific policy for determining the nature and amount of remuneration of Board members of the Company is as follows:

The Constitution of the Company provides that the NEDs are entitled to remuneration as determined by the Company in a general meeting to be apportioned among them in such manner as the Directors agree, and, in default of agreement, equally. The aggregate remuneration per annum has been set at $350,000. Additionally, NEDs are entitled to be reimbursed for properly incurred expenses.

If a NED performs extra services, which in the opinion of the Directors are outside the scope of the ordinary duties of the Director, the Company may remunerate that Director by payment of a fixed sum determined by the Directors in addition to or instead of the remuneration referred to above. However, no payment can be made if the effect would be to exceed the maximum aggregate amount payable to NEDs. A NED is entitled to be paid travelling and other expenses properly incurred by them in attending Director's or general meetings of the Company or otherwise in connection with the business of the Company.

All Directors have the opportunity to qualify for participation in the Company's Employee Share Option Plan ("ESOP"), subject to the approval of shareholders.

The remuneration of NEDs for the year ended 30 June 2014 is detailed in this Remuneration Report.

4. Executive remuneration arrangements

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

- align the interests of the Executives with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

The remuneration of Executives may from time to time be fixed by the Board. The remuneration will comprise a fixed remuneration component and also may include offering specific short and long-term incentives, in the form of:

- performance based salary increases and/or bonuses; and/or
- the issue of options.

The remuneration of the Executives employed by the Group for the year ended 30 June 2014 is detailed in this Remuneration Report.

5. Company performance and the link to remuneration

During the financial year, the Company has generated losses as its principal activity was mineral exploration. During the year ended 30 June 2014 the Company's ordinary shares were traded on the Australian Securities Exchange and there were no dividends paid during the year.

As the Company is still in the exploration and development stage, the link between remuneration, Company performance and shareholder wealth is tenuous. Share prices are subject to the influence of metals prices and market sentiment toward the sector, and as such increases or decreases may occur quite independent of Executive performance or remuneration. The following table shows the share price at the end of the financial year for the Company for the last four (4) years, since it has been listed on the Australian Securities Exchange:

	2011	2012	2013	2014
Share price at year end	$0.12	$0.015	$0.017	$0.003

Directors' Report (continued)

Remuneration report (audited) (continued)

6. Executive contractual arrangements

It is the Board's policy that employment agreements are entered into with all Executives.

The terms of appointment for NEDs are set out in the letters of appointment.

Other Executives

Employment contracts entered into with Executives contain the following key terms:

Event	Company Policy
Performance based salary increases and/or bonuses	Board discretion
Short and long-term incentives, such as options	Board discretion
Resignation/ notice period	1month
Serious misconduct	Company may terminate at any time
Payouts upon resignation or termination, outside industrial regulations (i.e. 'golden handshakes')	None

Remuneration of Directors and Other Key Management Personnel

Directors	Short term benefits	Post-employment	Share based payments Equity settled		Total	% Consisting of options
	Salary & fees	Superannuation	Options	Shares		
	$	$	$	$	$	
Nicholas Mather						
- 2014	40,000	-	-	-	40,000	-
- 2013	40,000	-	-	-	40,000	-
Mark Dugmore[1]						
- 2014	-	-	-	-	-	-
- 2013	87,023	5,792	-	-	92,815	-
Brian Moller						
- 2014	40,000	-	-	-	40,000	-
- 2013	40,000	-	-	-	40,000	-
Ben Harrison[2]						
- 2014	26,071	-	-	-	26,071	-
- 2013	72,100	-	5,489	-	77,589	7%
Karl Schlobohm[3]						
- 2014	54,000	-	-	-	54,000	-
- 2013	40,000	-	-	-	40,000	-
Subtotal remuneration						
- 2014	**160,071**	**-**	**-**	**-**	**160,071**	
- 2013	**279,123**	**5,792**	**5,489**	**-**	**290,404**	

Directors' Report (continued)

Remuneration report (audited) (continued)

Other Key Management Personnel	Short term benefits	Post-employment	Share based payments Equity settled		Total	% Consisting of options
	Salary & fees $	Superannuation $	Options $	Shares $	$	
Jason Babcock						
- 2014	4,189	-	-	-	4,189	-
- 2013	86,648	-	-	-	86,648	-
Priy Jayasuriya[4]						
- 2014	-	-	-	-	-	-
- 2013	-	-	-	-	-	-
Subtotal remuneration						
- **2014**	**4,189**	**-**	**-**	**-**	**4,189**	
- **2013**	**86,648**	**-**	**-**	**-**	**86,648**	
Total remuneration						
- **2014**	**164,260**	**-**	**-**	**-**	**164,260**	
- **2013**	**365,771**	**5,792**	**5,489**	**-**	**377,052**	

[1] Mark Dugmore resigned as CEO and Managing Director effective 13 October 2012
[2] Ben Harrison resigned as Executive Director and acting CEO effective 24 February 2014
[3] Karl Schlobohm was appointed Non-executive Director effective 24 February 2014 in addition to his role as Company Secretary.
[4] Priy Jayasuriya is remunerated by DGR Global Ltd, which provides services to the Company on commercial terms.

Per the ASX announcement dated 22 May 2012, the Board and the Company Secretary have agreed to a reduction in their base fees to $40,000 per annum. The Directors can elect to have a portion of their fees paid in shares in accordance with a Director Fee Plan approved by shareholders at the November 2012 and 2013 AGMs.

There were no other executives employed or remunerated by the Company or the Group during the years ended 30 June 2014 and 2013.

Performance income as a proportion of total remuneration

There was no performance based remuneration during the year.

7. Equity instruments disclosures

Options granted as part of remuneration for the year ended 30 June 2014

Options may be granted to Directors and Executives as part of their remuneration. The options are not issued based on performance criteria, but are granted to the majority of Directors and Executives of the Company to align comparative shareholder return and reward for Directors and Executives.

There were no options issued during the year ended 30 June 2014.

During the prior year ended 30 June 2013, there were 500,000 options issued to Executive Director, Ben Harrison, exercisable through to 30 November 2014 at an exercise price of $0.06 (2012: Nil). These options expired on the 23 May 2014 due to Ben Harrison's resignation.

There were no options on issue at 30 June 2014 held by Key Management Personnel as remuneration

Shares issued on exercise of remuneration options

There were no options exercised during the year that were previously granted as remuneration (2013: nil).

Directors' Report (continued)

Remuneration report (audited) (continued)

8. Additional disclosures relating to key management personnel

(a) Shareholdings

Current Year	Balance 1 July 2013	Granted as Compensation	Options Exercised	Net Change Other#	Balance 30 June 2014
Directors					
Nicholas Mather	5,020,825	-	-	-	5,020,825
Brian Moller	896,123	-	-	-	896,123
Ben Harrison[1]	938,347	-	-	(938,347)	-
Karl Schlobohm	1,811,954	-	-	(1,358,632)	453,322
Other Key Management Personnel					
Jason Babcock	-	-	-	-	-
Priy Jayasuriya	-	-	-	-	-
Total	**8,667,249**	**-**	**-**	**(2,296,979)**	**6,370,270**

#"Net Change Other" above includes the balance of shares held on appointment / resignation, and shares acquired for cash or in settlement of fees owing.

[1] Ben Harrison resigned as Executive Director and acting CEO effective 24 February 2014

There were no shares held nominally at 30 June 2014.

Directors' Report (continued)

Remuneration report (audited) (continued)

(b) *Option holdings*

Current Year	Balance 1 July 2013	Granted	Exercised	Other	Balance 30 June 2014	Vested at the end of the year	Vested and exercisable at the end of the year	Vested and unexercisable at the end of the year
Directors								
Nicholas Mather	-	-	-	-	-	-	-	-
Brian Moller	-	-	-	-	-	-	-	-
Ben Harrison[1]	500,000	-	-	(500,000)	-	-	-	-
Karl Schlobohm	-	-	-	-	-	-	-	-
Other Key Management Personnel								
Jason Babcock	-	-	-	-	-	-	-	-
Priy Jayasuriya	-	-	-	-	-	-	-	-
Total	**500,000**	**-**	**-**	**(500,000)**	**-**	**-**	**-**	**-**

[1] Ben Harrison resigned as Executive Director and acting CEO effective 24 February 2014

There were no options held nominally at 30 June 2014.

Directors' Report (continued)

Remuneration report (audited) (continued)

(c) Loans to Key Management Personnel

There were no loans to Directors or other key management personnel during the year.

(d) Other Transactions with Key Management Personnel

Director Related party		Sales to related parties	Purchases from related parties	Other transactions with related parties
Hopgood Ganim [(i)]	2014	-	28,319	-
	2013	-	78,020	-

(i) Mr Brian Moller (a Director), is a partner in the Australian firm Hopgood Ganim lawyers. For the year ended 30 June 2014, $28,319 (2013: $78,020) was paid or payable to Hopgood Ganim for the provision of legal services to the Group. The services were based on normal commercial terms and conditions. The total amount outstanding at year end was $27,879 (2013: $1,503).

There were no other transactions or balances with key management personnel during the year.

End of Remuneration Report (audited)

Directors' Report (continued)

Directors' Meetings

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

	Board		Audit & Risk Management Committee	
	Number of meetings held while in office	Meetings attended	Number of meetings held while in office	Meetings attended
Nicholas Mather	8	8	-	-
Brian Moller	8	8	2	2
Ben Harrison	5	5	1	1
Karl Schlobohm	3	3	2	2

Significant Events after the Balance Date

In July 2014, the Company and the vendors of Excarb executed a Share Sale Agreement in July 2014 containing the following elements:

(vi) Navaho will acquire Excarb for an initial scrip-based consideration of 10 million Navaho shares, subject to shareholders approving the acquisition at the meeting of 1 October 2014;

(vii) Excarb to retain its interest in the Marayes coal projects but cancel its option over the Nirihuau coal projects, with a consequent reduction in the total share and milestone based consideration payable;

(viii) The further "milestone shares" of 17,000,000 will be allotted by Navaho to the Excarb vendors in the event of the introduction of a suitable new mining, oil or gas related project opportunity to Navaho by 30 June 2015;

(ix) A capital raising of $500,000 will be undertaken to support the transaction and as a condition precedent to completion;

(x) Neil Stuart to join the Navaho Board upon the completion of the transaction.

Further details regarding Excarb Pty Ltd, Neil Stuart and the Argentinean coal projects are outlined in the Review of Operations. A Navaho Gold shareholder meeting to approve the Excarb transaction is due to be convened on 1 October 2014.

On 18 August 2014, the Company issued 82,111,112 ordinary shares at $0.003 per share, 66,833,333 shares were issued as a result of successful completion of a private placement raising $200,500 and 15,277,778 shares were issued as partial conversion of outstanding Director fees.

On 18 August 2014, the Company announced a non-renounceable entitlement offer to raise up to $540,500 through the issue up to 180,177,426 shares with an offer ratio of 1 new share for every 2 shares held at an offer price of $0.003. On 24 September 2014, the Company announced shareholders had applied for 96,895,386 shares raising $290,686 with shares issued on 26 September 2014. The Company is now seeking to place the shortfall from the offer to third parties on terms no more favourable than were available to shareholders under the offer. The placement of the shortfall is expected to occur after the date of this report.

The Directors are not aware of any other significant changes in the state of affairs of the Group or events after the balance date that would have a material impact on the consolidated financial statements.

Indemnification and insurance of Directors, Officers and Auditor

Each of the Directors and Secretary of the Company has entered into a Deed with the Company whereby the Company has provided certain contractual rights of access to books and records of the Company to those Directors. The Company has insured all of the Directors. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and amount of the premium paid. The Corporations Act does not require disclosure of the information in these circumstances.

The Company has not indemnified or insured its auditor.

Directors' Report (continued)

Options

At the date of this report, the unissued ordinary shares of Navaho Gold Ltd under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
11 April 2012	11 April 2015	$0.1975	500,000

Non-audit Services

BDO Audit Pty Ltd did not provide any non-audit services during the year.

Auditor's Independence Declaration

The Auditor's Independence Declaration forms part of the Directors' Report and can be found on page 25

Signed in accordance with a resolution of Directors:

Director

Brisbane

Date: 30 September 2014

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Australia

DECLARATION OF INDEPENDENCE BY DAMIAN WRIGHT TO THE DIRECTORS OF NAVAHO GOLD LIMITED

As lead auditor of Navaho Gold Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect Navaho Gold Limited and the entities it controlled during the period.

D P Wright
Director

BDO Audit Pty Ltd

Brisbane, 30 September 2014

SHAREHOLDER INFORMATION (as at 26 September 2014)

(a) Distribution Schedule

Fully paid ordinary shares and unlisted options

	Ordinary shares		Unlisted $0.1975 options exercisable on or before 11/04/2015	
	Number of holders	Number of shares	Number of holders	Number of options
1 -1000	17	2,822		
1001 – 10,000	88	786,237		
10,001 – 100,000	330	16,877,086		
100,001 +	294	439,584,095	1	500,000
Total	**729**	**457,250,240**	**1**	**500,000**

The number of shareholders holding less than a marketable parcel of shares is 475 (holding a total of 23,102,770 ordinary shares).

(b) Twenty largest holders

The names of the twenty largest holders of ordinary shares in Navaho Gold Ltd are:

Ordinary shares:

	Name	Number of shares	%
1	DGR GLOBAL LIMITED	89,710,123	19.62%
2	FAIRGROUND PTY LTD	33,000,000	7.22%
3	MR DENIS GRENVILLE HINTON + MRS ROSLYN SUSANNA HINTON <HINTON FAMILY SUPER A/C>	19,999,999	4.37%
4	SAMUEL HOLDINGS PTY LTD <SAMUEL DISCRETIONARY A/C>	16,681,237	3.65%
5	BRIAN MOLLER	12,415,852	2.72%
6	MR IANAKI SEMERDZIEV	8,512,000	1.86%
7	NEIL FRANCIS STUART	8,500,000	1.86%
8	RR LAWSON & CO PTY LIMITED <LAWSON SUPER FUND A/C>	6,000,000	1.31%
9	COLUMBUS GOLD CORP	5,795,544	1.27%
10	MR GREGORY MICHAEL JOSEPHSON + MRS MARY MARGARET JOSEPHSON <JOSEPHSON SUPER FUND A/C>	5,791,246	1.27%
11	MR VINCENT DAVID MASCOLO	5,704,168	1.25%
12	WILABENSON PTY LTD	5,410,000	1.18%
13	THOSNUNN PTY LTD <SUPER FUND A/C>	5,250,000	1.15%
14	ANTONIO TORRE + JULIO PULISICH	5,000,000	1.09%
15	SILVERWOOD CORPORATION PTY LTD <SUPER FUND ACCOUNT>	4,999,999	1.09%
16	MR KEVIN JOHN CAIRNS <CAIRNS FAMILY A/C>	4,875,000	1.07%
17	MR GARY RONALD POOLE + MRS LEIGH MARGARET POOLE <THE POOLE FAMILY A/C>	4,875,000	1.07%
18	ASCRY PTY LTD <WILKINS FAMILY FUND A/C>	4,709,200	1.03%
19	TROMSO PTY LTD	4,632,220	1.01%
20	MRS LILIANA TEOFILOVA	3,872,834	0.85%
	Top 20	255,734,422	55.93%
	Total	**457,250,240**	**100.00%**

Shareholder Information (continued)

(c)Substantial shareholders

The Company has received a substantial shareholding notices from the following parties:

Name	Number of shares	%
NEIL FRANCIS STUART	41,500,000	9.08%
DGR GLOBAL LIMITED	89,710,123	19.62%

(d) Voting rights

All ordinary shares carry one vote per share without restriction. Options have no voting rights.

(e) Restricted securities

The Company has no restrictions over its issued share capital.

(f) Unquoted equity securities greater than 20%

Name	Number of Unlisted Options	% of issued Options
GENESIS GOLD	500,000	100%

INTEREST IN TENEMENTS

As at the date of this report, the Group has an interest in the following tenements.

Australian Tenements

Tenement	Country	Current Holder	% Interest	Expiry Date	Term
PELA 577	Australia	Navgas Pty Ltd	100%	Under Application	N/A
PELA 578	Australia	Navgas Pty Ltd	100%	Under Application	N/A
PELA 579	Australia	Navgas Pty Ltd	100%	Under Application	N/A
PELA 601	Australia	Navgas Pty Ltd	100%	Under Application	N/A
PELA 602	Australia	Navgas Pty Ltd	100%	Under Application	N/A
PELA 631	Australia	Navgas Pty Ltd	100%	Under Application	N/A
ATP 1183	Australia	Navgas Pty Ltd	100%	30 June 2018	4 Years

USA Tenements

The Group has assembled one (1) project in Nevada and six (6) projects in New Mexico and currently has an interest or holds options and farm-in agreements over the claim areas.

Tenement	Country	Current Holder	% Interest
NCAR 1-6	USA	Genesis Gold LLC	CED Gold LLC earn up to 100%
NCAR 8-9	USA	Genesis Gold LLC	CED Gold LLC earn up to 100%
NCAR 11-12	USA	Genesis Gold LLC	CED Gold LLC earn up to 100%
NCAR 14-25	USA	Genesis Gold LLC	CED Gold LLC earn up to 100%
NCAR 27-30	USA	Genesis Gold LLC	CED Gold LLC earn up to 100%
NCAR 32-108	USA	Genesis Gold LLC	CED Gold LLC earn up to 100%
NC 109-114	USA	Genesis Gold LLC	CED Gold LLC earn up to 100%
NC 116-119	USA	Genesis Gold LLC	CED Gold LLC earn up to 100%
NC 121-217	USA	Genesis Gold LLC	CED Gold LLC earn up to 100%
NC 300-336	USA	Genesis Gold LLC	CED Gold LLC earn up to 100%
CC 100-106	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
CC 216–222	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
CC 226–236	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
CC 241	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
CC 275	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
CC 277–278	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
CC 285	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
CC 307-309	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
CC 407–409	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
CC 418	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
CC 518	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 104-106	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 108-113	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%

INTEREST IN TENEMENTS (continued)

Tenement	Country	Current Holder	% Interest
TB 120	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 125-126	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 144	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 146-153	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 162-171	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 175-177	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 179	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 184-194	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 196	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 201	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 305-306	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 405-408	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 505-508	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 605-608	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 615-616	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 711	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 715-716	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 811	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 909-911	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 1009-1010	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 1109-1110	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 1209-1210	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
LSP 100-115	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
FR 100	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
FR 102-106	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
FR 120-125	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
FR 127-132	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
FR 145	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
FR 148-149	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
FR 152-153	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
FR 156-157	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
FR 160-161	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
FR 175-177	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
FR 182-192	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
FR 195	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%

INTEREST IN TENEMENTS (continued)

Tenement	Country	Current Holder	% Interest
FR 199	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
FR 216	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
GR 100-112	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
GR 123-124	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
GR 128-137	USA	Oryx Resources Inc	Big Iron Resources earn up to 51%

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Navaho Gold Ltd is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of Navaho Gold Ltd on behalf of the shareholders by whom they are elected and to whom they are accountable.

Navaho Gold Ltd's Corporate Governance Statement was adopted on 28 May 2010, and is structured with reference to the Australian Securities Exchange ("ASX") Corporate Governance Council's (the "Council") "Corporate Governance Principles and Recommendations, 2nd Edition", which are as follows:

Principle 1	Lay solid foundations for management and oversight
Principle 2	Structure the Board to add value
Principle 3	Promote ethical and responsible decision making
Principle 4	Safeguard integrity in financial reporting
Principle 5	Make timely and balanced disclosure
Principle 6	Respect the rights of shareholders
Principle 7	Recognise and manage risk
Principle 8	Remunerate fairly and responsibly

A copy of the eight Corporate Governance Principles and Recommendations can be found on the ASX's website.

The Company's Corporate Governance Charter can be obtained, at no cost, from the Company's registered office and is also available on the Company's website www.navahogold.com.

BOARD COMMITTEES

Currently the full Board undertakes the role of the Audit and Risk Management Committee. The Company has adopted an Audit and Risk Management Charter setting out the composition, purpose, powers and scope of the Committee as well as reporting requirements to the Board. Extracts of this Charter are available at the Company's website www.navahogold.com. The Company does not have any other formally constituted committees of the Board of Directors. The Directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of any other special or separate committees at this time. The Board as a whole is able to address the governance aspects of the Company's activities and ensure that it adheres to appropriate ethical standards. This statement outlines the main corporate governance policies, which the Directors have adopted.

COMPOSITION OF THE BOARD

The Board is currently comprised of three Directors: Non-executive Chairman (Nicholas Mater), Non-executive Director (Brian Moller) and Non-executive Director and Company Secretary (Karl Schlobohm). At present the composition of the Board does not meet the suggested standard of independent Directors. All Directors have a broad range of qualifications, experience and expertise in managing gold exploration companies as set out in the Directors Report. There is no requirement for any Director's shareholding qualification.

As the Company's activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the optimum number of Directors required to adequately supervise the Company's activities determined within the limitations imposed by the Constitution.

BOARD MEMBERSHIP

The Board acts as a nomination committee. Members of the Board have been brought together to provide a blend of qualifications, skills and national and international experience required for managing a company operating within the mining industry.

APPOINTMENT AND RETIREMENT OF DIRECTORS

The Company's Constitution provides that Directors are subject to retirement by rotation, by order of length of appointment. Retiring Directors are eligible for re-election by Shareholders at the annual general meeting of the Company.

DUTIES OF DIRECTORS

Directors are expected to accept all duties and responsibilities associated with the running of a public company, to act in the best interests of the Company and to carry out their duties and responsibilities with due care and diligence.

Directors are required to take into consideration conflicts when accepting appointments to other boards. Accordingly, Directors wishing to accept appointment to other boards must first seek approval from the Board, approval of which will not be unreasonably withheld.

INDEPENDENT PROFESSIONAL ADVICE
The Board has determined that individual Directors may, in appropriate circumstances, engage outside advisers at the Company's expense. The engagement of an outside adviser is subject to the prior approval of the Board, which will not be unreasonably withheld.

COMPENSATION ARRANGEMENTS
The maximum aggregate amount payable to Non-executive Directors as Director's fees has been set at three hundred and fifty thousand dollars ($350,000) per annum. The Constitution provides that Director's fees can only change pursuant to a resolution at a general meeting.

The Board is responsible for reviewing and negotiating the compensation arrangements of senior executives and consultants.

INTERNAL MANAGEMENT CONTROLS
The Company's assets are located in Australia. Control over the operations is exercised by senior management. The Board also monitors the performance of outside consultants engaged from time to time to complete specific projects and tasks.

IDENTIFYING SIGNIFICANT BUSINESS RISKS
The Board regularly monitors the operational and financial performance of the Company's activities. It monitors and receives advice on areas of operation and financial risk and considers strategies for appropriate risk management. All operational and financial strategies adopted are aimed at improving the value of the Company's Shares, however, the Directors recognise that mineral exploration and evaluation is inherently risky.

ASX CORPORATE GOVERNANCE
To further enhance listed entities' disclosure of corporate governance issues, the ASX Corporate Governance Council (CGC) was established on 1 August 2002. The CGC was established for the purpose of setting an agreed set of corporate governance standards of best practice for Australian listed entities. The ASX Guidelines provide that a listed entity's Annual Report is required to disclose its main corporate governance practices and also the extent to which the entity complies with the ASX Guidelines and where it does not, to explain why. The Company is reporting against the Second Edition of the Corporate Governance Guidelines.

TRADING POLICY
The Directors and Executives of the Company are subject to a number of restrictions in relation to them dealing in Shares of the Company, all of which are incorporated in a Trading Policy which is part of the Company's Corporate Governance Policies and Procedures. Directors and Executives are specifically precluded from dealing in Shares during certain "close" periods, with specific exceptions (eg. participation in rights issues, etc). Prior to any dealing in Shares the Director or Executive must seek, and receive, written clearance for the intended transaction from the Chairman of the Board.

DIVERSITY POLICY
The recruitment and selection processes adopted by the Company ensure that staff and management are selected in a non-discriminatory manner based on merit. The Company also values diversity in the organisation. In light of recent amendments to the ASX's Corporate Governance Principles, the Company has developed a formal Diversity Policy which is available on the Company's website (www.navahogold.com).

The Company respects and values the competitive advantage of diversity (which includes but is not limited to gender, age, ethnicity and cultural background), and the benefit of its integration throughout the Company in order improve corporate performance, increase shareholder value and maximise the probability of achievement of the Company's goals. However, the Board of Directors does not believe that the Company is currently of a sufficient size to justify the establishment of formal and measureable objectives, having regard to the nature and scale of its activities.

The Company currently has no employees and accordingly, the Company currently has no female Directors, executives or employees. However, under a contractual agreement with DGR Global, various services of an administrative, accounting and business development nature are provided, and whose staff include female executives and employees directly involved in the provision of services to Navaho Gold.

CORPORATE GOVERNANCE STATEMENT
The Company has adopted a Corporate Governance Charter in order to implement and maintain a culture of good corporate governance both internally and in its external dealings. In adopting the Corporate Governance Charter the Board is mindful of the ASX Guidelines. The original Corporate Governance Charter has also been supplemented by the adoption of a Trading Policy and a Diversity Policy, both of which are summarised above.

In addition to any matters specifically addressed above, the following table briefly addresses the areas where the Company has departed from the ASX Guidelines. Where the Company's Corporate Governance practices do not correlate with the practices recommended by the CGC, the Company is working towards compliance; however it does not consider that all practices are appropriate for the Company due to the size and scale of Company operations.

The Board is of the view that with the exception of the departures from the ASX Guidelines noted above and / or set out in the following table it otherwise complies with all of the ASX Guidelines.

Areas where the Company has departed from the ASX guidelines

ASX Principles and Recommendations	Summary of the Company's Position
Principle 1 – Lay Solid Foundations for Management and Oversight	
Recommendation 1.2 – Companies should disclose the process for evaluating the performance of senior executives	The Board has not established a separate nomination committee. In the absence of a formally constituted nomination committee, the full Board is responsible for the proper oversight of the Board, the Directors and senior management. The Board considers that given its size, no efficiencies or other benefits would be gained by establishing a separate committee.
Principle 2 – Structure Board to Add Value	
Recommendation 2.1 – A majority of the board should be independent Directors	The Board does not comprise a majority of "independent Directors". There is no independent Director in the Board at the present under the ASX Guidelines. While the Company does not presently comply with this Recommendation 2.1, the Company may consider appointing any independent Directors in the future. However the Company believes that given the size and scale of its operations, non-compliance by the Company with this Recommendation 2.1 will not be detrimental to the Company.
Recommendation 2.2 – The Chair should be an independent Director	Nicholas Mather is the Chairman of the Company, but is not considered to be independent under the ASX Guidelines. The Company is of the view that the size and scale of its current operations do not warrant the appointment of an independent Chairperson and that non-compliance with this Recommendation 2.2 will not be detrimental to the Company.
Recommendation 2.4 – The board should establish a nomination committee	The Board's view is that the Company is not currently of the size to justify the formation of a separate nomination committee. The Board currently performs the functions of a nomination committee and where necessary will seek the advice of external advisors in relation to this role. The Board shall, upon the Company reaching the requisite corporate and commercial maturity, approve the constitution of a nomination committee to assist the Board in relation to the appointment of Directors and senior management.
Recommendation 2.5 – Disclose the process for evaluating the performance of the Board, its committees and individual Directors	The Company did not conduct a performance evaluation of the Board and has not adopted a performance evaluation policy. The Company believes that given the small size of the Board and the current scale of the Company's activities makes the establishment of a formal performance evaluation strategy unnecessary. Performance evaluation is a discretionary matter for the consideration by the entire Board and in the normal course of the Company events the Board will review performance of the management, Directors and the Board as a whole.
Principle 4 – Safeguard Integrity in Financial Reporting	
Recommendation 4.2 – The audit committee should be structured so that it: ▪ Consists only of Non-executive Directors ▪ Consists of a majority of independent Directors ▪ Is chaired by an independent chair, who is not chair of the board ▪ Has at least three members	The Audit Committee is currently comprised of Messrs Moller, Mather and Schlobohm. While the Company does not presently comply with this Recommendation 4.2 (at the date of this report, none of the members are considered independent under the ASX guidelines), the Company may consider appointing further independent Directors in the future at which time it may reconsider the composition of the audit committee. The Company believes that given the size and scale of its operations, non-compliance by the Company with this Recommendation 4.2 will not be detrimental to the Company.

ASX Principles and Recommendations	Summary of the Company's Position
Principle 7 – Recognise and Manage Risk	
Recommendation 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. The board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	The Board is responsible for reviewing and ratifying systems of risk management and internal compliance.
Principle 8 – Remunerate Fairly and Responsibly	
Recommendation 8.1 – The board should establish a remuneration committee	The Board has not established a remuneration committee. The Board considers that given its size, no efficiencies or other benefits would be gained by the establishing of such a committee. The role of the remuneration committee is carried out by the full Board. The Company has adopted a Remuneration Committee Charter, which is set out in the Company's Corporate Governance Charter.
Recommendation 8.2 – The Remuneration committee should be structured so that it: ▪ Consist of a majority of independent Directors ▪ Is chaired by an independent chair ▪ Has at least three members	The Board has not established a remuneration committee. The Board considers that given its size, no efficiencies or other benefits would be gained by the establishing of such a committee. The role of the remuneration committee is carried out by the full Board. The Company has adopted a Remuneration Committee Charter, which is set out in the Company's Corporate Governance Charter.

Navaho Gold

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2014

	Notes	2014 $	2013 $
Revenue	**2**	**1,448**	**18,921**
Administration and consulting expenses		(618,750)	(713,058)
Depreciation		(1,393)	(8,965)
Employee benefits expenses		(45,817)	(91,521)
Exploration costs written-off		(3,302,762)	(2,700,357)
Interest expense		(259)	(268)
Legal expenses		(10,324)	(29,262)
Share based payments expense		-	(5,489)
Doubtful debts expensed		-	(37,000)
(Loss) before income tax	**3**	**(3,977,857)**	**(3,566,999)**
Income tax expense	4	(5,538)	-
(Loss) for the year		**(3,983,395)**	**(3,566,999)**
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Navaho Gold Limited		**(3,983,395)**	**(3,566,999)**

Earnings per share		Cents / share	Cents / share
Basic earnings per share	**8**	(1.5)	(2.2)
Diluted earnings per share	**8**	(1.5)	(2.2)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Navaho Gold

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2014

	Notes	2014 $	2013 $
Current assets			
Cash and cash equivalents	**9**	11,606	75,846
Trade and other receivables	**10**	16,308	17,820
Total current assets		**27,914**	**93,666**
Non-current assets			
Other financial assets	**11**	67,463	77,963
Property, plant and equipment	**13**	4,227	5,620
Exploration and evaluation assets	**14**	1,956,510	4,832,220
Total non-current assets		**2,028,200**	**4,915,803**
Total assets		**2,056,114**	**5,009,469**
Current liabilities			
Trade and other payables	**15**	521,130	329,574
Total current liabilities		**521,130**	**329,574**
Non-current liabilities			
Deferred tax liabiltiy	**4**	5,538	**-**
Total non-current liabilities		**5,538**	**-**
Total liabilities		**526,668**	**329,574**
Net assets		**1,529,446**	**4,679,895**
Equity			
Issued capital	**16**	12,978,141	12,145,195
Reserves	**17**	829,762	829,762
Accumulated losses	**18**	(12,278,457)	(8,295,062)
Total equity attributable to owners of Navaho Gold Limited		**1,529,446**	**4,679,895**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2014

	Issued Capital	Accumulated Losses	Share Based Payments Reserves	Total Equity
	$	$	$	$
Balance at 1 July 2012	**10,795,553**	**(4,728,063)**	**819,618**	**6,887,108**
Loss for the year	-	(3,566,999)	-	(3,566,999)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the year	-	(3,566,999)	-	(3,566,999)
Transactions with owners as owners				
Shares issued during the year	1,509,920	-	-	1,509,920
Share issue costs	(160,278)	-	-	(160,278)
Share options granted	-	-	10,144	10,144
Balance at 30 June 2013	**12,145,195**	**(8,295,062)**	**829,762**	**4,679,895**
Loss for the year	-	(3,983,395)	-	(3,983,395)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the year	-	(3,983,395)	-	(3,983,395)
Transactions with owners as owners				
Shares issued during the year	905,920	-	-	905,920
Share issue costs	(72,974)	-	-	(72,974)
Share options granted	-	-	-	-
Balance at 30 June 2014	**12,978,141**	**(12,278,457)**	**829,762**	**1,529,446**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2014

	Notes	2014 $	2013 $
Cash flows from operating activities			
Receipts in the course of operations		-	-
Payments to suppliers and employees		(328,578)	(680,177)
Interest received		1,448	15,441
Interest paid		(259)	(268)
Net cash flows from operating activities	**25**	**(327,389)**	**(665,004)**
Cash flows from investing activities			
Payments for security deposits		(12,000)	(36,462)
Refund of security deposits		22,500	17,500
Purchase of property, plant and equipment		-	-
Proceeds from sale of property, plant and equipment		-	42,727
Payments for exploration and evaluation assets		(517,073)	(1,666,953)
Proceeds from sale of exploration and evaluation assets		-	-
Net cash flows from investing activities		**(506,573)**	**(1,643,188)**
Cash flows from financing activities			
Proceeds from the issue of shares		816,500	1,328,351
Transactions costs on the issue of shares		(46,778)	(155,623)
Repayment of finance lease liabilities		-	(45,405)
Net cash flows from financing activities		**769,722**	**1,127,323**
Net increase / (decrease) in cash and cash equivalents		**(64,240)**	**(1,180,869)**
Cash and cash equivalents at the beginning of the year		75,846	1,256,715
Cash and cash equivalents at the end of the year	**9**	**11,606**	**75,846**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

Corporate Information

The consolidated financial report of Navaho Gold Limited for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the Directors on 30 September 2014.

Navaho Gold Limited (the Parent) is a public company limited by shares incorporated and domiciled in Australia. The Group's registered office is located at Level 27 One One One, 111 Eagle Street, Brisbane, Qld 4000.

The nature of the operations and principal activities of the Group are described in the Director's report.

Basis of Preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Group is a for profit entity for the purposes of Australian Accounting Standards.

The financial report covers the Group comprising of Navaho Gold Limited and its subsidiaries and is presented in Australian dollars.

Compliance with IFRS
Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of Navaho Gold Limited comply with International Financial Reporting Standards (IFRS).

Going concern
The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. The Group has not generated revenues from operations. As such, the Group's ability to continue to adopt the going concern assumption will depend upon a number of matters including subsequent successful raising in the future of necessary funding and the successful exploration and subsequent exploitation of the Group's tenements. In the absence of these matters being successful, there exists a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern with the result that the Group may have to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts different from those stated in the financial statements. No adjustments for such circumstances have been made in the financial statements.

During the financial year the Group negotiated extended credit terms with a related party, owed $180,553, as disclosed in Note 20.

Subsequent to the end of the year, the Company issued 66,833,333 ordinary shares at $0.003 per share, raising $200,500 as a result of successful completion of a private placement.

On 18 August 2014, the Company announced a non-renounceable entitlement offer to raise up to $540,500 through the issue up to 180,177,426 shares with an offer ratio of 1 new share for every 2 shares held at an offer price of $0.003. On 24 September 2014, the Company announced shareholders had applied for 96,895,386 shares raising $290,686 with shares issued on 26 September 2014. The Company is now seeking to place the shortfall from the offer to third parties on terms no more favourable than were available to shareholders under the offer. The placement of the shortfall is expected to occur after the date of this report.

The Directors believe that these capital raisings will be sufficient for the Group to be able to meet its obligations as and when they fall due.

Reporting basis and conventions
The financial report has been prepared on an accruals basis and is based on historical costs.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies (continued)

Accounting Policies

(a) New Accounting Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Company has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2013:

Reference	Title	Application date of standard	Application date for the Company
AASB 10	Consolidated Financial Statements	1 January 2013	1 July 2013
AASB 11	Joint Arrangements	1 January 2013	1 July 2013
AASB 12	Disclosure of Interests in Other Entities	1 January 2013	1 July 2013
AASB 13	Fair Value Measurements	1 January 2013	1 July 2013
AASB 2011-8	Amendments to Australian Accounting Standards arising from AASB 13	1 January 2013	1 July 2013
AASB 119	Employee Benefits (September 2011)	1 January 2013	1 July 2013
AASB 2011-10	Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)	1 January 2013	1 July 2013
AASB 127	Separate Financial Statements (Revised)	1 January 2013	1 July 2013
AASB 128	Investments in Associates and Joint Ventures (Reissued)	1 January 2013	1 July 2013
AASB 2011-7	Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards	1 January 2013	1 July 2013
AASB 2012-2	Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013	1 July 2013
AASB 2012-5	Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle	1 January 2013	1 July 2013
AASB 2012-10	Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments	1 January 2013	1 July 2013
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement	1 January 2013	1 July 2013

The adoption of the above standards and interpretations did not have any material impact on the current or any prior period and is not likely to materially affect future periods.

Australian Accounting Standards and Interpretations that have been recently issued or amended but are not yet effective have not been adopted by the Company for the annual reporting period ending 30 June 2014. None of these is expected to have a significant effect on the financial statements.

The Company anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information of new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below.

Reference	Title	Application date of standard	Application date for the Company
AASB 9	Financial Instruments	1 January 2017	1 July 2017
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities	1 January 2014	1 July 2014
AASB 2013-3	Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014	1 July 2014
AASB 2013-4	Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014	1 July 2014
AASB 2013-5	Amendments to Australian Accounting Standards – Investment Entities	1 January 2014	1 July 2014

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies (continued)

Accounting Policies (continued)

(b) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Navaho Gold Limited and its subsidiaries as at and for the period ended 30 June each year (the "Group").

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, unrealized 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.

Dividends received from subsidiaries are recorded as a component of other revenues by 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.

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and 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 debit balance.

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

(c) Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value through profit and loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured.

The difference between fair value of the net identifiable assets acquired and the fair value of consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a bargain purchase.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies (continued)

Accounting Policies (continued)

(c) Business Combinations (continued)

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.

(d) Operating Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This may include start-up operations which are yet to earn revenues.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

(e) Cash and Cash Equivalents

For the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(f) Trade and Other Receivables

Receivables generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor or debts more than 90 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies (continued)

Accounting Policies (continued)

(g) Financial Instruments

Recognition and Initial Measurement
Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement

(i) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(ii) Financial liabilities
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest method.

(iii) Available-for-sale financial assets
Available-for-sale financial assets comprise investments in listed and unlisted entities and non-derivatives that are either designated in this category or not classified in any other categories. After initial recognition, these investments are measured at fair value with gains or losses recognized in other comprehensive income.

Derecognition
Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognized where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit of loss.

(h) Property, Plant & Equipment

Property, plant & equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant & equipment constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate portion of fixed and variable costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial year in which they are incurred.

Depreciation
The depreciable amount of all property, plant & equipment is depreciated over their useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

Class of Property, plant & equipment	*Depreciation*
Motor Vehicles	20% Straight line
Office Equipment	20% Straight line

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies (continued)

Accounting Policies (continued)

(h) Property, Plant & Equipment (continued)

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the profit or loss.

Derecognition
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

(i) Exploration and Evaluation Assets

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not include overheads or administration expenditure not having a specific nexus with a particular area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

A regular review has been undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Costs are written off where they do not meet the above criteria.

A provision is raised against exploration and evaluation expenditure where the Directors are of the opinion that the carried forward net cost may not be recoverable or the right of tenure in the area lapses. The increase in the provision is charged against the results for the year. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

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

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

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

(j) Impairment of Assets

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies (continued)

Accounting Policies (continued)

(k) Trade and Other Payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30-60 days of recognition.

(l) Provisions and Employee Benefits

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

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

Employee benefits

(i) Wages, salaries and annual leave
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii)Long service leave
The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wages and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(m) Leases

Leases of property, plant & equipment where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Group are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies (continued)

Accounting Policies (continued)

(n) Share Capital

Ordinary shares are classified as equity at the time that they are issued. Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit.

(o) Share-Based Payments

The Group may provide benefits to Directors, employees or consultants in the form of share-based payment transactions, whereby services may be undertaken in exchange for shares or options over shares ("equity-settled transactions").

The fair value of options granted to Directors, employees and consultants is recognised as an employee benefit expense with a corresponding increase in equity (share option reserve). The fair value is measured at grant date and recognised over the period during which the recipients become unconditionally entitled to the options. Fair value is determined using a Black-Scholes option pricing model. An expense is still recognised for options that do not ultimately vest because a market condition was not met.

Where the terms of options are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, at the date of the modification, a further expense is recognised for any increase in fair value of the transaction as a result of the change.

Where options are cancelled, they are treated as if vesting occurred on cancellation and any unrecognised expenses are taken immediately to the profit or loss. If new options are substituted for the cancelled options and designated as a replacement, the combined impact of the cancellation and replacement options are treated as if they were a modification.

(p) Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest
Interest revenue is recognised as interest accrues using the effective interest method.

All revenue is stated net of the amount of goods and services tax (GST).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies (continued)

Accounting Policies (continued)

(q) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income rate for each jurisdiction adjusted by changes in deferred tax assets liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

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

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates expected to apply to the period when the asset is realised or liability is settled. Deferred tax is recognised in the statement of comprehensive income except where it relates to items that may be recognised directly in equity, in which case the deferred tax is adjusted directly against equity. Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences and tax losses can be utilised.

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

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies (continued)

Accounting Policies (continued)

(r) GST

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

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

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

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

(s) Earnings per Share

Basic earnings per share is calculated as net profit (loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity other than ordinary shares, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(t) Comparatives

When required by Australian Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(u) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies (continued)

Accounting Policies (continued)

(v) Critical Accounting Estimates and Judgments

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

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

Key judgements – exploration & evaluation assets
The Group performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on detailed surveys and analysis of drilling results performed to balance date.

The Directors have assessed that for the exploration and evaluation assets recognised at 30 June 2014, the facts and circumstances do not suggest that the carrying amount of an asset may exceed its recoverable amount. In considering this the Directors have had regard to the facts and circumstances that indicate a need for impairment as noted in Accounting Standard AASB 6 "Exploration for and Evaluation of Mineral Resources".

Exploration and evaluation assets at 30 June 2014 were $1,956,509 (2013: $4,832,220). During the year, the Directors have assessed that costs totaling $3,302,762 (2013: $2,700,357) should not be carried forward in accordance with the accounting policy in Note 1(i).

	2014 $	2013 $
Note 2. Revenue		
- Interest received	1,448	15,441
- Gain on sale of Motor Vehicles	-	3,480
Total Revenue	**1,448**	**18,921**
(a) Interest revenue from:		
- Deposits held with financial institutions	1,448	15,441
Total Interest Revenue	**1,448**	**15,441**
Note 3. Profit / (Loss)		
Included in the profit / (loss) are the following specific expenses:		
Depreciation		
- Office equipment	1,393	1,670
- Leased Motor vehicles	-	7,295
Defined contribution superannuation expense	-	5,792

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

	2014 $	2013 $
Note 4. Income Tax		
Income tax expense comprises:		
Current tax expense	-	(288,401)
Deferred tax expense	5,538	288,401
	5,538	-
The prima facie tax on profit / (loss) before income tax is reconciled to the income tax expense as follows:		
Loss before income tax expense	(3,977,857)	(3,566,999)
Tax at the Australian tax rate of 30%	(1,193,357)	(1,070,100)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Permanent differences	997,677	643,758
Current year loss not recognised	201,218	426,342
Income tax expense / (benefit) attributable to profit / (loss) before income tax	**5,538**	**-**
Recognised deferred tax assets		
Unused tax losses	38,282	-
Deductible temporary differences	841	37,448
	39,123	37,448
Recognised deferred tax liabilities		
Assessable temporary differences	(85)	(37,448)
Exploraiton and evaluation assets	(44,576)	-
	(44,661)	(37,448)
Net deferred tax	**(5,538)**	**-**
Unrecognised deferred tax assets		
Unrecognised temporary differences	390,908	147,286
Unrecognised capital losses	47,221	-
Unrecognised tax losses	5,333,760	5,084,274
	5,771,889	5,231,560
Tax effect of temporary differences and tax losses not recognised @ 30% (2013:30%)	1,731,567	1,569,468

In order to recoup carried forward losses in future periods, either the Continuity of Ownership Test (COT) or Same Business Test must be passed. The majority of losses are carried forward at 30 June 2014 under COT.

Deferred tax assets which have not been recognised as an asset, will only be obtained if:

(i) the Group derives future assessable income of a nature and of an amount sufficient to enable the losses to be realised;

(ii) the Group continues to comply with the conditions for deductibility imposed by the law; and

(iii) no changes in tax legislation adversely affect the Group in realising the losses.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

Note 5. Key Management Personnel

(a) Key Management Personnel Compensation

The total remuneration of Key Management Personnel for the Group for the year was as follows:

	2014 $	2013 $
Short term employee benefits	164,260	365,771
Post-employment benefits	-	5,792
Share based payments	-	5,489
Total	**164,260**	**377,052**

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's Key Management Personnel.

Note 6. Dividends and Franking Credits

There were no dividends paid or recommended during the year or since the end of the year. There are no franking credits available to shareholders of the Group.

	2014 $	2013 $
Note 7. Auditors Remuneration		
Audit and review of the financial reports of the Group	48,039	50,045
Other audit related services	-	-
Taxation services	-	6,650
	48,039	**56,695**

Note 8. Earnings per Share (EPS)

(a) Earnings		
Earnings used to calculate basic and diluted EPS	(3,983,395)	(3,566,999)
	Number of Shares	**Number of Shares**
(b) Weighted average number of shares		
Weighted average number of ordinary shares outstanding during the year, used in calculating basic and diluted earnings per share	266,451,799	162,555,760

Options are not considered dilutive as they are currently out of the money. Options may become dilutive in the future.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

	2014 $	2013 $
Note 9. Cash and Cash Equivalents		
Cash at bank	11,606	75,846
Short-term deposits	-	-
	11,606	**75,846**
Note 10. Trade and Other Receivables		
GST refundable	15,369	16,881
Other receivables	37,939	37,939
Provision for doubtful debts	(37,000)	(37,000)
	16,308	**17,820**

Receivables are non-interest bearing and are generally on 30-60 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired. During the 2013 year a provision for doubtful debts of $37,000 was raised in relation to the receivable from Alcyone Rescources Ltd relating to the sale of tenements which occurred during the year ended 30 June 2012.

Due to the short term nature of these receivables, their carrying value is assumed to approximate fair value. The maximum exposure to credit risk is the carrying value of receivables. Collateral is not held as security.

The receivables are not exposed to foreign exchange risk. Other than as disclosed above, no receivables were past due or impaired at 30 June 2014 (2013: nil). All receivables that were neither past due or impaired were held by customers with a good credit history with the group.

Note 11. Other Financial Assets -Non-current	2014 $	2013 $
Available for sale financial assets	4,000	4,000
Security deposits	63,463	73,963
	67,463	**77,963**

Note 12. Controlled Entities

Controlled Entity	Country of incorporation	Principle Activity	Principle place of business	Equity interest (%) 2014	Equity interest (%) 2013
Mingoola Gold Pty Ltd	Australia	Mineral Exploration	Australia	100	100
Navgas Pty Ltd[1]	Australia	Mineral Exploration	Australia	99	99
Jasperoid Pty Ltd	Australia	Mineral Exploration	Australia	100	100
Eureka (US) LLC	U.S.A.	Mineral Exploration	U.S.A.	100	100
CED Gold LLC	U.S.A.	Mineral Exploration	U.S.A.	100	100
Clipper Gold LLC	U.S.A.	Mineral Exploration	U.S.A.	100	100
Rose Gold LLC	U.S.A.	Mineral Exploration	U.S.A.	-	100
Stevens Gold LLC	U.S.A.	Mineral Exploration	U.S.A.	-	100
TAZ Gold LLC	U.S.A.	Mineral Exploration	U.S.A.	-	100
Tobin Gold LLC	U.S.A.	Mineral Exploration	U.S.A.	-	100
Whitehorse Gold LLC	U.S.A.	Mineral Exploration	U.S.A.	-	100
Big Iron Resources LLC	U.S.A	Mineral Exploration	U.S.A.	100	100

[1] Non-controlling interest in Navgas Pty Ltd is not material to the group.

During the year ended 30 June 2014 Navaho Gold Ltd's subsidiary companies Rose Gold LLC, Stevens Gold LLC, TAZ Gold LLC, Tobin Gold LLC and Whitehorse Gold LLC were dissolved as all exploration assets in these companies have been surrendered.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

Note 13. Property, Plant and Equipment

	2014 $	2013 $
Office equipment – at cost	8,361	8,361
Accumulated depreciation	(4,134)	(2,741)
Written down value	**4,227**	**5,620**
Total written down value	**4,227**	**5,620**

	2014 $	2013 $	
	Office Equipment	Office Equipment	Motor Vehicles
Reconciliation of carrying amounts at the beginning and of the year			
At 1 July net of accumulated depreciation	5,620	7,290	46,542
Additions	-	-	-
Disposals	-	-	(39,247)
Depreciation charge for the year	(1,393)	(1,670)	(7,295)
At 30 June net of accumulated depreciation	**4,227**	**5,620**	**-**

Note 14. Exploration and Evaluation Assets

	2014 $	2013 $
Exploration and evaluation assets	1,956,509	4,832,220
Movements in carrying amounts		
Balance at the beginning of the year	4,832,220	5,704,826
Additions	427,052	1,827,751
Disposals	-	-
Written-off during the year	(3,302,762)	(2,700,357)
Balance at the end of the year	**1,956,510**	**4,832,220**

The recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

Note 15. Trade and Other Payables

Trade creditors	475,686	286,241
Accrued expenses	45,444	43,333
	521,130	**329,574**

Trade and other payables are non-interest bearing and are generally on 30-60 day terms.

Due to the short term nature of these payables, their carrying value is assumed to approximate fair value.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

Note 16. Issued Capital

	2014 $	2013 $
(a) Issued and paid up capital		
278,243,741 (2013: 206,185,765) ordinary shares fully paid	14,203,244	13,297,324
Share issue costs	(1,225,103)	(1,152,129)
	12,978,141	**12,145,195**

Ordinary shares participate in dividends and the proceeds on winding up the Group in proportion to the number of shares held. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on show of hands.

(b) Reconciliation of issued and paid-up capital	Number of Shares	$
At 1 July 2012	92,835,236	11,787,404
- 12 November 2012 (1)	92,835,236	1,206,858
- 19 November 2012 (2)	332,566	4,323
- 7 December 2012 (3)	18,364,541	238,739
- 19 March 2013 (4)	1,818,186	60,000
At 30 June 2013	**206,185,765**	**13,297,324**
- 23 August 2013 (5)	38,000,020	494,000
- 4 September 2013 (6)	30,833,340	370,000
- 24 September 2013 (7)	3,224,616	41,920
At 30 June 2014	**278,243,741**	**14,203,244**

(1) On 12 November 2012, 92,835,236 $0.013 ordinary shares were issued (each with a 1 for 2 free attaching 3.5 cent option) pursuant to a non-renounceable entitlement offer. These options expired on 30 June 2013.

(2) On 19 November 2012, 332,556 $0.013 ordinary shares were issued to the company secretary in satisfaction of fees owing.

(3) On 7 December 2012, a total of 18,364,541 $0.013 ordinary shares were issued. Of this total 9,345,656 shares were issued pursuant to a private placement, 3,076,923 shares were issued as partial consideration of outstanding administration fees to DGR Global Ltd, 2,865,039 shares were issued for partial satisfaction of outstanding Director fees and 3,076,923 shares were issued to Columbus Gold (US) Corporation in relation to the Utah Clipper and Whitehorse Flats projects in Nevada.

(4) On 19 March 2013, a total 1,818,186 $0.033 ordinary shares were issued. Of this total 606,061 shares were issued as partial consideration of outstanding administration fees to DGR Global Ltd, 606,063 shares were issued for partial satisfaction of outstanding Director fees and 606,062 were issued as partial consideration of outstanding company secretary fees.

(5) On 23 August 2013, 38,000,020 $0.013 ordinary shares were issues. Of this total 36,076,943 were issued for cash pursuant to a private placement and 1,923,077 issued as partial consideration of capital raising fees.

(6) On 4 September 2013, 30,833,340 $0.012 ordinary shares were issued pursuant to a share purchase plan. Of the total shares issued 28,958,340 were issued for cash, 1,250,000 shares were issued as partial consideration of outstanding administration fees to DGR Global Ltd and 625,000 shares were issued for partial satisfaction of outstanding Director fees

(7) On 24 September 2013, a total of 3,224,616 $0.013 ordinary shares were issued. Of this total 2,455,385 shares were issued to Columbus Gold (US) Corporation in relation to the Utah Clipper project in Nevada and 769,231 shares were issued for partial satisfaction of outstanding administration fees to DGR Global Ltd.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

Note 16. Issued Capital (continued)

(c) Options

As at 30 June 2014, there were 500,000 unissued ordinary shares of Navaho Gold Ltd under option, held as follows:

- 500,000 unlisted options to take up one ordinary share in Navaho Gold Ltd (issued to Genesis Gold Corp pursuant to the execution of an Alliance Agreement) at an exercise price of 20 cents. The options vested immediately and expire 11 April 2015. Subsequent to the granting of these options and by virtue of the Company's non-renounceable entitlement offer, completed 12 November 2012, the exercise price of the options was reduced to 19.75 cents.

(d) Capital Risk Management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure to ensure the lowest costs of capital available to the Group.

The Group's capital comprises equity as shown in the statement of financial position. The Group is not exposed to externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

Note 17. Share-based Payments

(a) Recognised share-based payments

The amounts recognised for share based payments during the year is shown in the table below:

	2014 $	2013 $
Expense arising from equity settled share-based payment transactions included in share based payments expense	-	5,489
	-	**5,489**

The share-based payments are described below. There have been no cancellations or modifications to any of the share-based payments during 2014 and 2013.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

Note 17. Share-based Payments (continued)

(b) Types of share-based payment plans

Director & Employee share option plan (ESOP)
Share options are granted to employees and Directors. The employee and Director share option plan is designed to align participants' interests with those of shareholders by increasing the value of the Company's shares. There are no vesting conditions attached to the options granted under the ESOP.

When a participant ceases employment or Directorship prior to the vesting of their share options, the share options are forfeited after 90 days unless cessation of employment or Directorship is due to termination for cause or death, whereupon they are forfeited immediately. The Company prohibits KMP from entering into arrangements to protect the value of unvested ESOP awards.

The contractual life of each option granted may be up to three (3) years. There are no cash settlement alternatives. Each option can be exercised from vesting date to expiry date for one share with the exercise price payable in cash.

(c) Summaries of options granted

The following table illustrates the number (no.) and weighted average exercise prices (WAEP) of, and movements in, share options granted during the year:

	2014 No.	2014 WAEP	2013 No.	2013 WAEP
Outstanding at the beginning of the year	10,100,000	$0.19	13,100,000	$0.20
Granted during the year	-	-	500,000	$0.06
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	(9,600,000)	$0.20	(3,500,000)	$0.20
Outstanding at the end of the year	500,000	$0.20	10,100,000	$0.19
Exercisable at the end of the year	500,000	$0.20	10,100,000	$0.19

The options outstanding at 30 June 2014 have a weighted average remaining contractual life of 0.78 years (2013: 1.83 years) and an exercise price of $0.20.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

Note 17. Share-based Payments (continued)

(d) Option pricing model

The fair value of the equity settled share options granted (including ESOP) is estimated using a Black-Scholes options pricing model taking into account the terms and conditions upon which the instruments were granted.

The following table lists the inputs to the models used for the years ended 30 June 2014 and 2013:

	2014	2013
Weighted average exercise price	-	$0.06
Weighted average life of the option	-	2 years
Underlying share price	-	$0.03
Expected share price volatility	-	100%
Risk free interest rate	-	2.42%
Number of options issued	-	500,000
Value (Black-Scholes) per option	-	$0.011
Total value of options issued	-	$5,489

Historical volatility of a group of comparable companies has been the basis of determining expected share price volatility, as it is assumed that this is indicative of future movements. The life of the option has been based on its term to expiry.

	2014 $	2013 $
Note 18. Accumulated Losses		
Accumulated losses at the beginning of the year	(8,295,062)	(4,728,063)
Losses after income tax expense	(3,983,395)	(3,566,999)
Accumulated losses attributable to members of Navaho Gold Ltd at the end of the year	**(12,278,457)**	**(8,295,062)**
Note 19. Information relating to Navaho Gold Ltd ("the parent entity")		
Current assets	16,672	71,585
Total assets	2,570,311	7,518,393
Current liabilities	441,050	112,699
Total liabilities	441,050	112,699
Net assets	2,129,261	7,405,695
Issued capital	12,978,140	12,145,195
Share based payment reserve	829,762	829,762
Accumulated losses	(11,678,641)	(5,569,262)
Total shareholder funds	2,129,261	7,405,695
Loss of the parent entity	(6,109,579)	(1,998,703)
Total comprehensive loss of the parent entity	(6,109,579)	(1,998,703)

The parent does not have any guarantees in relation to the debts of its subsidiaries, contingent liabilities or contractual obligations to purchase property, plant and equipment at 30 June 2014 (2013: nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

Note 20. Related Party Disclosures

(a) Ultimate parent

Navaho Gold Ltd is the ultimate parent, which is incorporated in Australia.

(b) Key management personnel

Details relating to key management personnel, including remuneration paid, are included in note 5 and the audited remuneration report included within the Directors report.

(c) Transactions with related parties

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year:

Related party		Sales to related parties	Purchases from related parties	Other transactions with related parties
DGR Global Ltd (i)	2014	-	300,000	1,944
	2013	-	300,000	-

(i) The Group has a commercial arrangement with DGR Global Ltd (common Directors include Nicholas Mather and Brian Moller) for the provision of various services, whereby DGR Global Ltd provides resources and services including the provision of its administration and exploration staff, its premises (for the purposes of conducting the Group's business operations), use of existing office furniture, equipment and certain stationery, together with general telephone, reception and other office facilities (''Services''). In consideration for the provision of the Services, the Group pays DGR Global Ltd a monthly management fee. For the year ended 30 June 2014 $300,000 was paid or payable to DGR Global Ltd (2013: $300,000) for the provision of the Services. The total amount outstanding at year end was $180,553 (2013: $10,000).

The outstanding balances at each relevant year end are unsecured, interest free and settlement occurs in cash. All outstanding amounts payable comprise current liabilities.

(d) Loans from related parties

During the financial year ended 30 June 2014 DGR Global Ltd provided an unsecured, interest free loan for the amount of $1,944 (2013: Nil).

Note 21. Capital Commitments

(a) Future Exploration Commitments

The Group has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Group. The commitments are as follows:

	2014 $	2013 $
Less than 12 months	151,000	1,720,631
Between 12 months and 5 years	9,768,430	5,758,521
	9,919,430	**7,479,152**

To keep tenements in good standing, work programs should meet certain minimum expenditure requirements. If the minimum expenditure requirements are not met, the Group has the option to negotiate new terms or relinquish the tenements. The Group also has the ability to meet expenditure requirements by joint venture or farm-in agreements.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

Note 22. Financial Risk Management

(a) General objectives, policies and processes

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in this note.

The Group's financial instruments consist mainly of deposits with banks, receivables and payables.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Group where such impacts may be material.

The overall objective of the Board is to set polices that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Group. The Group's objective is to minimise the risk of loss from credit risk exposure.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk is reviewed regularly by the Board at monthly board meetings. It arises from exposure to receivables as well as through deposits with financial institutions and available-for-sale financial assets.

The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group at balance date.

The Group's cash at bank is held between Macquarie Bank Limited and Westpac Banking Corporation Limited.

(c) Liquidity Risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet financial obligations as they fall due. The objective of managing liquidity risk is to ensure, as far as possible, that the Group will always have sufficient liquidity to meets its liabilities when they fall due, under both normal and stressed conditions.

Liquidity risk is reviewed regularly by the Board.

The Group manages liquidity risk by monitoring forecast cash flows and liquidity ratios such as working capital. The Group did not have any financing facilities available at balance date.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

Note 22. Financial Risk Management (continued)

(c) Liquidity Risk (continued)

Maturity Analysis – Economic Entity – 2014	Carrying Amount $	Contractual Cash Flows $	<6 Months $	6-12 Months $	1-3 Years $	> 3 Years $
Financial liabilities						
Trade and other payables	521,130	521,130	521,130	-	-	-
Total	**521,130**	**521,130**	**521,130**	**-**	**-**	**-**

Maturity Analysis – Economic Entity – 2013	Carrying Amount $	Contractual Cash Flows $	<6 Months $	6-12 Months $	1-3 Years $	> 3 Years $
Financial liabilities						
Trade and other payables	329,574	329, 574	329, 574	-	-	-
Total	**329,574**	**329,574**	**329,574**	**-**	**-**	**-**

(d) Market Risk

Market risk arises from the use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk). The Group does not have any material exposure to market risk other than interest rate risk.

Interest rate risk
Interest rate risk arises principally from cash and cash equivalents and other financial liablities. The objective of interest rate risk management is to manage and control interest rate risk exposures within acceptable parameters while optimising the return.

For further details on interest rate risk refer to the tables below:

	Floating interest rate 2014 $	Fixed interest rate 2014 $	Non-interest bearing 2014 $	Total carrying amount 2014 $	Weighted average effective interest rate 2014 %
(i) Financial assets					
Cash and cash equivalents	11,606	-	-	11,606	0.01%
Trade and other receivables	-	-	16,308	16,308	N/A
Other financial assets	-	-	67,463	67,463	N/A
Total financial assets	**11,606**	**-**	**83,771**	**95,377**	
(ii) Financial liabilities					
Trade and other payables	-	-	521,130	521,130	N/A
Total financial liabilities	**-**	**-**	**521,130**	**521,130**	

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

Note 22. Financial Risk Management (continued)

(d) Market Risk (continued)

	Floating interest rate 2013 $	Fixed interest rate 2013 $	Non-interest bearing 2013 $	Total carrying amount 2013 $	Weighted average effective interest rate 2013 %
(i) Financial assets					
Cash and cash equivalents	75,846	-	-	75,846	1.5%
Trade and other receivables	-	-	17,820	17,820	N/A
Other financial assets	-	-	77,963	77,963	N/A
Total financial assets	**75,846**	**-**	**95,783**	**171,629**	
(ii) Financial liabilities					
Trade creditors	-	-	329,574	329,574	N/A
Total financial liabilities	**-**	**-**	**329,574**	**329,574**	

(e) Fair Value Estimation

Due to the short term nature of all financial assets and financial liabilities, their carrying values are assumed to approximate their fair values.

Note 23. Operating Segments

Navaho Gold Limited operates in one business being in the mining exploration and evaluation, and two geographic locations, being Australia and the United States of America. Information reviewed by the chief operating decision maker is prepared on this basis and operating segments have been identified accordingly.

Geographical Segment	Australia		USA		Eliminations		Total	
	2014 $	2013 $	2014 $	2013 $	2014 $	2013 $	2014 $	2013 $
Revenue- interest	1,448	15,441	-	-	-	-	1,448	15,441
other	-	3,480	-	-	-	-	-	3,480
Operating result	(655,335)	(1,762,089)	(3,328,060)	(1,804,910)	-	-	(3,983,395)	(3,566,999)
Total assets	3,312,768	8,223,645	1,808,626	4,714,715	(3,065,280)*	(7,928,891)*	2,056,114	5,009,469
Total liabilities	1,169,415	792,975	2,422,533	7,465,491	(3,065,280)*	(7,928,891)*	526,668	329,575

* These eliminations relate to intercompany loans.

Geographical Segment	Australia		USA		Eliminations		Total	
	2014 $	2013 $	2014 $	2013 $	2014 $	2013 $	2014 $	2013 $
Segment asset additions for the period								
- Property, plant and equipment	-	-	-	-	-	-	-	-
- Exploration and evaluation assets	21,241	106,133	405,811	1,721,618	-	-	427,052	1,827,751

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

	2014 $	2013 $
Note 24. Cash Flow Reconciliation		
Loss after income tax	(3,983,395)	(3,566,999)
Non-cash operating items		
- Doubtful debts expense	-	37,000
- Write back of exploration expenditure	3,302,762	2,700,357
- Share based payments expense	-	5,489
- Depreciation	1,393	8,965
Changes in operating assets and liabilities*		
Increase (decrease) in deferred tax liability	5,538	-
(Increase) decrease in trade and other receivables	(1,513)	54,309
Increase (decrease) in trade and other payables	345,882	108,970
Increase (decrease) in provisions	-	(13,095)
Cash flow from operations	**(329,333)**	**(665,004)**

* Net of amounts relating to exploration and evaluation assets.

Non cash investing and financing activities

Equity settlement of liabilities	57,500	141,569
Option expense in share issue costs	-	4,655
Equity settlement of amounts owing in exploration and evaluation assets	31,920	40,000

Note 25. Contingent Assets and Liabilities

There are no contingent assets and liabilities at 30 June 2014 (2013: nil).

Note 26. Subsequent Events

In July 2014, the Company and the vendors of Excarb executed a Share Sale Agreement in July 2014 containing the following elements:

(xi) Navaho will acquire Excarb for an initial scrip-based consideration of 10 million Navaho shares, subject to shareholders approving the acquisition at the meeting of 1 October 2014;

(xii) Excarb to retain its interest in the Marayes coal projects but cancel its option over the Nirihuau coal projects, with a consequent reduction in the total share and milestone based consideration payable;

(xiii) The further "milestone shares" of 17,000,000 will be allotted by Navaho to the Excarb vendors in the event of the introduction of a suitable new mining, oil or gas related project opportunity to Navaho by 30 June 2015;

(xiv) A capital raising of $500,000 will be undertaken to support the transaction and as a condition precedent to completion;

(xv) Neil Stuart to join the Navaho Board upon the completion of the transaction.

Further details regarding Excarb Pty Ltd, Neil Stuart and the Argentinean coal projects are outlined in the Review of Operations. A Navaho Gold shareholder meeting to approve the Excarb transaction is due to be convened on 1 October 2014.

On 18 August 2014, the Company issued 82,111,112 ordinary shares at $0.003 per share, 66,833,333 shares were issued as a result of successful completion of a private placement raising $200,500 and 15,277,778 shares were issued as partial conversion of outstanding Director fees.

On 18 August 2014, the Company announced a non-renounceable entitlement offer to raise up to $540,500 through the issue up to 180,177,426 shares with an offer ratio of 1 new share for every 2 shares held at an offer price of $0.003. On 24 September 2014, the Company announced shareholders had applied for 96,895,386 shares raising $290,686 with shares issued on 26 September 2014. The Company is now seeking to place the shortfall from the offer to third parties on terms no more favourable than were available to shareholders under the offer. The placement of the shortfall is expected to occur after the date of this report.

The Directors are not aware of any other significant changes in the state of affairs of the Group or events after the balance date that would have a material impact on the consolidated financial statements.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Navaho Gold Limited, I state that:

1. In the opinion of the Directors:

   (a) The financial statements and notes of Navaho Gold Limited for the financial year ended 30 June 2014 are in accordance with the *Corporations Act 2001*, including:

      (i) Giving a true and fair view of its financial position as at 30 June 2014 and its performance for the year ended on that date;

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

   (b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1; and

   (c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, as disclosed in Note 1.

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 2014.

On behalf of the board

Director

Brisbane
Date: 30 September 2014

INDEPENDENT AUDITOR'S REPORT

To the members of Navaho Gold Limited

Report on the Financial Report

We have audited the accompanying financial report of Navaho Gold Limited, which comprises the consolidated statement of financial position as at 30 June 2014, 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 control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, 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 judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Opinion

In our opinion:

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

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

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

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

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of non-core assets. These conditions, along with other matters set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt on 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 in pages 16 to 22 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Navaho Gold Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO Audit Pty Ltd

BDO

D P Wright
Director

Brisbane, 30 September 2014