

## QUARTERLY ACTIVITIES REPORT TO 31 DECEMBER 2013

### HIGHLIGHTS

#### EXPLORATION

- Major (+68%) upgrade of Westralia Mineral Resource to 610,000oz at 5.9g/t Au including the newly defined Millionaires Shoot with 326,000oz at 7.6g/t Au;
- Mt Morgans project Mineral Resource inventory increased to 1.17Moz at 4.0g/t Au from 0.92Moz at 3.1g/t;
- Additional high grade gold intersections from the Millionaires Shoot included in the Westralia resource upgrade included:
  - 4.0m @ 21.9g/t Au from 490m
  - 4.6m @ 4.2g/t Au from 519m
- A single extensional drill hole completed after the resource upgrade and 100m outside of resource boundary intersected high grade gold and defines further resource potential. The intersection included:
  - 11.3m @ 5.5g/t Au from 417.7m (not previously reported)
- Exploration success at Jupiter confirms potential for high grade lodes at the prospect with results including:
  - 17.2m @ 4.8g/t Au from 160m
  - 6.9m @ 8.3g/t Au from 154.1m
  - 6.1m @ 4.8g/t Au from 166.9m
  - 15.2m @ 3.0g/t Au from 206.8m (not previously reported)
- Preliminary metallurgical test work program initiated for Millionaires and Jupiter.

#### CORPORATE

- The company remains well funded with \$13.2M in cash as at 31 December 2013.

#### INVESTMENT HIGHLIGHTS

- ▶ 100% ownership of the high grade Mt Morgans Gold Project, Laverton District in WA
- ▶ Ore Reserve of 136,000oz at 6.2g/t Au
- ▶ Mineral Resources of 1.17Moz at 4.0g/t Au
- ▶ Multiple high grade drill targets
- ▶ Large scale conceptual targets
- ▶ Minimum ore reserve target of 500,000 ounces
- ▶ 13.2m in cash as at 31 December 2013

ASX Code: DCN

#### BOARD OF DIRECTORS

- Rohan Williams**  
Non-Executive Chairman
- Paul Payne**  
Managing Director
- Barry Patterson**  
Non-Executive Director
- Robert Reynolds**  
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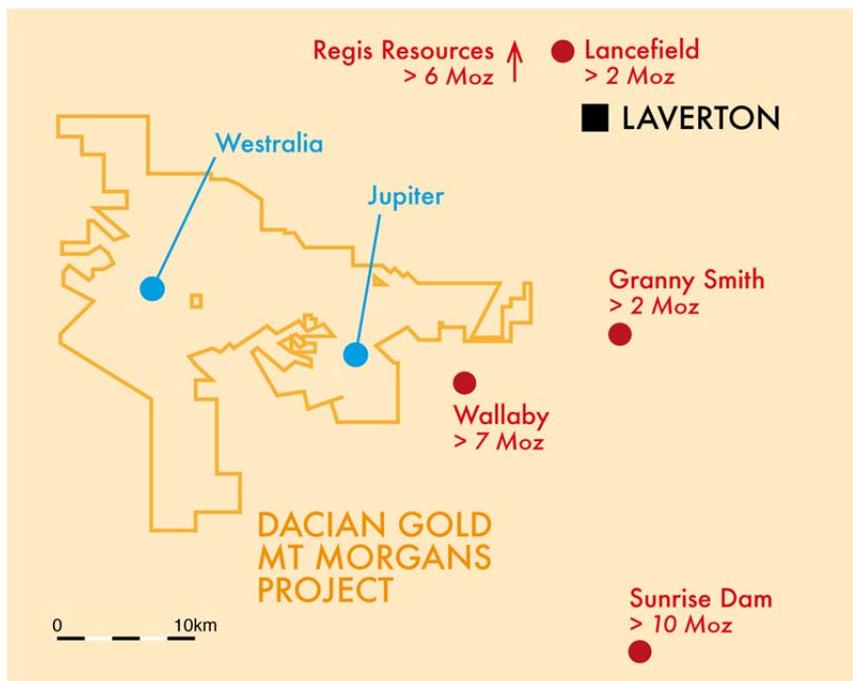
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## EXPLORATION

### Overview

Exploration work completed in the December Quarter within Dacian's 100% owned Mt Morgans Project included the drilling of four diamond drill holes for 2,257m at the Westralia prospect and 14 diamond drill holes for 5,093m of drilling at the Jupiter prospect. Prospect locations are shown in Figure 1.



**Figure 1: Regional Location Map**

The drilling at Westralia consisted initially of three broad spaced infill diamond holes in the high grade Millionaires Shoot. All holes intersected resource grade mineralisation including 4m at 21.9g/t in 13MMRD021. Following the infill drilling, an updated Mineral resource estimate was completed for the Westralia deposit resulting in a 68% increase in ounces (from 364,000oz to 610,000oz) and a 74% increase in grade (from 3.4g/t to 5.9g/t).

The increase resource at Westralia has taken the overall Mt Morgans project inventory to 1.17Moz at a grade of 4.0g/t (from 0.92Moz at 3.1g/t).

Following the Westralia resource upgrade, Dacian completed a step-out diamond drill hole 100m north of the Millionaires Shoot resource boundary and intersected 11.3m @ 5.5g/t.

At the Jupiter prospect, the 14 diamond drill holes completed during the quarter continued the broad spaced testing of the 2km long structural corridor as well as selected holes being drilled to follow up the high grade mineralisation intersected previously in the Heffernan's syenite. Numerous intersections were returned that support Dacian's view that a large mineralised system is present at Jupiter. The geology and style of mineralisation defined at Jupiter is analogous to that seen at the nearby >7Moz Wallaby deposit.

## Westralia Drilling

Gold mineralisation at Westralia occurs within a well-defined banded iron formation (BIF) horizon from which approximately 900koz was produced up to 1998. Gold mineralisation is associated with pyrrhotite and pyrite replacement of magnetite within zones of silica and albite alteration of the BIF. Previous mining at the deposit has demonstrated that the gold is free milling with good recoveries achieved historically from conventional CIL processing.

Sparse drilling beneath the southern end of the Westralia pit carried out during the 1990s had returned high grade gold intersections within an area measuring 1,000m along strike and 600m down-dip. Drilling by Dacian in this area in 2013 intersected high grade gold mineralisation which is interpreted to form a steep south plunging shoot termed the Millionaires Shoot.

The deposit, including all Dacian intersections is shown in Figure 2. Cross sections through the deposit are shown in Figure 3 to Figure 6. The true thickness of the intersections is interpreted to be 60-90% of the down hole interval.

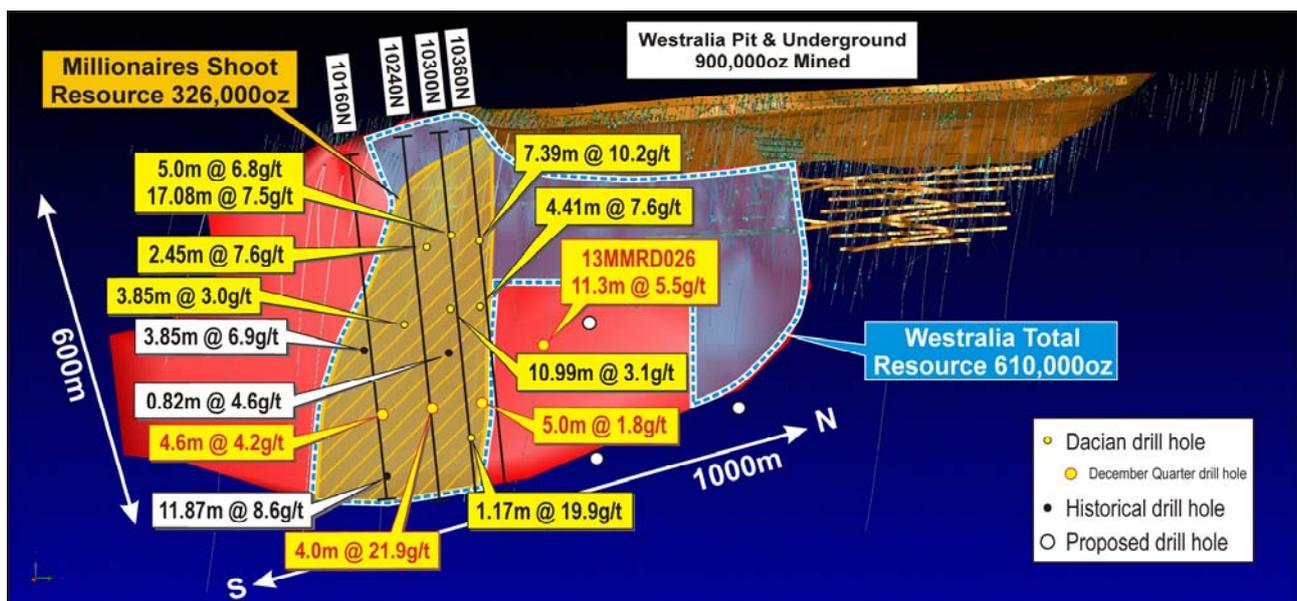


Figure 2: Westralia Deposit showing mine workings, target horizon and Dacian intersections (December quarter intersections in red)

During the December Quarter, four holes were drilled at Westralia. Three of those were within the Millionaires Shoot (highlighted in Figure 2). The holes within the Millionaires shoot include:

- 13MMRD021      4.0m @ 21.9g/t Au from 490m  
    including      1.0m @ 48.8g/t from 493m
- 13MMRD020      4.6m @ 4.2g/t Au from 519m
- 13MMRD022      5.0m @ 1.8g/t Au from 468.8m

The results from the latest drilling support the interpretation of good continuity of high grade gold mineralisation within a highly continuous BIF sequence. The results were incorporated into the updated Mineral Resource estimate which was completed in December 2013.



A fourth drill hole (13MMRD026) was drilled approximately 100m along strike to the north of the Millionaires Shoot and intersected high grade gold mineralisation outside of the Mineral Resource boundary. This drill hole returned results (not previously reported) including:

- 13MMRD026            11.3m @ 5.5g/t Au from 417.7m  
    including            1.5m @ 11.2g/t from 417.7m  
    and including        3.1m @ 9.2g/t from 421.8m  
    and including        2.0m @ 8.3g/t Au from 427m

The results from 13MMRD026 suggest that further high grade additions to the Mineral Resource are likely with additional drilling. Pre-collars have been drilled for three more holes to scope out the potential of this area and diamond drilling will resume in the March Quarter.

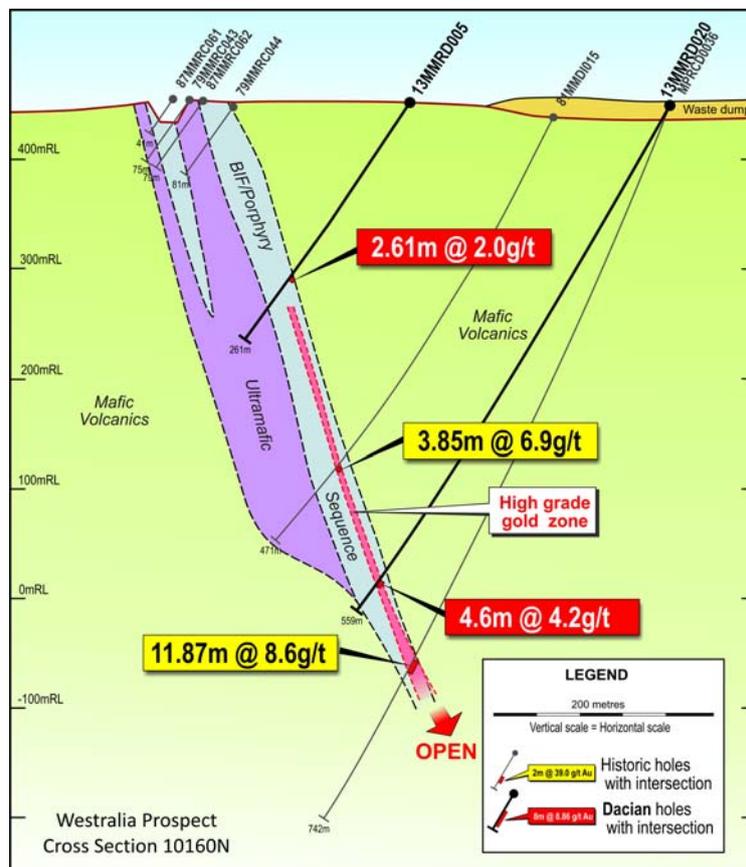


Figure 3: Westralia Cross Section 10160N showing hole 13MMRD020 from the December Quarter confirming vertical continuity of mineralisation at Westralia

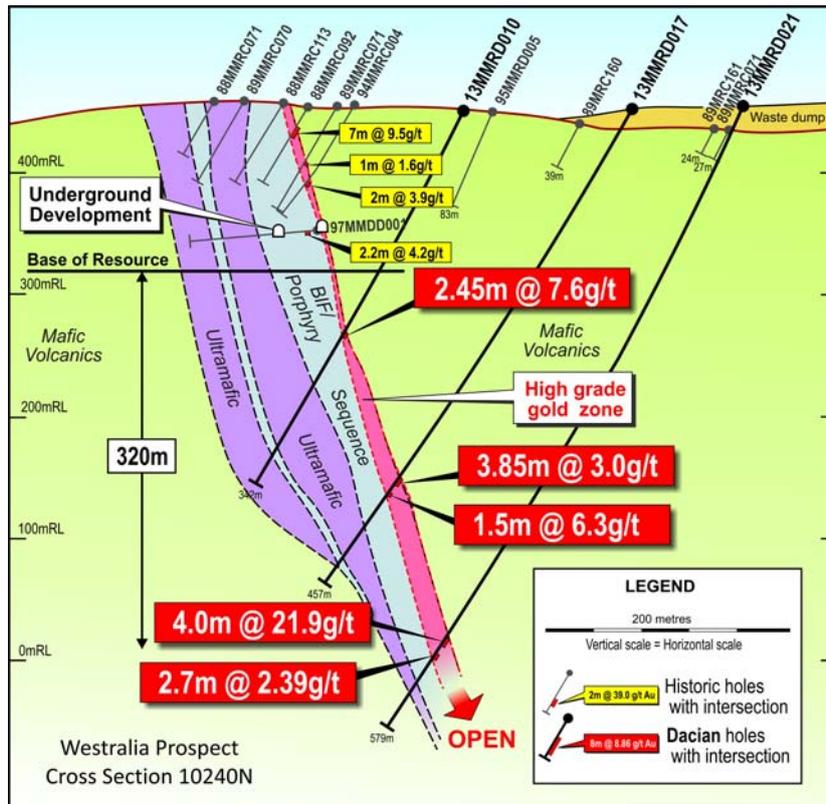


Figure 4: Westralia Cross Section 10240N showing hole 13MMRD021 from the December Quarter confirming continuity of high grade mineralisation at Westralia at depth

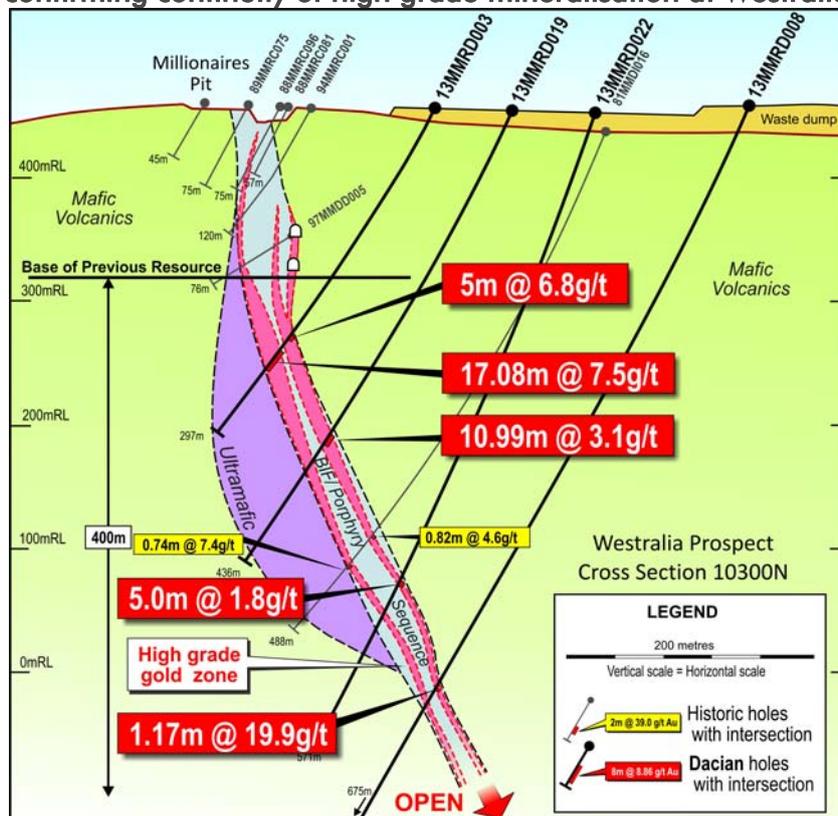


Figure 5: Westralia Cross Section 10300N showing hole 13MMRD022 from the December Quarter confirming continuity of mineralisation at Westralia

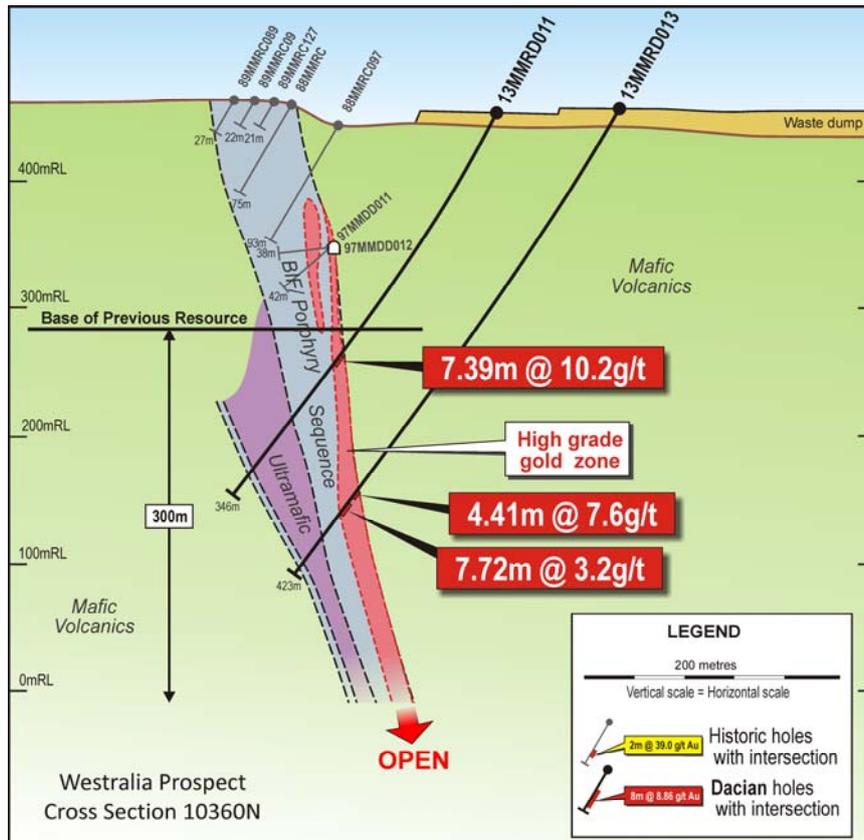


Figure 6: Westralia Cross Section 10360N (holes completed in previous quarters)

## Westralia Mineral Resource

An update of the Westralia resource estimate was prepared in December 2013 by consultants RungePincockMinarco Limited (RPM) in accordance with the guidelines of the JORC Code (2012 edition). The estimate was reported in detail in the 19 December 2013 ASX Release entitled "Increase in Westralia resource to 610,000oz lifts Mt Morgans project to over 1 million ounces." A summary of the Mineral Resource is shown in Table 1. The resource limits are shown in Figure 2.

**Table 1: Westralia Deposit December 2013 Mineral Resource Estimate (2g/t Au Cut-off)**

<b>Millionaires Shoot</b>			
<b>Classification</b>	<b>Tonnes</b>	<b>Au g/t</b>	<b>Au Oz</b>
Measured	35,000	4.0	4,500
Indicated	146,000	5.9	27,600
Inferred	1,151,000	8.0	294,200
<b>Total</b>	<b>1,331,000</b>	<b>7.6</b>	<b>326,300</b>
<b>Westralia Other Zones</b>			
<b>Classification</b>	<b>Tonnes</b>	<b>Au g/t</b>	<b>Au Oz</b>
Measured	115,000	5.3	19,700
Indicated	805,000	5.0	130,300
Inferred	961,000	4.3	133,800
<b>Total</b>	<b>1,881,000</b>	<b>4.7</b>	<b>283,700</b>
<b>Total Mineral Resource</b>			
<b>Classification</b>	<b>Tonnes</b>	<b>Au g/t</b>	<b>Au Oz</b>
Measured	150,000	5.0	24,200
Indicated	951,000	5.2	158,000
Inferred	2,112,000	6.3	428,000
<b>Total</b>	<b>3,213,000</b>	<b>5.9</b>	<b>610,000</b>
Previous Estimate (from 2010)	3,331,000	3.4	364,000
<b>Change</b>	<b>-4%</b>	<b>+74%</b>	<b>+68%</b>

The deposit has been delineated in the upper levels by face sampling of development drives, underground diamond drilling and surface diamond drilling and minor RC drilling. The deeper portion of the deposit has been delineated by surface diamond drilling. The geological interpretation has defined a highly continuous hangingwall BIF horizon which hosts the majority of the gold mineralisation. Additional footwall mineralisation is also present in a number of areas, with typically less than 10m separation from the hangingwall zone. The footwall zones frequently comprise high grade mineralised zones (such as the intersection of 17.08m @ 7.5g/t in 13MMRD003 in Figure 5).

The increase in grade and ounces in the updated Mineral Resource is primarily due to the inclusion for the first time of the Millionaires Shoot which has been largely defined by Dacian diamond drilling from 2013. The Millionaires Shoot resource includes hangingwall zone mineralisation only. High grade footwall zones parallel to the Millionaires Shoot has been report in the Westralia Other Zones in Table 1.

The previous resource of 364,000oz was reported using a 0.5g/t lower cut-off grade. The new estimate of 610,000oz has been reported at a 2.0g/t cut-off grade due to any foreseeable development being limited to underground mining. This has resulted in a loss of tonnes and ounces in the previously defined portion of the resource (Westralia Other Zones in Table 1).

## Jupiter Prospect

Gold mineralisation at Jupiter occurs over a 2km long corridor and is associated with a series of syenite intrusions as well as gently dipping, structurally controlled zones within the surrounding basalt. The geology and style of mineralisation is analogous to that seen at the nearby >7Moz Wallaby deposit located 8km SE of the Jupiter prospect. The broadly north-south Jupiter Corridor (Figure 7) contains a series of mineralised syenite pipes defined by shallow historic drilling.

The northern portion of the corridor is defined by the historic Jupiter open pit where previous mine production together with the current Mineral Resource represent an endowment of approximately 300,000oz to a depth of only 150m below surface.

Dacian's objective from the initial broad spaced drilling at Jupiter was to outline the structural framework and broad geology of the 2km long Jupiter Corridor. In addition, the program was designed to test the potential of the prospect for the flat-lying, extensive high grade lodes like those mined at the Wallaby deposit.

Three broad target areas have been drilled at the Jupiter prospect and are outlined in Figure 7. These include the Heffernan's Zone to the south, the Link Zone basalt hosted shear along strike to the north, and extensions to the known mineralisation adjacent to and beneath the Jupiter open pit.

### Heffernan's Zone

Results from drilling at the Heffernan's Zone have been highly encouraging with a high grade "Wallaby style" structure intersected in five holes in syenite. The mineralisation is located 1,000m south of the existing 73,000oz Mineral Resource and the Jupiter pit where similar style lode structures were mined in the 1990s. The drilling was successful in defining high grade gold mineralisation and importantly, these results are not part of any resource estimate. Better results include:

- 13JUDD018            17.2m @ 4.8g/t Au from 160m (main lode)  
including            3.3m @ 17.1g/t from 169.7m  
and                    3.7m @ 5.8g/t from 147m (hangingwall lode)
- 13JUDD007            6.9m @ 8.3g/t Au from 154.1m within 26m @ 3.0g/t
- 13JURD006            6.1m @ 4.8g/t Au from 166.9m within 16.8m @ 2.1g/t
- 13JURD023            15.2m @ 3.0g/t Au from 206.8m (not previously reported)
- 13JURD019            6.2m @ 3.2g/t Au from 118.3m

The intersections are shown in plan view in Figure 7 and on cross section in Figure 8 and Figure 9 and listed in detail in Table 2. The high grade zones are interpreted to form gently dipping lode structures developed within or at the contact of the syenite intrusion. The zone remains open up-plunge in the syenite as seen on section 6812160N (Figure 9). In this area, the syenite body trends east-west forming a large target area for the up-dip extension of the mineralised zones intersected in holes 13JUDD006 and 13JUDD023.



## Link Zone Shear

North of the Heffernan's Zone and south of the open pit, sparse historic drilling has defined a well mineralised basalt hosted shear zone over a strike length of 500m (Figure 7). Dacian completed two holes in this zone and intersected zones of gold mineralisation. Results include:

- 13JURD010 10.8m @ 2.1g/t Au from 47.2m (incl 4.6m @ 4.2g/t)
- 13JURD012 26.9m @ 0.5g/t from 137.9m

## Jupiter Pit Area

The third drilling target for the Quarter was to test the potential for mineralisation beneath the main Jupiter open pit. A single pre-collared diamond hole was drilled from the eastern rim of the pit (hole 13JURD017 on Figure 7) and intersected extensive zones of gold mineralisation within multiple syenite intrusions. The hole intersected a void at 337m and was terminated in mineralisation within the main syenite unit. The hole is shown on cross section in Figure 10 and results include:

- 13JURD017 22.1m @ 1.5g/t Au from 216m  
and 61.8m @ 1.1g/t from 268.5m

The results are encouraging as they confirm that the well mineralised syenite extends for at least 150m beneath the open pit and beyond the resource boundary. It also confirms that mineralisation is developed within a number of structural zones and different syenite bodies. Now that the main syenite has been demonstrated to extend at depth, further work is planned to target the high grade zone mined within the open as well as targeting other zones with potential to host further high grade lodes.

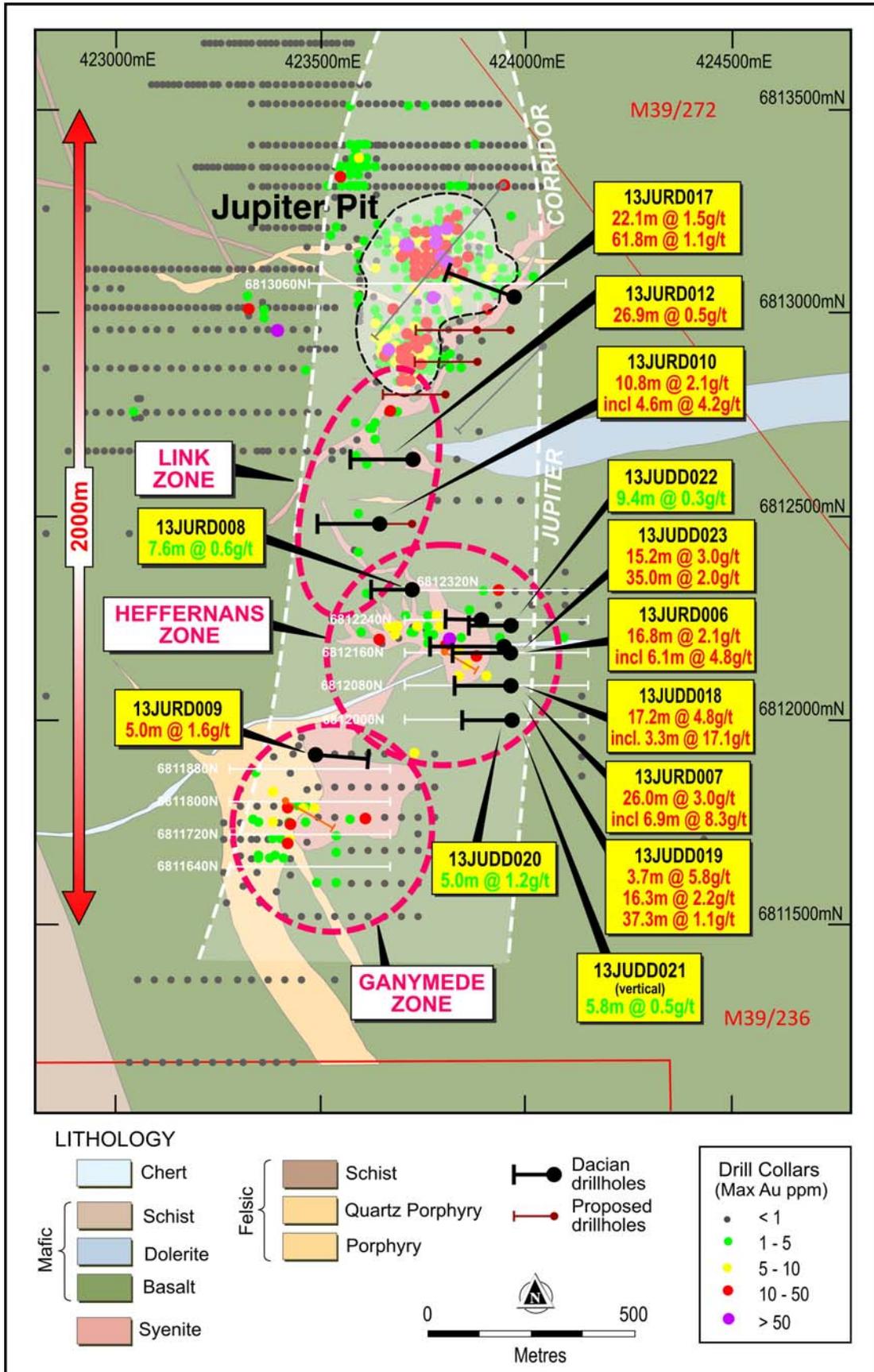


Figure 7: Jupiter Prospect Location Plan and Dacian Drilling

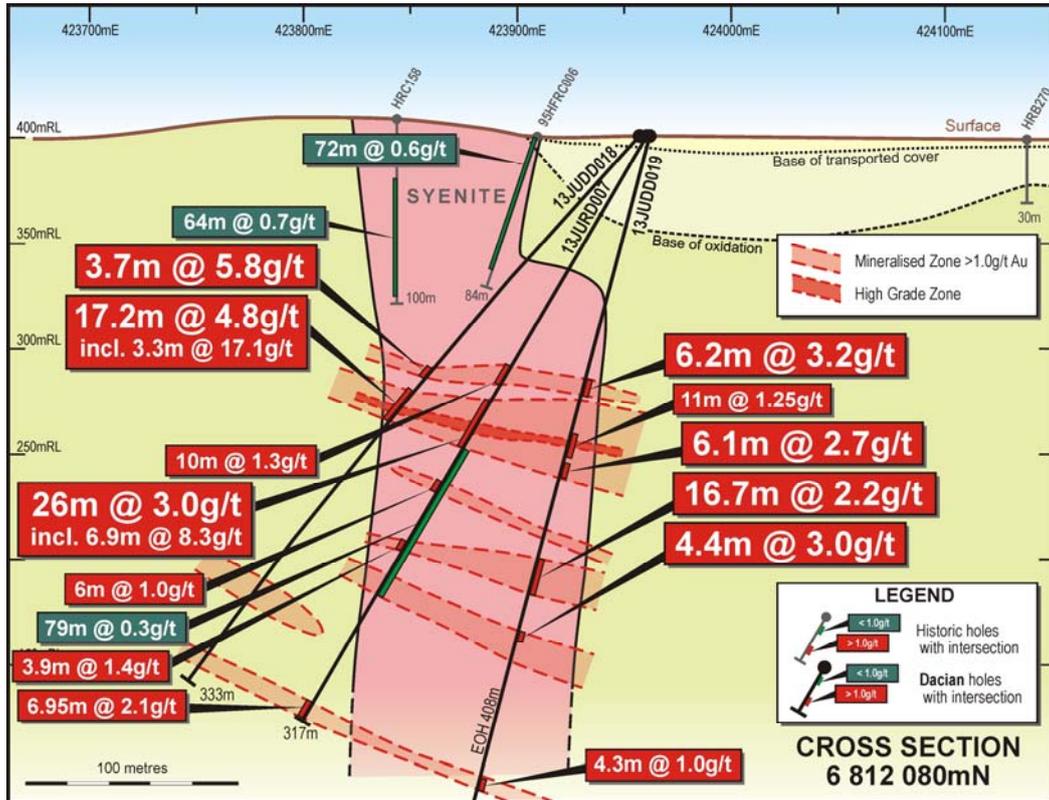


Figure 8: Jupiter Cross Section 6812080N (All holes drilled in December Quarter)

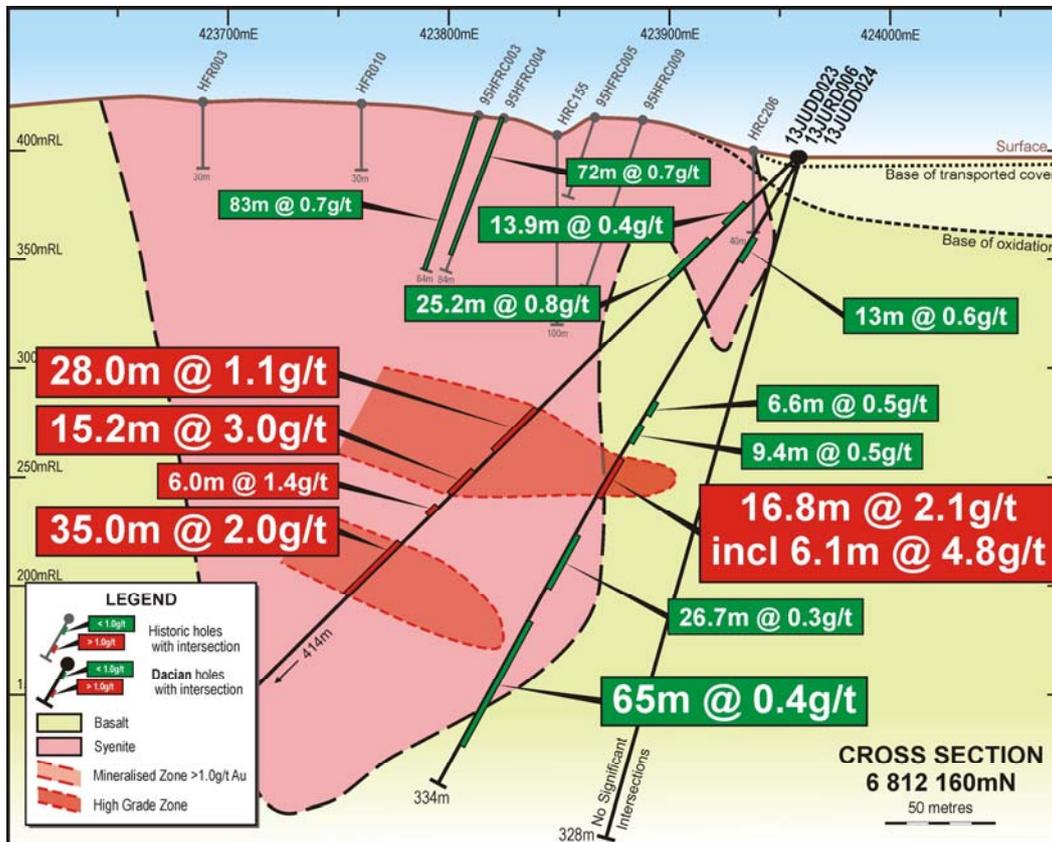


Figure 9: Jupiter Cross Section 6812160N (All holes drilled in December Quarter)

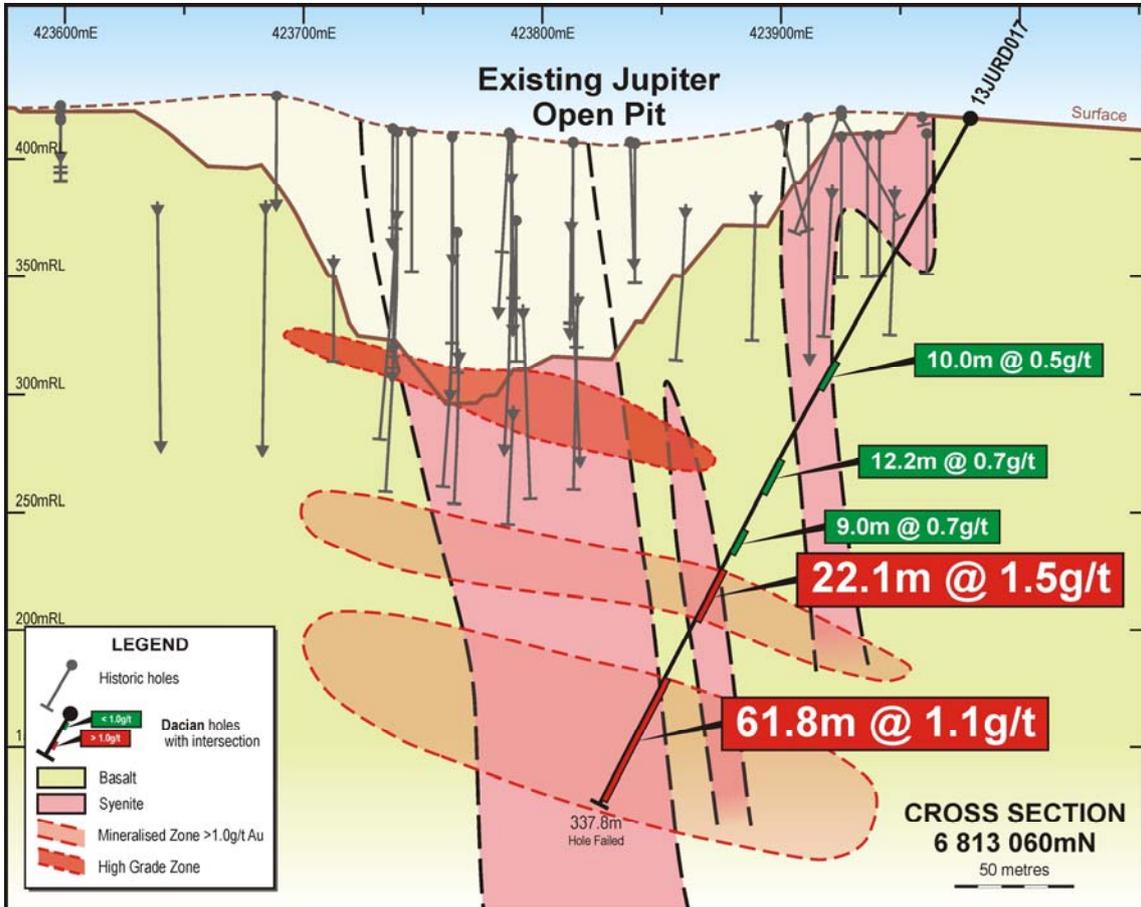


Figure 10: Jupiter Cross Section 6813060N (All holes drilled in December Quarter)

## March Quarter Exploration Programs

Drilling will resume at the Westralia deposit in the March Quarter. Initially, the three planned holes remaining from the 2013 program will be completed.

Drilling at the Jupiter Prospect will also resume in the March Quarter and is planned to continue the structural framework program that commenced in 2013. Further drilling is also planned to test for extensions to the high grade mineralisation defined in the 2013 Dacian drilling. As a priority, holes will be drilled to follow the lode structures up-dip within the Heffernan's syenite.

A preliminary metallurgical test work program has been initiated for the Westralia and Jupiter deposits to confirm that the mineralisation responds well to cyanide leaching and gravity recovery. Two composite samples from each prospect have been submitted for testing. Previous mining at the deposits involved processing the ore through a conventional CIL treatment plant, so no metallurgical issues are expected. However the mineralisation defined by Dacian is of substantially higher grade than that mined by previous operators.

Open file data searches and compilation have continued for the areas of Dacian's 2012 tenement applications, many of which have now been granted. The data compilation will assist in planning first pass evaluation of these areas. Exploration work on these areas will commence in 2014.

## Corporate

- As at 31 December 2013 the Company had cash of approximately \$13.2 million;
- Shares on issue are 96.1 million with no change from the previous quarter. Of these, 24 million remain in escrow until 14 November, 2014.

**Table 2: Mt Morgans Exploration Drilling Results**  
**Westralia Exploration Drilling Results (Results > 0.5g/t Au)**

Collar Location and Orientation								Intersection > 0.5ppm Au				
Hole	Type	X	Y	Z	Total Depth	Dip	Azimuth	From (m)	To (m)	Length (m)	Au (ppm)	
13MMRD020	RCD	409,950	6,816,726	450	600	-61	244	519.0	523.6	4.6	4.2	
								537.0	538.0	1.0	9.7	
								545.5	545.9	0.4	17.5	
13MMRD021	RCD	409,864	6,816,791	454	579	-64	245	490.0	494.0	4.0	21.9	
								including	493.0	494.0	1.0	48.8
									499.4	502.1	2.7	2.3
									505.0	506.0	1.0	1.5
13MMRD022	RCD	409,761	6,816,828	451	509	-69	242	468.8	473.8	5.0	1.8	
13MMRD023	RCD	409,630	6,817,212	461	92	-65	245	Pre-collar only				
13MMRD024	RCD	409,714	6,817,072	468	114	-70	240	Pre-collar only				
13MMRD025	RCD	409,569	6,817,004	468	102	-64	245	Pre-collar only				
13MMRD026	RCD	409,610	6,816,942	468	514	-67	245	400.2	402.0	1.8	2.2	
								417.7	429.0	11.3	5.5	
								417.7	419.2	1.5	11.2	
								421.8	424.9	3.1	9.2	
								427.0	429.0	2.0	8.3	

**Jupiter Exploration Drilling Results (Results > 0.2g/t Au)**

Hole	Type	X	Y	Z	Total Depth	Dip	Azimuth	From (m)	To (m)	Length (m)	Au (ppm)	
13JURD006	RCD	423,960	6,812,160	398	334	-60	270	43	56	13.00	0.59	
								and	131	137.63	6.63	0.48
								and	143.3	152.67	9.37	0.46
								and	<b>165.1</b>	<b>181.86</b>	<b>16.76</b>	<b>2.10</b>
								including	<b>166.88</b>	<b>173</b>	<b>6.12</b>	<b>4.82</b>
								and	202	228.73	26.73	0.28
								and	247	312	65.00	0.37
13JURD007	RCD	423,960	6,812,080	401	317	-60	270	71.84	87	15.16	0.32	
								and	100	106	6.00	0.43
								and	124	134	10.00	1.26
								and	<b>143</b>	<b>169</b>	<b>26.00</b>	<b>2.99</b>
								including	<b>154.06</b>	<b>161</b>	<b>6.94</b>	<b>8.26</b>
								and	169	249.0	80.0	0.27
								including	187	193	6.00	0.98
								and including	221	224.89	3.89	1.44
								and including	238	249.01	11.01	0.47
								and	309.05	316	6.95	2.07

13JUDD008	DD	423,705	6,812,322	410	234.4	-60	270	30	32.36	2.36	0.32
							and	78.4	86	7.6	0.63
							and	114.77	115.85	1.08	0.47
							and	120.27	121.78	1.51	0.71
13JURD009	RCD	423,501	6,811,880	398	238.06	-60	90	24	35	11	0.89
							and	79.42	87.2	7.78	0.42
13JURD010	RCD	423,640	6,812,480	399	201.46	-60	270	<b>47.16</b>	<b>57.96</b>	<b>10.8</b>	<b>2.08</b>
							and	128.01	137	8.99	0.66
13JURD012	RCD	423,719	6,812,642	413	345.4	-60	271	63.83	72	8.17	0.38
							and	92	93.87	1.87	0.49
							and	116.46	120.3	3.84	1.28
							and	137.86	164.72	26.86	0.50
							and	217.34	224	6.66	0.40
13JURD013	RC	423,879	6,812,880	413	48	-60	270	Pre-collar only			
13JURD014	RC	423,881	6,812,960	413	30	-60	270	Pre-collar only			
13JURD015	RC	423,959	6,812,963	410	18	-60	270	Pre-collar only			
13JURD016	RC	423,799	6,812,800	416	30	-60	270	Pre-collar only			
13JURD017	RCD	423,978	6,813,037	414	337.8	-60	285	117	127	10	0.51
							and	165.4	177.6	12.2	0.72
							and	198	207	9	0.68
							and	<b>216</b>	<b>238.11</b>	<b>22.11</b>	<b>1.51</b>
							and	<b>268.55</b>	<b>330.4</b>	<b>61.85</b>	<b>1.05</b>
13JUDD018	DD	423,958	6,812,080	401	310	-45	270	<b>147</b>	<b>150.7</b>	<b>3.7</b>	<b>5.77</b>
							and	<b>160</b>	<b>177.22</b>	<b>17.22</b>	<b>4.76</b>
							including	<b>169.7</b>	<b>173.03</b>	<b>3.3</b>	<b>17.10</b>
13JUDD019	DD	423,962	6,812,080	399	408.5	-75	270	<b>118.26</b>	<b>164.07</b>	<b>45.81</b>	<b>1.33</b>
							including	<b>118.26</b>	<b>124.49</b>	<b>6.23</b>	<b>3.22</b>
							and including	<b>144</b>	<b>155</b>	<b>11</b>	<b>1.25</b>
							and including	<b>158</b>	<b>164.07</b>	<b>6.07</b>	<b>2.65</b>
							and	<b>191</b>	<b>194.72</b>	<b>3.72</b>	<b>1.55</b>
							and	<b>205</b>	<b>221.74</b>	<b>16.74</b>	<b>2.22</b>
							and	241.2	245.64	4.44	3.03
							and	253	254.77	1.77	1.38
							and	271	271.95	0.95	5.36
							and	312.69	317	4.31	1.00
							and	340	363.9	23.9	0.67
							and	368.14	405.45	37.31	1.05
13JUDD020	DD	423,958	6,811,998	397	321.53	-60	272	161.83	166.88	5.05	1.25
13JUDD021	DD	423,959	6,811,998	397	356.7	-90	0	276	281.77	5.77	0.51
13JUDD022	DD	423,960	6,812,240	400	309.38	-60	270	38.6	48	9.4	0.33
							and	291	302	11	0.33



13JUDD023	DD	423,960	6,812,160	398	414	-45	270	23	26	3	0.91
							and	32.1	46	13.9	0.43
							and	56	81.21	25.21	0.75
							and	139.48	153	13.52	0.36
							and	<b>166.22</b>	<b>194.2</b>	<b>27.98</b>	<b>1.10</b>
							and	<b>206.8</b>	<b>222</b>	<b>15.2</b>	<b>2.98</b>
							and	230	236	6	1.41
							and	<b>254</b>	<b>289</b>	<b>35</b>	<b>2.00</b>
							and	359	373	14	0.30
13JUDD024	DD	423,961	6,812,160	398	328.4	-75	270	52.5	58	5.5	0.56
							and	72	73	1	2.54
							and	324	327.63	3.63	0.60

RC samples were collected at 1m intervals using a rig mounted cone splitter. Core samples were half NQ core and were based on geological boundaries with a minimum sample length of 0.25m. Reported intersections at Westralia are based on intervals >0.5g/t Au and can include up to 4m of internal dilution. Reported intersections at Jupiter are based on intervals >0.2g/t Au and can include up to 8m of internal dilution.

All samples were analysed by Bureau Veritas using a 40g fire assay. QAQC protocols include the use of blanks, standards and duplicates. All holes have been spatially located using differential GPS with downhole surveys completed using a north seeking gyro instrument or electronic multi-shot camera.

## Mineral Resources and Ore Reserves

A summary of the Mineral Resources and Ore Reserves at the Mt Morgans Project is shown below.

### Mt Morgans Gold Project Mineral Resources

Deposit	Cutoff Grade Au g/t	Measured			Indicated			Inferred			Total		
		Tonnes	Au g/t	Au Oz									
King Street	0.5							532,000	2.0	33,000	532,000	2.0	33,000
Jupiter	1.5							811,000	2.8	73,000	811,000	2.8	73,000
Westralia	2.0	150,000	5.0	24,000	951,000	5.2	158,000	2,112,000	6.3	428,000	3,213,000	5.9	610,000
Craic	0.5				69,000	8.2	18,000	120,000	7.1	27,000	189,000	7.5	46,000
Transvaal	0.5	1,549,000	3.2	159,000	1,176,000	2.7	102,000	926,000	2.2	66,000	3,650,000	2.8	327,000
Ramornie	0.5				189,000	3.6	22,000	138,000	2.8	13,000	326,000	3.3	34,000
Morgans North	0.5				290,000	2.6	25,000	169,000	3.8	20,000	459,000	3.1	45,000
<b>Total</b>		<b>1,699,000</b>	<b>3.4</b>	<b>184,000</b>	<b>2,674,000</b>	<b>3.8</b>	<b>324,000</b>	<b>4,808,000</b>	<b>4.3</b>	<b>660,000</b>	<b>9,180,000</b>	<b>4.0</b>	<b>1,168,000</b>

### Mt Morgans Gold Project Ore Reserves

Deposit	Cutoff Grade Au g/t	Proved			Probable			Total		
		Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz
Craic	3.9			-	28,000	9.2	8,000	28,000	9.2	8,000
Transvaal	3.4	380,000	6.2	76,000	271,000	6.0	52,000	651,000	6.1	128,000
<b>Total</b>		<b>380,000</b>	<b>6.2</b>	<b>76,000</b>	<b>299,000</b>	<b>6.3</b>	<b>61,000</b>	<b>679,000</b>	<b>6.2</b>	<b>136,000</b>

## Competent Person Statement

The information in this report that relates to the Westralia Mineral Resource is based on information compiled by Mr Trevor Stevenson who is a Fellow of The Australasian Institute of Mining and Metallurgy, a member of MICA and a full time employee of RPM. The information in this report that relates to Exploration Results is based on information compiled by Mr Paul Payne, a director and full time employee of Dacian Gold Limited and a Member of The Australasian Institute of Mining and Metallurgy. Mr Stevenson and Mr Payne have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Stevenson and Mr Payne consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Mineral Resources (other than Westralia) and Exploration Results is based on information compiled by Mr Paul Payne, a director and full time employee of Dacian Gold Limited and a Member of The Australasian Institute of Mining and Metallurgy. The information in this report that relates to Ore Reserves is based on information compiled by Mr Bill Frazer, a director and full time employee of Mining One Pty Ltd and a Member of The Australasian Institute of Mining and Metallurgy. Mr Payne and Mr Frazer have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Payne and Mr Frazer consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

## About Dacian Gold Limited

Dacian Gold Limited is a well-funded, Western Australian focused gold exploration and development company, headquartered in Perth. In November 2012, the company raised \$20 million in its IPO to explore its 100% owned Mt Morgans gold project, located in the Laverton District of Western Australia's North Eastern Goldfields.

The Mt Morgans Project hosts high grade Mineral Resources of 1.2 million ounces at an average grade of 4.0g/t gold, including JORC Code compliant Ore Reserves of 136,000 ounces at an average grade of 6.2g/t gold. In addition, the Company has identified multiple exploration targets and resource extension opportunities. If proven, they will enable growth of the Mt Morgans' existing Mineral Resource and Ore Reserve base.

Dacian Gold has a strong Board and Management team which includes Rohan Williams as non-executive Chairman and Paul Payne as Managing Director; and Robert Reynolds (formerly non-executive Chairman of Avoca Resources Ltd) and Barry Patterson (co-founder and non-executive Director of GR Engineering Ltd) as non-executive directors.

Dacian's exploration strategy at Mt Morgans is aimed at delivering on the company's corporate objective of defining at least 500,000 ounces of Ore Reserves at Mt Morgans. Dacian considers mining an Ore Reserve of at least 500,000 ounces of gold is reasonably likely to provide sufficient returns to justify the investment capital required to construct an ore processing facility at the project.

For further information visit: [www.daciangold.com.au](http://www.daciangold.com.au) or please contact:

Paul Payne  
Managing Director  
Dacian Gold Limited                    +61 8 9226 4622 or [paul.payne@daciangold.com.au](mailto:paul.payne@daciangold.com.au)



## APPENDIX 1 – JORC TABLE 1

The following Table and Sections are provided to ensure compliance with the JORC Code (2012) edition requirements for the reporting of exploration results.

### Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>Dacian drilling utilised diamond drilling with shallow RC pre-collars. Holes were generally angled towards grid west to optimally intersect the targeted mineralised zones.</li> <li>Dacian core was sampled as half core at 1m intervals or to geological contacts</li> <li>To ensure representative sampling, half core samples were always taken from the same side of the core.</li> <li>At Jupiter the full length of each hole was sampled and at Westralia the core was selectively sampled.</li> <li>Dacian RC drilling was sampled at 1m intervals via an on-board cone splitter.</li> <li>4m composite samples were taken via a scoop and submitted for analysis.</li> <li>Historical RC samples were collected at 1m, 2m and 4m intervals using riffle splitters.</li> <li>Dacian samples were submitted to a contract laboratory for crushing and pulverising to produce a 40g charge for fire assay.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>Diamond drilling was carried out with NQ2 sized equipment with standard tube. Minor intervals at the top of the Jupiter holes were drilled with HQ3 size core.</li> <li>Drill core was orientated using a Reflex orientation tool.</li> <li>For RC pre-collars, a 5¼" face sampling bit was used</li> <li>At Jupiter, 13JUDD series holes were cored from surface and 13JURD holes were cored from shallow RC pre-collars.</li> <li>At Westralia, holes had RC pre-collars up to 150m depth with diamond tails.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>Recoveries from historical drilling are unknown.</li> <li>Recoveries from Dacian core drilling were measured and recorded in the database and recovery was generally 100% in fresh rock with minor core loss in oxide.</li> <li>In Dacian drilling no relationship exists between sample recovery and grade.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in</li> </ul>	<ul style="list-style-type: none"> <li>All diamond drill holes were logged for recovery, RQD, geology and structure. RC drilling was logged for various geological attributes.</li> <li>For Dacian drilling, diamond core was</li> </ul>



Criteria	JORC Code explanation	Commentary
	<p><i>nature. Core (or costean, channel, etc) photography.</i></p> <ul style="list-style-type: none"> <li><i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<p>photographed both wet and dry.</p> <ul style="list-style-type: none"> <li>All drill holes were logged in full.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>Dacian core was cut in half using an automatic core saw at either 1m intervals or to geological contacts.</li> <li>To ensure representivity, all core samples were collected from the same side of the core.</li> <li>Historical RC samples were collected at the rig using riffle splitters. Samples were generally dry.</li> <li>Dacian RC samples were collected via on-board cone splitters. All samples were dry.</li> <li>For RC drilling, sample quality was maintained by monitoring sample volume and by cleaning splitters on a regular basis.</li> <li>Field duplicates were taken at 1 in 25 for RC drilling.</li> <li>Sample preparation was conducted by a contract laboratory. After drying, the sample is subject to a primary crush, then pulverised to that 90% passing 75µm.</li> <li>For historic drilling detailed information on the QAQC programs used was not available.</li> <li>Sample sizes are considered appropriate to correctly represent the gold mineralisation based on: the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and assay value ranges for Au.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></li> </ul>	<ul style="list-style-type: none"> <li>For Dacian drilling, the analytical technique used was a 40g fire assay with Pb collection, with an ICP-AES finish. This is a full digestion technique. Samples were analysed at Bureau Veritas Laboratories in Kalgoorlie, Western Australia.</li> <li>For Dacian drilling, sieve analysis was carried out by the laboratory to ensure the grind size of 90% passing 75µm was being attained.</li> <li>For Dacian drilling, QAQC procedures involved the use of certified reference materials (1 in 20) and blanks (1 in 50). Results were assessed as each laboratory batch was received and were acceptable in all cases</li> <li>No QAQC data has been reviewed for historic drilling although mine production has largely validated drilling results.</li> <li>Laboratory QAQC includes the use of internal standards using certified reference material, blanks, splits and replicates.</li> <li>Certified reference materials demonstrate that sample assay values are accurate.</li> <li>No independent laboratory checks have been completed to date.</li> </ul>
<b>Verification of sampling &amp; assaying</b>	<ul style="list-style-type: none"> <li><i>The verification of significant intersections by either independent or alternative company personnel.</i></li> </ul>	<ul style="list-style-type: none"> <li>At Jupiter and Westralia, significant intersections were visually field verified by company geologists.</li> </ul>



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li><i>The use of twinned holes.</i></li> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li><i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>At Westralia, significant intersections from seven Dacian holes were re-assayed by screen fire assay with good repeatability of results</li> <li>No twin holes were drilled.</li> <li>Primary data was collected into either an Excel spread sheet or GEOBANK software and then imported into a Data Shed database.</li> <li>Assay values that were below detection limit were adjusted to equal half of the detection limit value.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li><i>Specification of the grid system used.</i></li> <li><i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>Historic drill hole collar coordinates were tied to a local grid with subsequent conversion to MGA94 Zone 51.</li> <li>Mine workings support the locations of historic drilling.</li> <li>All Dacian hole collars were surveyed in MGA94 Zone 51 grid using differential GPS.</li> <li>Dacian holes at Jupiter were downhole surveyed either with multishot EMS or Reflex multishot tool.</li> <li>Dacian holes at Westralia were downhole surveyed by Gyro Australia using a north seeking gyro tool.</li> <li>Topographic surface prepared from detailed ground and mine surveys.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> <li><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li><i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>At Jupiter, the nominal hole spacing of Dacian drilling is approximately 80m.</li> <li>At Westralia, the Dacian drilling has a nominal spacing of approximately 80m along strike and 120-200m down dip.</li> <li>Dacian drilling has not been used to prepare Mineral Resource estimates for either deposit.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>At Westralia, drill holes are angled to 245°, which is approximately perpendicular to the orientation of the well-defined mineralisation.</li> <li>At Jupiter, most holes are angled to the west so that intersections are orthogonal to the expected trend of mineralisation.</li> <li>No orientation based sampling bias has been identified in the data.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li><i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>Chain of custody is managed by Dacian. Samples are stored on site until collected for transport to BV Laboratories in Perth or Kalgoorlie. Dacian personnel have no contact with the samples once they are picked up for transport laboratory. Tracking sheets have been set up to track the progress of samples.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>A RungePincokMinarco (RPM) consultant reviewed RC and diamond core sampling techniques in October 2013 and concluded that sampling techniques are satisfactory.</li> </ul>



## Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>The Westralia deposit is located within Mining Lease 39/18, which is wholly owned by Dacian and subject to a 1% third party production royalty.</li> <li>The Jupiter deposit is located within Mining Lease 39/236, which is wholly owned by Dacian and subject to a 1% production royalty and another tonnage based royalty of a similar amount.</li> <li>The tenements are in good standing with no known impediment to future grant of a mining permit.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>At Westralia, open pit and underground mining has occurred since the 1890's. Other companies to have explored the deposit include Whim Creek Consolidated NL, Dominion Mining, Plutonic Resource, Homestake Gold and Barrick Gold Corporation.</li> <li>At Jupiter, open pit mining occurred in the 1990's. Previous companies to have explored the deposit include Croesus Mining, Dominion Mining and Barrick Gold Corporation.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The Westralia gold deposit is an Achaean BIF hosted, sulphide replacement mineralisation and is located within the Yilgarn Craton of Western Australia.</li> <li>The Jupiter prospect is interpreted to comprise structurally controlled mesothermal gold mineralisation related to syenite intrusions within altered basalt.</li> </ul>
<b>Drill hole information</b>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>For drilling not previously reported, the locations and mineralised intersections for all holes completed are summarised in Table 2 in the body of this ASX release.</li> <li>Refer to previous Dacian ASX releases for information regarding previous Dacian drilling.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer</li> </ul>	<ul style="list-style-type: none"> <li>Exploration results are reported as length weighted averages of the individual sample intervals. Zones of particularly high grade gold mineralisation have been separately reported in Table 2 in the body of this ASX release.</li> <li>No high grade cuts have been applied to the</li> </ul>



Criteria	JORC Code explanation	Commentary
	<p><i>lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <ul style="list-style-type: none"> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<p>reporting of exploration results.</p> <ul style="list-style-type: none"> <li>At Westralia, intersections have been reported using a 0.5g/t lower cut-off.</li> <li>At Jupiter, intersections have been reported using a 0.2g/t lower cut-off.</li> <li>No metal equivalent values have been used.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>At Westralia, drill holes are angled to 245°, which is approximately perpendicular to the orientation of the well-defined mineralised trend and true width is approximately 60-90% of down hole intersections.</li> <li>At Jupiter, most holes are angled to the west so that intersections are orthogonal to the expected trend of mineralisation. It is interpreted that true width is approximately 60-100% of down hole intersections.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>Relevant diagrams have been included within the main body of text.</li> </ul>
<b>Balanced Reporting</b>	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>All exploration results have been reported.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>All interpretations for both Westralia and Jupiter mineralisation are consistent with observations made and information gained during previous mining at the project.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>At Jupiter, further broad spaced drilling is planned to define the structural controls and mineralisation potential of the Jupiter Corridor.</li> <li>At Westralia, resource estimation has commenced. The results will determine what further work is required.</li> <li>Refer to diagrams in the body of this release.</li> </ul>



### Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
<b>Database integrity</b>	<ul style="list-style-type: none"> <li>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</li> <li>Data validation procedures used.</li> </ul>	<ul style="list-style-type: none"> <li>The data base has been systematically audited by a DCN geologist. Original drilling records were compared to the equivalent records in the data base (where original records were available). Any discrepancies were noted and rectified by the data base manager.</li> <li>All DCN drilling data has been verified as part of a continuous validation procedure. Once a drill hole is imported into the data base a report of the collar, down hole survey, geology, and assay data is produced. This is then checked by a DCN geologist and any corrections are completed by the data base manager.</li> </ul>
<b>Site visits</b>	<ul style="list-style-type: none"> <li>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</li> <li>If no site visits have been undertaken indicate why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>A site visit was conducted by Shaun Searle of RPM during October 2013. Shaun conducted the visit on behalf of Trevor Stevenson of RPM, who is acting as the Competent Person. Shaun inspected the deposit area, drill core, outcrop, the Westralia open pit and the core logging and sampling facility. During this time, notes and photos were taken. Discussions were held with site personnel regarding drilling and sampling procedures. No major issues were encountered.</li> <li>Not applicable.</li> </ul>
<b>Geological interpretation</b>	<ul style="list-style-type: none"> <li>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</li> <li>Nature of the data used and of any assumptions made.</li> <li>The effect, if any, of alternative interpretations on Mineral Resource estimation.</li> <li>The use of geology in guiding and controlling Mineral Resource estimation.</li> <li>The factors affecting continuity both of grade and geology.</li> </ul>	<ul style="list-style-type: none"> <li>The confidence in the geological interpretation is considered to be good and is based on previous mining history and visual confirmation in outcrop and within the Westralia open pit.</li> <li>Geochemistry and geological logging has been used to assist identification of lithology and mineralisation.</li> <li>The deposit consists of sub-vertical to steeply dipping BIF units within a shear zone. Mineralisation is mostly confined to the BIF units. Infill drilling has supported and refined the model and the current interpretation is considered robust.</li> <li>Outcropping of mineralisation and host rocks within the open pit confirm the geometry of the mineralisation.</li> <li>Infill drilling and mining has confirmed geological and grade continuity.</li> </ul>
<b>Dimensions</b>	<ul style="list-style-type: none"> <li>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</li> </ul>	<ul style="list-style-type: none"> <li>The Westralia resource area extends over a SE-NW strike length of 1,250m (from 6,816,245mN – 6,817,220mN), has a maximum width of 40m (409,480mE – 409,520mE) and includes the 600m vertical interval from 455mRL to -145mRL.</li> </ul>



Criteria	JORC Code explanation	Commentary
<p><b>Estimation and modelling techniques</b></p>	<ul style="list-style-type: none"> <li><i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i></li> <li><i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i></li> <li><i>The assumptions made regarding recovery of by-products.</i></li> <li><i>Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</i></li> <li><i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i></li> </ul>	<ul style="list-style-type: none"> <li>Using parameters derived from modelled variograms, Ordinary Kriging (OK) was used to estimate average block grades in four passes using Surpac software. Linear grade estimation was deemed suitable for the Westralia Mineral Resource due to the geological control on mineralisation. Maximum extrapolation of wireframes from drilling was 60m down-dip. This was half drill hole spacing in this region of the deposit. Maximum extrapolation was generally half drill hole spacing.</li> <li>Reconciliation could not be conducted due to the absence of mining stope shapes for the underground mining completed by Plutonic. To be conservative, an all-encompassing void wireframe was constructed as mentioned in Section 11.2.5. Mined material from the hanging wall BIF unit within this void wireframe reports 157,000t at 3.9g/t Au for 19,800 ounces at a 2g/t Au cut-off. Material south of 6,817,220mN was not wireframed or estimated as the deposit is presumed to be mined out to the north. Therefore, the reported production between November 1994 to January 1998 of 711,940t at 3.7g/t Au for 77,178 ounces cannot be directly reconciled with the current block model, however it is noted that the grades were similar.</li> <li>No recovery of by-products is anticipated.</li> <li>Only Au was interpolated into the block model.</li> <li>The parent block dimensions used were 20m NS by 5m EW by 10m vertical with sub-cells of 2.5m by 0.625m by 1.25m. The model was rotated -30° to align with the general strike of the mineralisation. The parent block size dimensions were selected to provide sufficient resolution to the block model in the across-strike and down-dip direction. The along-strike block size was selected to adequately reflect the combination of close spaced (less than 2m) face sampling along ore drives spaced at 20m, and exploration drilling on a nominal 40m spacing along strike.</li> <li>An orientated 'ellipsoid' search was used to select data and adjusted to account for the variations in lode orientations, however all other parameters were taken from the variography derived from Objects 1, 2, 8 and 9. Three passes were used for each domain. First pass had a range of 50 to 60m, with a minimum of 10 samples. For the second pass, the range was extended to 100 to 120m, with a minimum of 6 samples. For the final pass, the range was extended to 300 to</li> </ul>



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>Any assumptions behind modelling of selective mining units.</li> <li>Any assumptions about correlation between variables.</li> <li>Description of how the geological interpretation was used to control the resource estimates.</li> <li>Discussion of basis for using or not using grade cutting or capping.</li> <li>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</li> </ul>	<p>400m, with a minimum of 2 samples. A maximum of 40 samples was used for all 4 passes.</p> <ul style="list-style-type: none"> <li>No assumptions were made on selective mining units.</li> <li>Only Au assay data was available, therefore correlation analysis was not possible.</li> <li>The deposit mineralisation was constrained by wireframes constructed using a 0.5g/t Au cut-off grade. Mineralisation wireframes were generally constrained to the BIF units. The wireframes were applied as hard boundaries in the estimate.</li> <li>Statistical analysis was carried out on data from 9 lodes. The high coefficient of variation and the scattering of high grade values observed on the histogram for some of the objects suggested that high grade cuts were required if linear grade interpolation was to be carried out. As a result a high grade cut of 70g/t was applied, resulting in a total of 11 samples being cut.</li> <li>Validation of the model included detailed comparison of composite grades and block grades by strike panel and elevation. Validation plots showed good correlation between the composite grades and the block model grades.</li> </ul>
<b>Moisture</b>	<ul style="list-style-type: none"> <li>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</li> </ul>	<ul style="list-style-type: none"> <li>Tonnages and grades were estimated on a dry in situ basis. No moisture values were reviewed.</li> </ul>
<b>Cut-off parameters</b>	<ul style="list-style-type: none"> <li>The basis of the adopted cut-off grade(s) or quality parameters applied.</li> </ul>	<ul style="list-style-type: none"> <li>The Mineral Resource has been reported at a 2g/t Au cut-off based on assumptions about economic cut-off grades for underground mining.</li> </ul>
<b>Mining factors or assumptions</b>	<ul style="list-style-type: none"> <li>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>RPM has assumed that the deposit could potentially be mined using underground techniques. Underground mining has previously occurred at Westralia prior to the 1930's and open pit and underground mining occurred during the 1990's.</li> </ul>
<b>Metallurgical factors or assumptions</b>	<ul style="list-style-type: none"> <li>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case,</li> </ul>	<ul style="list-style-type: none"> <li>Metallurgical testing was carried out on samples from Westralia Underground and Westralia Deeps in 1992. Test work results indicated significant gravity recoverable gold was evident in the tested ore samples, but the Westralia Deeps samples were particularly sensitive to grind size. Gold recoveries of &gt;95% and &gt;90% were achieved with cyanidation leaching at grind sizes &lt;75µm for the Westralia Underground</li> </ul>



Criteria	JORC Code explanation	Commentary
	<p><i>this should be reported with an explanation of the basis of the metallurgical assumptions made.</i></p>	<p>and Westralia Deeps samples respectively.</p> <ul style="list-style-type: none"> <li>It is assumed that extraction of gold will be achieved by gravity and cyanide leaching methods, with recoveries greater than 90% based on these results.</li> </ul>
<b>Environmental factors or assumptions</b>	<ul style="list-style-type: none"> <li><i>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</i></li> </ul>	<ul style="list-style-type: none"> <li>No assumptions have been made regarding environmental factors. Historical mining has occurred at the Westralia deposit. DCN will work to mitigate environmental impacts as a result of any future mining or mineral processing.</li> </ul>
<b>Bulk density</b>	<ul style="list-style-type: none"> <li><i>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</i></li> <li><i>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.</i></li> <li><i>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</i></li> </ul>	<ul style="list-style-type: none"> <li>DCN collected 1,086 specific gravity measurements during the 2013 drilling program. All samples were in fresh rock. RPM extracted the specific gravity measurements that coincided with the geological logging. Any measurements that transgressed logged intervals were not extracted. In total, 796 samples coincided within the geological logging intervals. RPM then subdivided the measurements into BIF and non-BIF lithologies and determined whether the measurements were in waste or mineralisation.</li> <li>Bulk density is measured. Moisture is accounted for in the measuring process and measurements were separated for lithology and mineralisation.</li> <li>It is assumed there are minimal void spaces in the rocks at Westralia. The Westralia resource contains minor amounts of oxide and transitional material above the fresh bedrock. Values for these zones were derived from known bulk densities from similar geological terrains.</li> </ul>
<b>Classification</b>	<ul style="list-style-type: none"> <li><i>The basis for the classification of the Mineral Resources into varying confidence categories.</i></li> </ul>	<ul style="list-style-type: none"> <li>The Mineral Resource estimate is reported here in compliance with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' by the Joint Ore Reserves Committee (JORC). The resource was classified as Measured, Indicated, and Inferred Mineral Resource based on data quality, sample spacing, and lode continuity. The Measured portion of the deposit was assigned to areas of the deposit defined by extensive open cut and underground grade control drilling (10m strike spacing) and face sampling which confirmed the geological and</li> </ul>



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>• <i>Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i></li> <li>• <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i></li> </ul>	<p>grade continuity of the mineralisation. The Indicated Mineral Resource was defined within areas of close spaced diamond and RC drilling of less than 30m by 30m, and where the continuity and predictability of the lode positions was good. The Inferred Mineral Resource was assigned to areas of the deposit where drill hole spacing was greater than 30m by 30m, where small isolated pods of mineralisation occur outside the main mineralised zones, and to geologically complex zones.</p> <ul style="list-style-type: none"> <li>• The input data is comprehensive in its coverage of the mineralisation and does not favour or misrepresent in-situ mineralisation. The definition of mineralised zones is based on high level geological understanding producing a robust model of mineralised domains. This model has been confirmed by infill drilling which supported the interpretation. Validation of the block model shows good correlation of the input data to the estimated grades.</li> <li>• The Mineral Resource estimate appropriately reflects the view of the Competent Person.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of Mineral Resource estimates.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Internal audits have been completed by RPM which verified the technical inputs, methodology, parameters and results of the estimate.</li> </ul>
<b>Discussion of relative accuracy/confidence</b>	<ul style="list-style-type: none"> <li>• <i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i></li> <li>• <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i></li> <li>• <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Westralia Mineral Resource estimate has been reported with a high degree of confidence. The continuity of the main lodes have been defined by good quality close spaced drill and face samples, and the resultant block estimates have accurately reflected the composite input data. The confidence in the estimate is further highlighted by the classification of Measured and Indicated material within the deposit.</li> <li>• The Mineral Resource statement relates to global estimates of tonnes and grade.</li> <li>• Reconciliation could not be conducted due to the absence of mining stope shapes for the underground mining completed by Plutonic.</li> </ul>

**APPENDIX 2 – TENEMENT SCHEDULE** (With respect to tenement changes in the September quarter, refer to Appendix 5B).

Tenement Type	Tenement	Status	Location	Ownership
P	38/4093	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
P	38/4094		Mt Morgans WA	Dacian Gold Ltd (100%)
P	38/4095		Mt Morgans WA	Dacian Gold Ltd (100%)
E	38/2784		Mt Morgans WA	Dacian Gold Ltd (100%)
E	38/2795		Mt Morgans WA	Dacian Gold Ltd (100%)
E	39/1310	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
E	39/1713	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
E	39/1714	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
E	39/1715	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
G	39/0001	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
G	39/0002	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
G	39/0003	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
G	39/0004	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
G	39/0005	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
G	39/0006	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
L	39/0010	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
L	39/0057	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	38/0395	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	38/0396	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	38/0548	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	38/0595	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	38/0848	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0018	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0036	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0208	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0228	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0236	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0240	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0248	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0250	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0261	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0264	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0272	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0273	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0282	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0287	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0291	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0295	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0304	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)



Tenement Type	Tenement	Status	Location	Ownership
M	39/0305	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0306	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0333	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0380	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0390	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0391	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0392	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0393	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0394	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0395	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0403	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0441	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0442	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0443	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0444	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0497	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0501	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0502	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0503	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0504	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0513	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0745	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0746	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0747	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0799	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0937	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0938	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0993	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/4800	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/4801	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/4807	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/4808	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/4810	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/4811	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/4812	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/4813	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/4814	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/4815	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5358	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5359	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5360	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5361	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)



Tenement Type	Tenement	Status	Location	Ownership
P	39/5362	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5363	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5364	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5365	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5366	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5367	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5368	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5369	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5370	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5371	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5372	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5373	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5374	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5375	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5376	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5377	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5378	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5379	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5380	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5381	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5382	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5383	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5384	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5385	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5386	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5387	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5388	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5389	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5390	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5391	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5392	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5393	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5394	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5425	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5426	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5427	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5460	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5461	Application	Mt Morgans WA	Dacian Gold Ltd (100%)

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Dacian Gold Limited

ABN

61 154 262 978

Quarter ended ("current quarter")

31 December 2013

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation	(1,784)	(2,718)
(b) development	-	-
(c) production	-	-
(d) administration	(248)	(495)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	43	238
1.5 Interest and other costs of finance paid	(1)	(8)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	2	4
<b>Net Operating Cash Flows</b>	<b>(1,988)</b>	<b>(2,979)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(37)	(47)
(d) bonds	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
(d) bonds redeemed	-	1,228
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(37)</b>	<b>1,181</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(2,025)</b>	<b>(1,798)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(2,025)	(1,798)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(8)	(16)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	<b>(8)</b>	<b>(16)</b>
	<b>Net increase (decrease) in cash held</b>	<b>(2,033)</b>	<b>(1,814)</b>
1.20	Cash at beginning of quarter/year to date	15,287	15,068
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>13,254</b>	<b>13,254</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	115
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Remuneration of directors

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	977
4.2 Development	-
4.3 Production	-
4.4 Administration	228
<b>Total</b>	<b>1,205</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	186	1,287
5.2 Deposits at call	13,068	14,000
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>13,254</b>	<b>15,287</b>

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+ See chapter 19 for defined terms.

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	N/A		
6.2	Interests in mining tenements acquired or increased	P39/5461 Tenement application	Nil	100%

### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b>	-	-	
	<i>(description)</i>			
7.2	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	96,100,000	72,100,000	
7.4	Changes during quarter			
	(a) Increases through issues – released from escrow	-	-	
	(b) Decreases through returns of capital, buy-backs			
7.5	<b>+Convertible debt securities</b>	-	-	
	<i>(description)</i>			

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> <i>(description and conversion factor)</i>	11,150,000	-	<i>Exercise price</i> 84 cents	<i>Expiry date</i> 9 October 2017
7.8	Issued during quarter				
7.9	Exercised during quarter	-	-		
7.10	Expired during quarter	-	-		
7.11	<b>Debentures</b> <i>(totals only)</i>	-	-		
7.12	<b>Unsecured notes</b> <i>(totals only)</i>	-	-		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Company secretary

Date: 29 January 2014

Print name:

Kevin Hart

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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