



**DACIAN
GOLD**

ABN 61 154 262 978

**ANNUAL
REPORT**

2016

CORPORATE DIRECTORY



DIRECTORS

Rohan Williams	Executive Chairman
Barry Patterson	Non-Executive Director
Robert Reynolds	Non-Executive Director
Ian Cochrane	Non-Executive Director

COMPANY SECRETARY

Kevin Hart

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suites 14-16
890 Canning Highway
Applecross WA 6153

AUDITOR

Grant Thornton Audit Pty Ltd
10 Kings Park Road
West Perth WA 6005

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 11
172 St Georges Terrace
Perth WA 6000

STOCK EXCHANGE LISTING

The Company's shares are quoted on the Australian Securities Exchange. The home exchange is Perth, Western Australia.

ASX CODE

DCN – Ordinary shares

COMPANY INFORMATION

The Company was incorporated and registered under the Corporations Act 2001 in Western Australia on 23 November 2011.

The Company is domiciled in Australia.

CONTACT

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CORPORATE GOVERNANCE

Please refer to the Company's website www.daciangold.com.au for the 2016 Corporate Governance Statement and Policies.



CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Fellow Shareholder,

It is with great pleasure that I present to you Dacian Gold's fourth annual report.

The 2016 year was the most significant year of your Company's short history. In every respect it was a transformational year.

In the 12 months to 30 June 2016, the Company's share price has risen almost 600% from \$0.43 to \$2.90, making Dacian Gold one of the best performers on the ASX. The market capitalisation of Dacian Gold during this same period increased from \$41 million to \$380 million. During this significant increase in both share price and market capitalisation, the only equity contribution made during this period was a \$25 million fully underwritten issue completed in November 2015 at a share price of \$0.69. The \$25 million equity raising financed much of the activities described in the pages that follow.

The excellent market performance of Dacian Gold is attributed to the market's growing recognition that the Mt Morgans Gold Project (MMGP) is a new, high quality gold project that has size, scale, significant exploration optionality and access to considerable existing infrastructure in Australia's second largest gold district, at Laverton in WA.

The last 12 months has seen three main areas of Company focus: a major, approximately 90,000m resource in-fill and extension drill program; the MMGP Feasibility Study and an ongoing exploration effort that is, and will remain, a Dacian Gold core corporate objective for many years to come.

The 90,000m drilling program was all oriented diamond and RC drilling that was aimed at upgrading the Mineral Resource at our Westralia and Jupiter discoveries. The drill program was highly successful with a 176% increase in the Measured and Indicated Mineral Resource categories at Westralia (now at 905,000 ounces) and a corresponding 69% increase at Jupiter (now at 1,120,000 ounces). Numerous thick and high grade intersections were returned from the drill-out, several of which are highlighted in the following pages.

The total Measured and Indicated Mineral Resource for the MMGP is now at 2.2 million ounces; and the total Mineral Resource inventory is at 3.3 million ounces, up almost four times from the 842,000 ounce resource base at the time of the Company's November 2012 IPO.

The Feasibility Study, which is investigating the MMGP as a +220,000 ounce per annum gold production centre, is nearing completion with results planned to be released in Q4 this calendar year. Fundamental to the Feasibility Study is the improved Measured and Indicated Mineral Resource base which are the subject of detailed underground mine designs at Beresford and Allanson, both at Westralia; and at Jupiter, where a large open pit mining complex measuring over 1.8km in strike is being designed.

In addition to the mine design studies, other Feasibility work programs nearing completion include detailed metallurgical testwork studies, process plant and tailing storage facility design and associated site selection geotechnical studies; environmental studies; infrastructure layout designs that include; accommodation village, offices, workshops, power supply and reticulation; road networks; communication networks; surface and ground water studies including water exploration.

The Dacian Gold Board will meet in late CY2016 to assess the results of the Feasibility Study with a view to proceeding to construction and development, should the results determine mine development is warranted; as well as a preferred financing route. If a decision to proceed with construction is made, it is envisaged the construction period will take place during CY2017, with gold production targeted for Q1 CY2018.

As I mentioned at the beginning of this Chairman's letter, 2016 has been a transformational year for your Company on every level. It has come about through the very hard working efforts of Dacian Gold employees, and on behalf of the Board, I would like to extend a sincere thank you to them for their professionalism and excellent work ethic.

The 2017 year will undoubtedly be another busy year for the Company. I am hoping that, with the commencement of recently started exploration programs on prospects like Cameron Well, Callisto and Jupiter Regional, we will make new gold discoveries and deliver on our vision of turning Mt Morgans into a long life and highly prosperous Western Australian gold mining operation.

Thank you also to you, our shareholders, without whom there is not the support required to build Dacian Gold into a new Australian mid-tier gold producer.

Rohan Williams
Executive Chairman

FY 2016 HIGHLIGHTS

Mt Morgans Gold Project

MMGP Mineral Resource now stands at 3.3 million ounces, with 2.2 million ounces in M&I categories, up 73% from last year	
Major 90,000m drill program completed ahead of open pit and underground mine design studies being completed as part of the MMGP Feasibility Study	
A total of 46,000m of diamond drilling completed at Westralia and 41,000m at Jupiter – made up of RC and diamond drilling	
Westralia M&I Mineral Resources up 176% to 905,000 ounces, whereas Jupiter M&I Resources up 69% to 1.12 million ounces. At Westralia, Inferred Mineral Resources of 715,000 ounces at a grade of 6.6 g/t Au lies below the M&I resources, thereby providing excellent potential for an increase to M&I resources with ongoing in-fill drilling	
Westralia Mineral Resource now totals 1.6 million ounces at a grade of 5.8 g/t Au, up from 5.1 g/t gold last year.	

Corporate



Share price increased almost 600% from \$0.43 to \$2.90
Market capitalisation increased over 800% from \$41 million to \$380 million
Dacian Gold was one of the best performing stocks on the ASX during FY2016
Institutional shareholders now own 38% of the Company, up from 15%
Key management appointments made as well as strengthening the Board

REVIEW OF OPERATIONS

INTRODUCTION AND DACIAN GOLD'S CORPORATE OBJECTIVE

Dacian Gold's Mt Morgans Gold Project (MMGP) is located 20km west of Laverton, being approximately 800km north-east of Perth in Western Australia (see Figure 1). The project area is a 520 km² contiguous tenement package comprising predominantly granted mining leases. The tenement package is situated in the Laverton gold district which is known to contain some 30 million ounces of gold, making it the second highest endowed gold district in Western Australia behind Kalgoorlie.

The MMGP has been the Company's sole focus since its IPO on the ASX in November 2012. In the three years since the Company's IPO, Dacian has discovered two +1 million ounce gold deposits at Westralia and Jupiter (see Figure 2). In last year's Annual Report the Company described the results of the Mt Morgans Scoping Study that was released to the market in late September 2015.

More details on the results of the Scoping Study are contained below, however, it was clear to Company management that the MMGP was a project that showed considerable potential, and was therefore fast-tracked onto a detailed Feasibility Study.

In November 2015, the Company announced a fully underwritten equity raising of \$25 million (before costs) to be completed at an issue price of \$0.69 per share. The equity raising was designed to finance an approximately 90,000m diamond and RC drilling program aimed at converting those Mineral Resources used in the Scoping Study that were already not in the Measured and Indicated categories to these higher confidence Mineral Resource categories. In addition, the \$25 million equity financing was to enable the Company to complete the detailed Feasibility Study before the end of CY2016 and to provide working capital.

Dacian Gold's objective for CY2016 is to complete the MMGP Feasibility Study and to determine what level and style of financing is required to construct the MMGP assuming the MMGP Feasibility Study shows mine development is warranted.

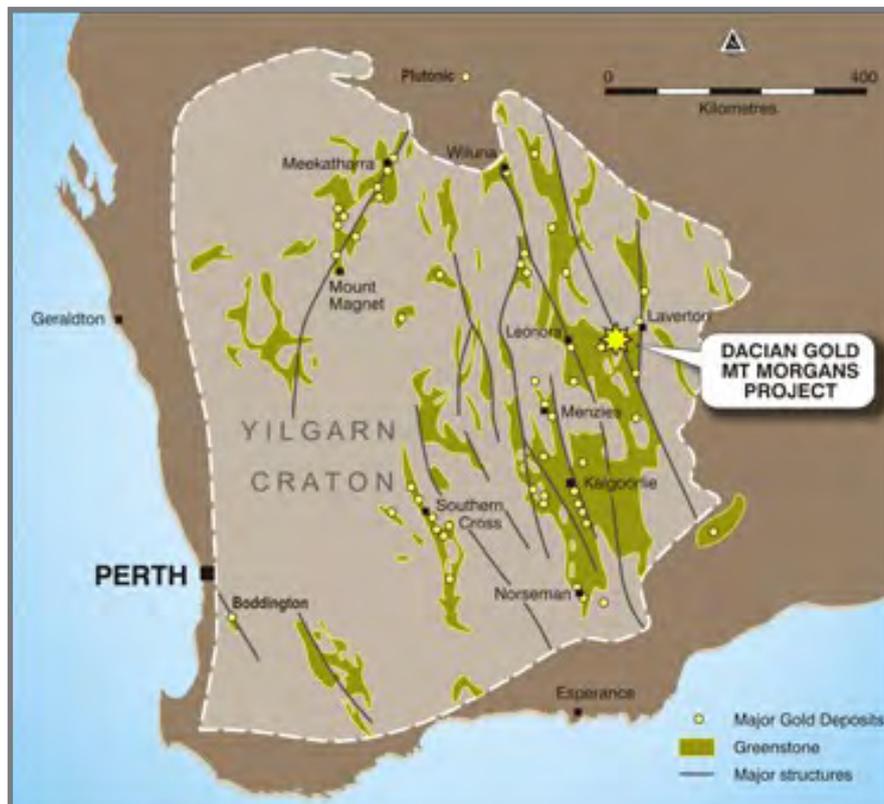


Figure 1: Location of Dacian's Project area in Western Australia

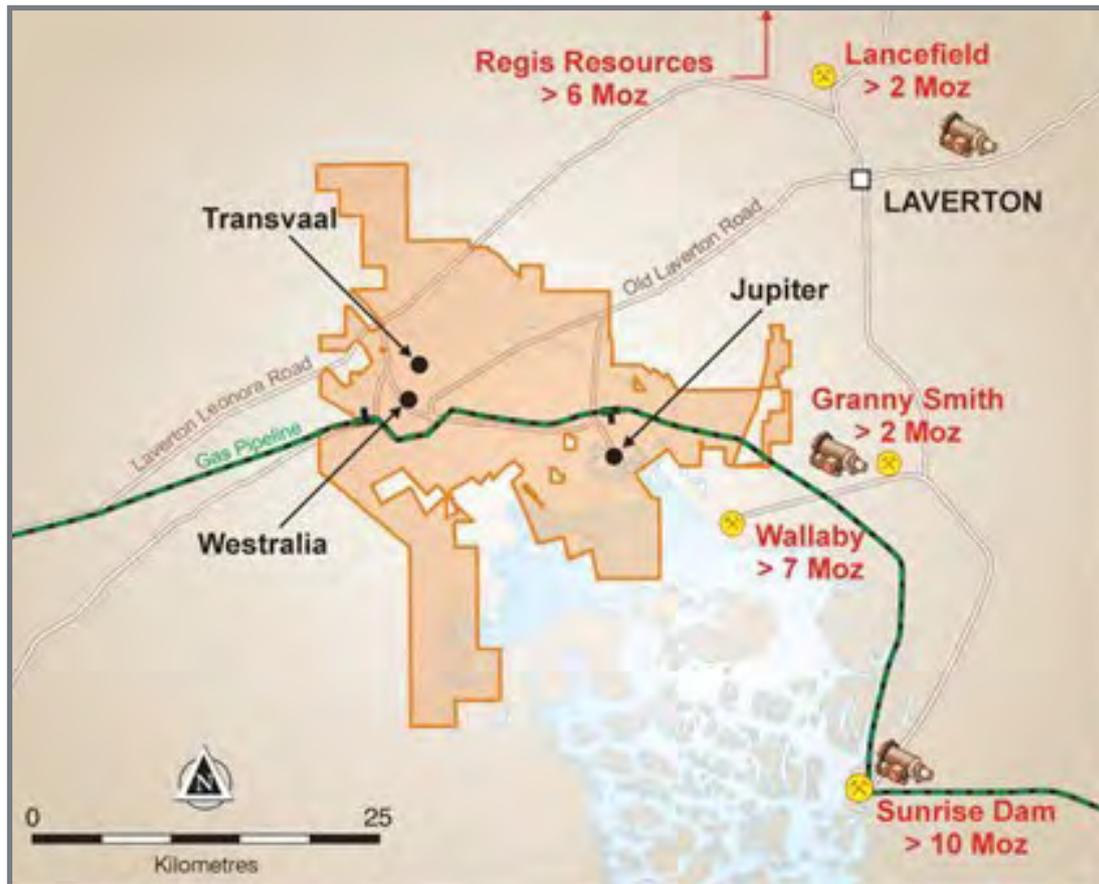


Figure 2: Regional location map showing distribution of Dacian's Westralia, Jupiter and Transvaal Prospects as well as major infrastructure items and proximal multi-million ounce gold deposits.

The Company believes there is a reasonable chance the Feasibility Study will show the MMGP is a project that is likely to be developed. Subject to such a confirmation, Dacian Gold would undertake project construction in CY2017 ahead of gold production in Q1 of CY2018.

It is clear to Dacian Gold that the MMGP is both highly endowed with gold mineralisation and under-explored, despite several companies holding the project area over the last 20 years. Testament to this is the fact that inside 4 years, Dacian Gold's discoveries have increased the Mineral Resource base almost four-fold from 842,000 ounces at IPO to over 3,300,000 ounces at the time of this report. The Company is also confident that additional gold mineralisation will be discovered on the MMGP tenements, and accordingly the Company will retain an aggressive exploration campaign as a corporate objective for many years to come.

REVIEW OF OPERATIONS

FEASIBILITY STUDY DRILLING PROGRAM

The release to the ASX of the MMGP Scoping Study on 30 September 2015 showed the project had the potential to be a significant and likely low cost mid-tier WA-based gold producer, with the following key metrics:

- An initial 7 year Life of Mine producing 1.2Moz of gold at an AISC of A\$929/oz.
- A site infrastructure capital expenditure of A\$157M, which includes construction of a 2.5Mt/annum conventional CIL treatment plant.
- Gold production was principally sourced from a large open pit mining complex at Jupiter and a large underground mine at Westralia. Total mined production amounted to 16.0Mt at 2.5g/t Au for 1.3Moz contained gold.

The Life of Mine production of 1.2 Moz as depicted in the MMGP Scoping Study was based on detailed mine design studies on a combination of Measured, Indicated and Inferred Mineral Resources at the Westralia, Jupiter and Transvaal Prospects. At the time of the Scoping Study the Mt Morgans Mineral Resources totalled 3.0 million ounces of gold.

Given the positive outcome of the Scoping Study, Dacian Gold completed a \$25 million equity raising designed in part to fund a major resource in-fill drilling campaign. The drilling program had the specific objective of increasing the size of the Measured and Indicated Mineral Resource so that mine design studies completed as part of the MMGP Feasibility Study were able to potentially deliver an Ore Reserve base that could justify the commencement of mine development at Mt Morgans.

The resource in-fill drilling was completed at the Westralia Deposit and the Jupiter Deposit.

At Westralia 71 oriented diamond drill holes for 35,000m was drilled into the Allanson underground position and 24 oriented diamond drill holes for 11,000m was drilled into the Beresford underground position.

At Jupiter, 313 RC drill holes for 34,000m and 37 oriented diamond drill holes for 7,000m were drilled.

Cautionary Statement – Scoping Study

Dacian Gold has concluded it has a reasonable basis for providing the forward looking statements that relate to the Mt Morgans Scoping Study that are included in this report. The detailed reasons for that conclusion are outlined in ASX announcement dated 30 September 2015, which has been prepared in accordance with the JORC Code (2012) and the ASX Listing Rules. The Company advises that the Scoping Study results, Production Targets and Forecast Financial Information contained in this report are preliminary in nature as the conclusions are based on low-level technical and economic assessments, and are insufficient to support the estimation of Ore Reserves or to provide an assurance of economic development at this stage. There is a low level of geological confidence associated with Inferred Mineral Resources used in the scoping study and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realised. The stated Production Target is based on the Company's current expectations of future results or events and should not be relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.

The Company confirms that all material assumptions underpinning the Production Target and Forecast Financial Information contained in the Company's ASX announcement released on 30 September 2015 continue to apply and have not materially changed.

WESTRALIA DEPOSIT

Introduction

Gold mineralisation at Westralia was first discovered in 1896 and quickly led to the gazetting of the Mt Morgans township. By 1903, 200,000 ounces of gold had been mined from 191,000 tonnes of ore at Westralia confirming production grades of over 1 ounce of gold per tonne.

The gold at Westralia occurs within a well-defined mineralised banded iron formation (BIF) unit from which approximately 900,000 ounces at a grade of 4.5 g/t gold was produced up to 1998; with the majority being sourced from within the Westralia open pit limits. Much of this pre-mined resource occurs over a horizontal strike distance of 1.5km and lies within 500m of the surface.

Previous mining and on-site treatment of the deposit has demonstrated that the gold is free milling with recoveries of 91%-93% achieved historically from conventional site-based CIP/CIL processing.

Resource In-Fill Drilling Activity

As noted above the resource in-fill drilling activity during the year focused on Beresford at the south end of the Westralia ore system and Allanson, located at the northern end. Figure 3 below shows the location of Beresford and Allanson in relation to the Westralia open pit. Note the mineralisation remains open to the north, south and at depth.



Figure 3: Longitudinal section of the 3km long Westralia Deposit Mineral Resource (yellow shading) showing the location of the recently completed 24 hole, 11,000m in-fill diamond drilling program at Beresford and the 71 hole, 35,000m in-fill drilling program at Allanson. Note the high proportion of +10g/t Au intersections from both drilling programs.

REVIEW OF OPERATIONS

ALLANSON DEPOSIT (formerly Morgans Underground)

During the 2016 FY the Company released the results from the 71 diamond drill holes from the priority in-fill diamond drilling program at the Allanson Deposit. The principal aim of the in-fill drilling program at the Allanson Deposit was to complete a 50m x 50m diamond drill pattern over the Allanson Inferred Resource.

The 50m x 50m in-fill drilling pattern provided sufficient geological confidence to contribute to the upgrade of 905,000 ounces of the 1.6 million ounce Westralia Mineral Resource to the Indicated and Measured resource categories.

The results from the final diamond drill holes from the Allanson Deposit were released prior to the end of the 2016 FY (see ASX announcements of 1 June 2016, 21 March 2016 and 11 February 2016), with numerous excellent results including (see also Figure 4):

- 3.6m @ 48.0 g/t Au from 527.4m in 15MMRD0064W1
- 3.0m @ 24.6 g/t Au from 269.6m in 16MMRD0048
- 5.6m @ 23.2 g/t Au from 469.3m in 16MMRD0068
- 4.3m @ 22.4 g/t Au from 317.7m in 16MMRD0105
- 6.2m @ 20.1 g/t Au from 419.8m in 15MMRD0034
- 4.3m @ 17.5 g/t Au from 421.4m in 16MMRD0041
- 1.2m @ 19.1 g/t Au from 207.6m in 16MMRD0092
- 2.9m @ 16.1 g/t Au from 230.2m in 15MMRD0037
- 1.9m @ 15.9 g/t Au from 196.8m in 16MMRD0052
- 4.0m @ 13.9 g/t Au from 528.0m in 15MMRD0064
- 4.5m @ 13.4 g/t Au from 252.5m in 15MMDD0060
- 2.1m @ 12.6 g/t Au from 284.1m in 16MMRD0051
- 2.6m @ 11.9 g/t Au from 328.0m in 15MMRD0037
- 2.3m @ 8.1 g/t Au from 303.5m in 16MMRD0044
- 5.1m @ 7.4 g/t Au from 379.0m in 16MMRD0125
- 2.7m @ 7.2 g/t Au from 421.0m in 15MMRD0033
- 4.0m @ 7.0 g/t Au from 358.0m in 15MMRD0030
- 3.0m @ 6.5 g/t Au from 511.0m in 15MMRD0064W1
- 3.8m @ 6.1 g/t Au from 465.0m in 16MMRD0062
- 12.0m @ 5.7 g/t Au from 341.0m in 16MMRD0105
- 5.6m @ 5.1 g/t Au from 450.8m in 16MMRD0125
- 4.4m @ 5.0 g/t Au from 365.0m in 15MMRD0030
- 0.5m @ 26.8 g/t Au from 390.9m in 16MMRD0069
- 1.0m @ 11.9 g/t Au from 410.0m in 16MMRD0066

The principal mineralised surface at Allansons is located within the footwall banded iron formation (BIF) unit which lies at the base of the 80-100m thick Westralia BIF package. Subordinate mineralised BIF units lie in the hangingwall, or stratigraphically above, the principal mineralised footwall BIF unit.

Interpretation of the drill intersection results from Allanson drill-out suggests two and possible three sub-parallel mineralised surfaces may be present. The Company is encouraged there may exist the possibility of multiple surfaces being accessed from the potential mine development

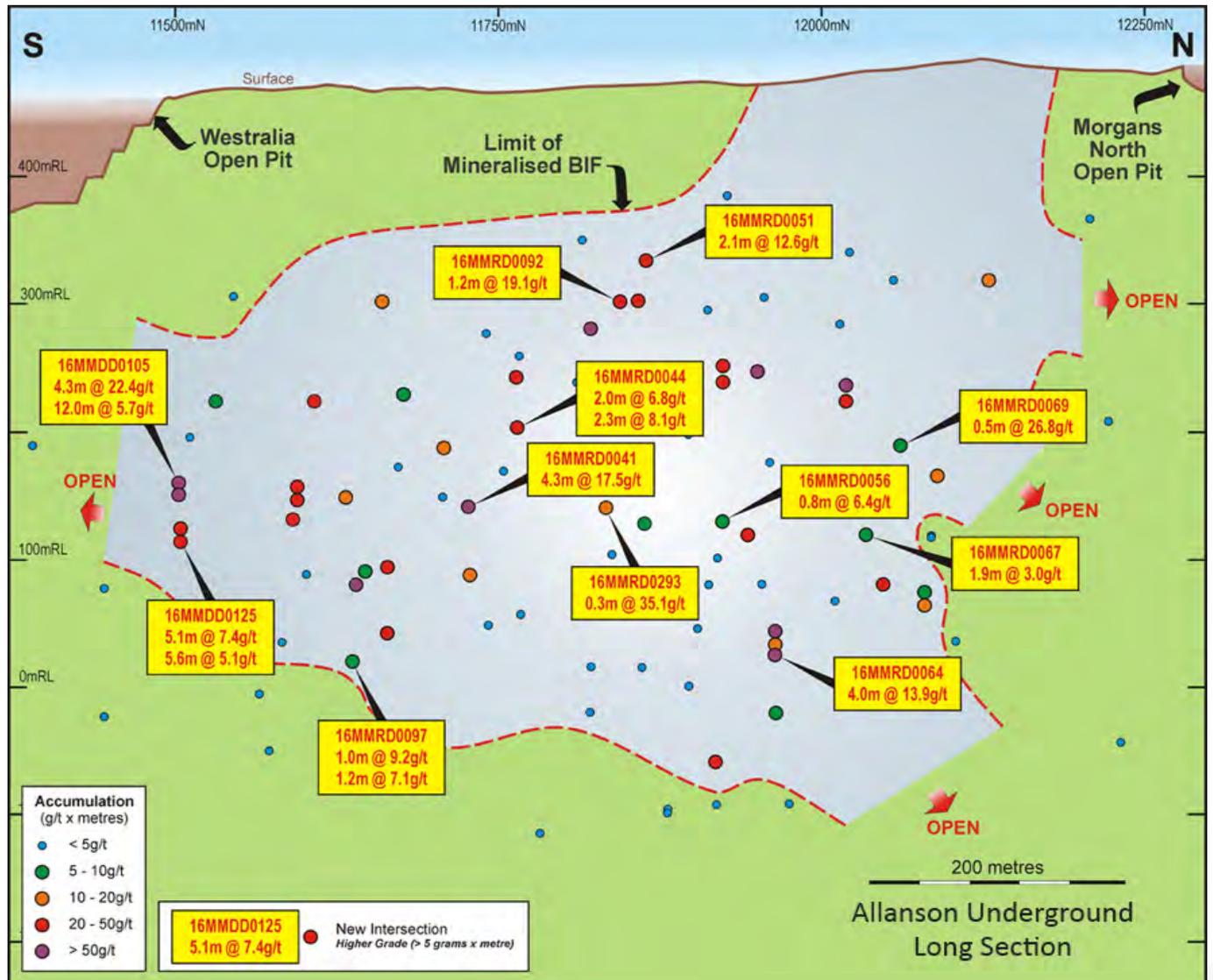


Figure 4: Long section of the Allanson (formerly Morgans Underground) mineralisation showing results of the in-fill drilling program. The mineralisation measures 700m long and up to 400m in dip (or vertical) extent.



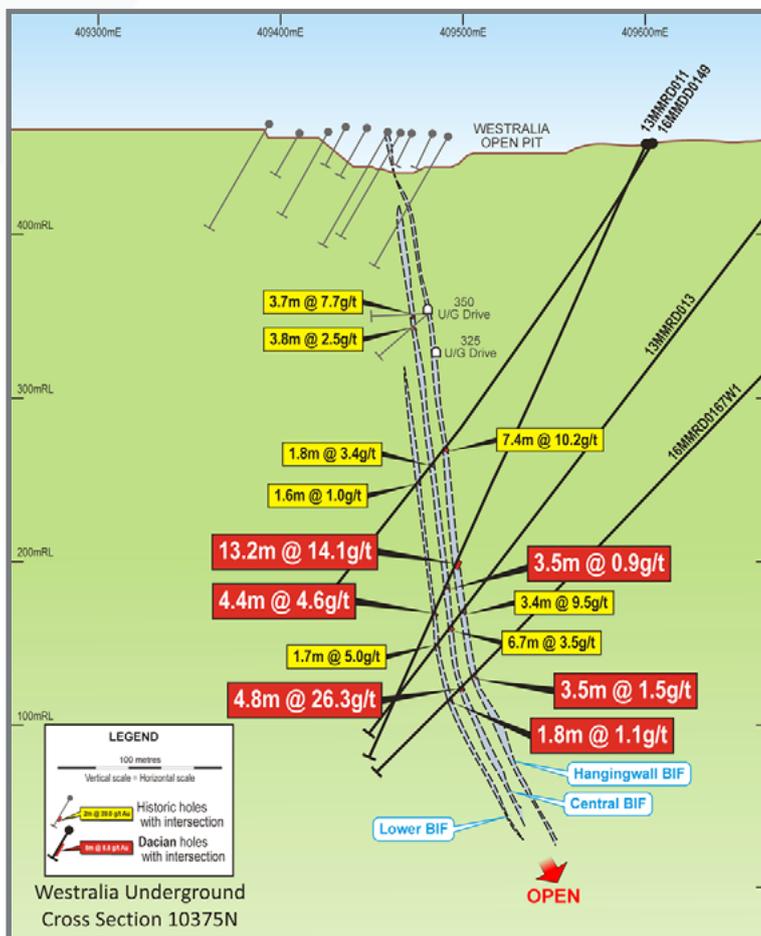
REVIEW OF OPERATIONS

BERESFORD DEPOSIT (formerly Westralia Underground)

Figure 3 (page 7) shows the location of the Beresford mineralisation at the south end of the Westralia ore system. As with the drilling completed at Allanson, the principal aim of the 24 hole, 11,000m in-fill resource drilling at Beresford was to complete a 50m x 50m in-fill diamond drill pattern over the upper portions of the Westralia Mineral Resource between 100m and 350m below the surface.

Numerous high-grade intersections were returned from the completed 24-hole in-fill diamond drilling program, including (see ASX announcement 28 June 2016):

- 3.3m @ 84.3 g/t Au from 212.2m in 16MMRD0165
- 13.2m @ 14.1 g/t Au from 275.0m in 16MMDD0149
- 4.8m @ 26.3 g/t Au from 424.0m in 16MMRD0167W1
- 3.7m @ 18.0 g/t Au from 323.4m in 16MMRD0169
- 6.4m @ 12.1 g/t Au from 437.0m in 16MMRD0159W2
- 2.0m @ 15.9 g/t Au from 405.0m in 16MMRD0161W1
- 1.7m @ 10.2 g/t Au from 307.0m in 16MMRD0147
- 2.5m @ 9.7 g/t Au from 296.3m in 16MMRD0169
- 3.2m @ 8.9 g/t Au from 316.0m in 16MMRD0175
- 1.9m @ 10.5 g/t Au from 435.0m in 16MMRD0167
- 12.3m @ 4.5 g/t Au from 422.5m in 16MMRD0167W2



A feature of several of the drill holes were the multiple high grade intersections returned from separate BIF units intersected in those holes. Detailed geological interpretation has led to the identification of individual BIF units that can be traced over many hundreds of metres, and referred to as Hangingwall BIF, Central BIF and Lower BIF (see Figure 5). All three BIF units (Hangingwall, Central and Lower) exhibit high grade gold mineralisation, with the Hangingwall and Central BIF units containing the majority of the gold mineralisation at Beresford.

Figure 5: Cross section through 10375N showing high grade developed along each of the Hangingwall, Central and Lower BIF units for a vertical distance of over 400m. Note previously released Dacian Gold drill holes (13MMRD series) and historic underground drill holes confirm excellent BIF continuity and that the high grade mineralisation is present for over 400m in vertical extent.



Figure 6: Longitudinal section of the 1.6 Moz Westralia Deposit showing the distribution of Measured, Indicated and Inferred Mineral Resources.

Updated Westralia Deposit Mineral Resource

Following the 46,000m resource in-fill drilling program undertaken at Beresford and Allanson, the Company published a revised Mineral Resource estimate for the Westralia Deposit which resulted in a 176% increase in the Measured and Indicated Mineral Resource categories to 905,000 ounces of gold (refer ASX announcement 28 July 2016). The total Westralia Deposit Mineral Resource increased to 8.6Mt @ 5.8 g/t Au for 1.6 million ounces. Significantly the 46,000m drilling program saw the overall Westralia Deposit grade increase 15% to 5.8 g/t Au.

Tabulated below is a summary of the updated Westralia Deposit Mineral Resource showing the proportion of the resource that comprises oxide, transitional and fresh rock types; and also the respective portions of the resource that comprise the Beresford, Allanson and Morgans North Mineral Resources.

Figure 6 above is a long section showing the distribution of the Measured, Indicated and Inferred Mineral Resources that make-up the Westralia Deposit Mineral Resource.

Westralia Deposit

July 2016 Mineral Resource Estimate (2.0g/t Au Cut-off)

Type	Measured			Indicated			Inferred			Total		
	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
Oxide	0.02	6.6	3,000	0.01	4.6	1,000				0.02	6.0	4,000
Transitional	0.02	3.7	3,000	0.2	3.6	18,000	0.2	4.8	24,000	0.3	4.2	45,000
Fresh	0.4	5.0	60,000	4.6	5.5	821,000	3.3	6.5	691,000	8.3	5.9	1,572,000
Total	0.4	5.0	65,000	4.8	5.5	840,000	3.4	6.5	715,000	8.6	5.8	1,621,000

Westralia Deposit

July 2016 Mineral Resource Estimate (2.0g/t Au Cut-off)

Type	Measured			Indicated			Inferred			Total		
	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
Beresford	0.4	5.0	60,000	3.4	5.1	562,000	2.6	6.5	540,000	6.4	5.7	1,162,000
Allanson				1.1	7.2	245,000	0.7	6.3	137,000	1.7	6.9	382,000
Morgans North	0.04	4.7	6,000	0.3	3.7	33,000	0.2	5.5	38,000	0.5	4.2	77,000
Total	0.4	5.0	65,000	4.8	5.5	840,000	3.4	6.5	715,000	8.6	5.8	1,621,000

Note: Totals may differ due to rounding Mineral Resources reported on a dry basis

REVIEW OF OPERATIONS

JUPITER DEPOSIT

Introduction

The Jupiter Deposit occurs in the eastern half of the MMGP being approximately 20km east-south-east of the Westralia Deposit. The Jupiter Deposit lies within the Jupiter Corridor which is defined as a 2km long north-south trend containing three main syenite bodies, which from south to north, are termed Ganymede, Heffernans and the Doublejay. Several smaller syenite dykes and intrusive bodies are found proximal to the three main syenites, and all are contained within the Jupiter Corridor.

Approximately 150,000 ounces of gold was produced from Jupiter Open Pit now referred to as the Doublejay pits during the period 1994-1996. On-site treatment of the deposit demonstrated that the gold is free milling with recoveries of 91%-93% achieved historically from conventional CIP/CIL processing.

Post the completion of mining activities in 1996, the remnant resources remaining at Jupiter were 800kt at 2.8 g/t for 73,000 ounces (above a 1.5 g/t lower cut-off grade). All remaining resources were situated below the base of the Doublejay pits.

Very limited exploration continued at Jupiter post the cessation of mining activities in 1996 with only two diamond drill holes completed within the Jupiter Corridor until Dacian Gold commenced drilling in September 2013.

Shortly after Dacian Gold commenced drilling, it discovered high grade mineralisation at Heffernans. Ongoing drilling and surface mapping programs confirmed the main control for the mineralisation that was discovered by Dacian Gold within the Jupiter Corridor was the north-south striking, shallow east-dipping Cornwall Shear Zone (CSZ).

The CSZ lodes together with subordinate parallel lodes within the Doublejay, Heffernans and Ganymede syenite bodies give rise to the mineralisation within the Jupiter Deposit Mineral Resource that was used for the September 2015 MMGP Scoping Study.

As observed at Westralia, a portion of the Scoping Study mining inventory used in the Jupiter open pit mine designs was Inferred Mineral Resource. Dacian Gold then embarked on a major 41,000m resource in-fill drilling program to improve the classification of the Jupiter Deposit Mineral Resource so that during the subsequent Feasibility Studies, a maiden Jupiter Ore Reserve can be established in order to determine if mine development could proceed.

Resource In-Fill Drilling Activity

The 41,000m resource in-fill drilling program comprised 313 RC drill holes for 34,000m to complete a 40m x 40m in-fill and resource extension drill program over the 2km long Jupiter Mineral Resource; and 7,000m of diamond drilling to be used for geotechnical assessment of the proposed open pit designs.



A combination of high grade intersections over 1-10m thickness and some very thick, lower grade intersections were returned from the drilling programs. Results were reported in ASX announcements dated 8 February 2016, 14 March 2016, 9 May 2016, 16 June 2016, and include:

- 3.0m @ 106.9 g/t Au from 72m in 15JURC137
- 1.0m @ 43.6 g/t Au from 71m in 16JURC254
- 1.0m @ 39.8 g/t Au from 51m in 16JURC279
- 8.0m @ 26.3 g/t Au from 104m in 15JURC114
- 2.0m @ 15.0 g/t Au from 36m in 16JURC287
- 3.0m @ 12.3 g/t Au from 87m in 15JURC209
- 4.0m @ 10.7 g/t Au from 28m in 16JURC221
- 12.0m @ 10.1 g/t Au from 39m in 16JURC332
- 6.0m @ 8.6 g/t Au from 42m in 16JURC318
- 18.0m @ 6.2 g/t Au from 158m in 16JURC254
- 67.0m @ 5.0 g/t Au from 145m (estimated true thickness is 35m) in 16JURC264
- 5.0m @ 3.3 g/t Au from 11m in 15JURC209
- 31.0m @ 2.7 g/t Au from 147m in 16JURC255
- 20.0 m @ 2.7 g/t Au from 14m in 16JURC399
- 18.0m @ 2.6 g/t Au from 148m in 16JURC312
- 6.0m @ 2.5 g/t Au from 38m in 16JURC378
- 133.0m @ 2.4 g/t Au from 87m in 16JURC311
- 10.0m @ 2.3 g/t Au from 246m in 16JURC143
- 11.0m @ 2.2 g/t Au from 30m in 16JURC211
- 22.0m @ 2.0 g/t Au from 95m in 16JURC288
- 10.0m @ 2.0 g/t Au from 6m in 16JURC216
- 15.0m @ 1.9 g/t Au from 71m in 16JURC255
- 11.0m @ 1.9 g/t Au from 12m in 16JURC326
- 87.1m @ 1.7 g/t Au from 244m and 38m @ 1.5 g/t Au from 385m in 16JUDD367
- 14.0m @ 1.6 g/t Au from 73m in 16JURC148
- 45.3m @ 1.5 g/t Au from 207.8m in 16JUDD403
- 17.0m @ 1.5 g/t Au from 238m in 16JUDD402
- 50.0m @ 1.5 g/t Au from 98m in 16JURC217
- 139.3m @ 1.3 g/t Au from 186.8m in 16JUDD409
- 79.4m @ 1.3 g/t Au from 123.6m in 16JUDD407
- 10.0m @ 1.2 g/t Au from 80m and 5m @ 5.1 g/t Au from 154m in 16JURC313
- 139.0m @ 1.2 g/t Au from 75m in 16JURC397
- 26.0m @ 1.1 g/t Au from 106m in 16JURC147
- 186.7m @ 1.0 g/t Au from 154m in 16JURD390
- 81.0m @ 1.1 g/t Au from 119m in 16JURC256
- 105.5m @ 1.0 g/t Au form 152.6m in 16JUDD406
- 167.0m @ 0.8 g/t Au from 162m in 16JURC321
- 89.0m @ 0.7 g/t Au from 216m in 16JURC312
- 69.0m @ 0.8 g/t Au from 90m and 93m @ 0.9 g/t Au from 193m in 16JURC303
- 82.0m @ 0.6 g/t Au from 0m in 16JURD390



REVIEW OF OPERATIONS

Figure 7 is a plan projection of the 1.4 million ounce Jupiter Deposit showing all drilling completed as well as the distribution of the Measured, Indicated and Inferred Mineral Resources. Also shown in the location of the conceptual open pits derived from the 2015 Scoping Study.

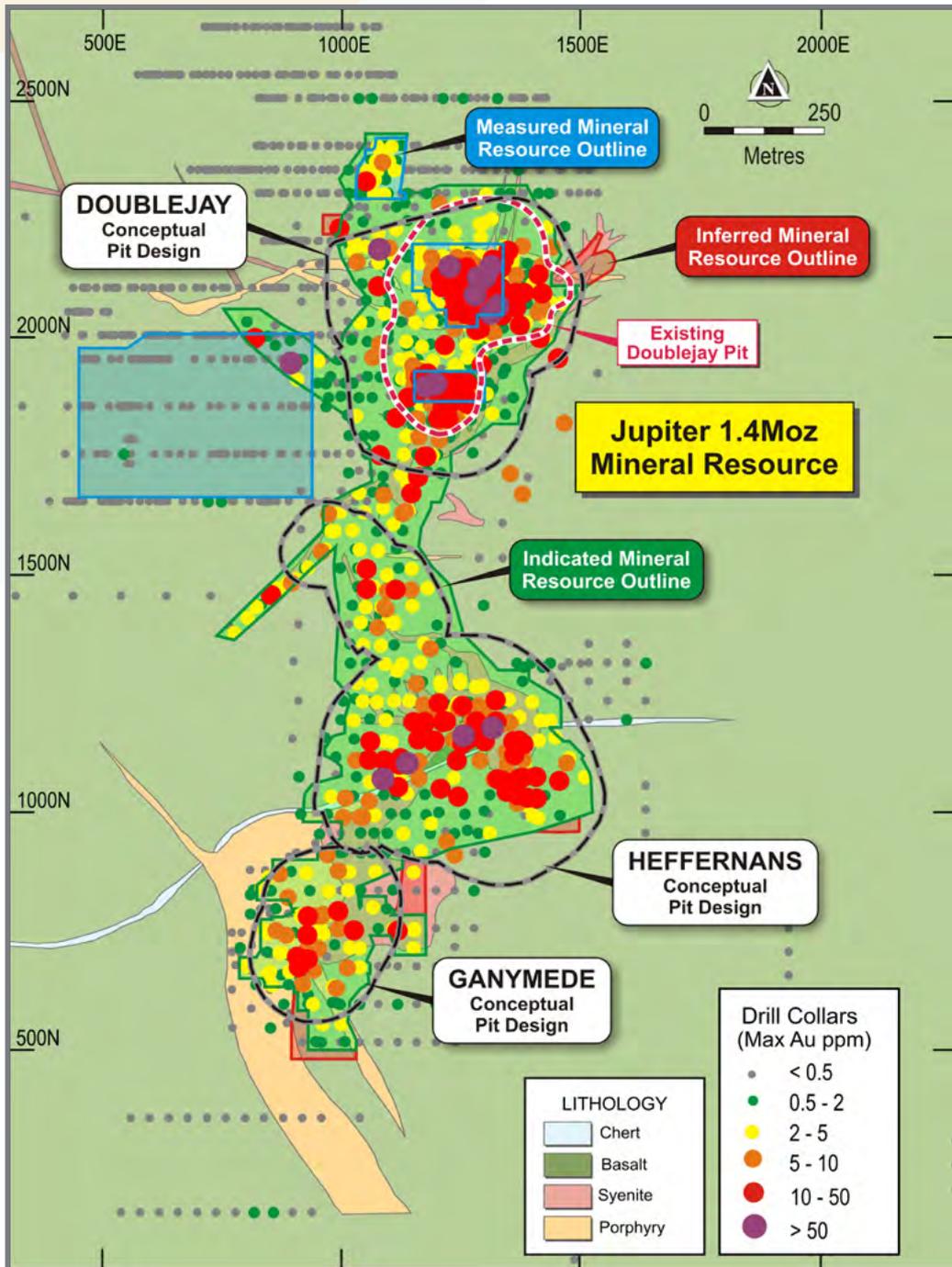


Figure 7: The 1.4 million ounce upgraded Jupiter Prospect Mineral Resource showing conceptual open pit outlines, drill density with maximum grade intersected; and resource classification outlines.

Figure 8 is an example of the successful extensional drilling conducted during the year. It shows extensive mineralisation intersected directly beneath the previously mined Jupiter (now called Doublejay) open pit, as well as below the conceptual open pit identified during the MMGP Scoping Study. The mineralisation is seen to continue for at least 140m below the historic open pit – which is the same depth the original pit mined to.

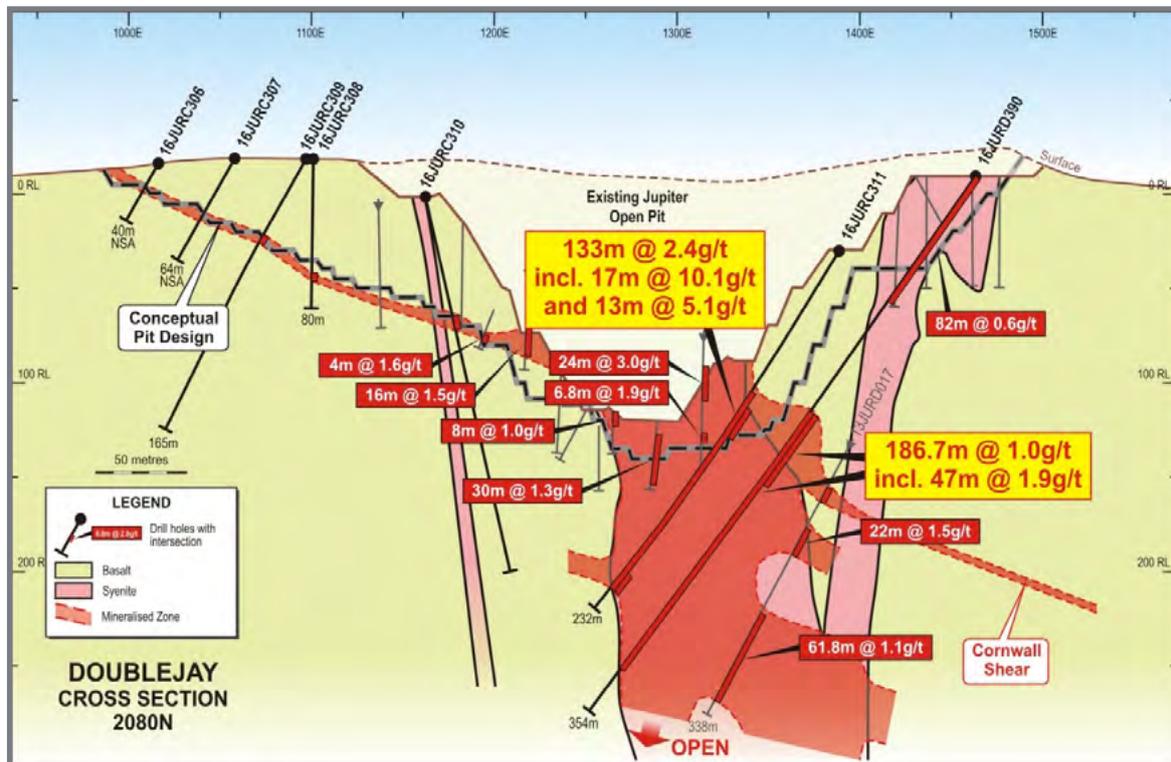


Figure 8: Cross section through the Doublejay open pit at 2080N. Note the thick intersections of 133m @ 2.4 g/t Au and 186.7m @ 1.0 g/t Au lying directly below the existing open pit and the conceptual open pit design (grey / black dashed line).



REVIEW OF OPERATIONS

Figure 9 is a cross section through the Heffernans deposit, located 960m south of Figure 8 above. It shows the results of the 40m x 40m resource in-fill drilling as well as the thick intersections returned from geotechnical drill holes that were designed to test the rock strength of the intended walls to the Heffernans open pit. The intersections returned from the geotechnical drilling are outside the conceptual pit shell derived from the Scoping Study.

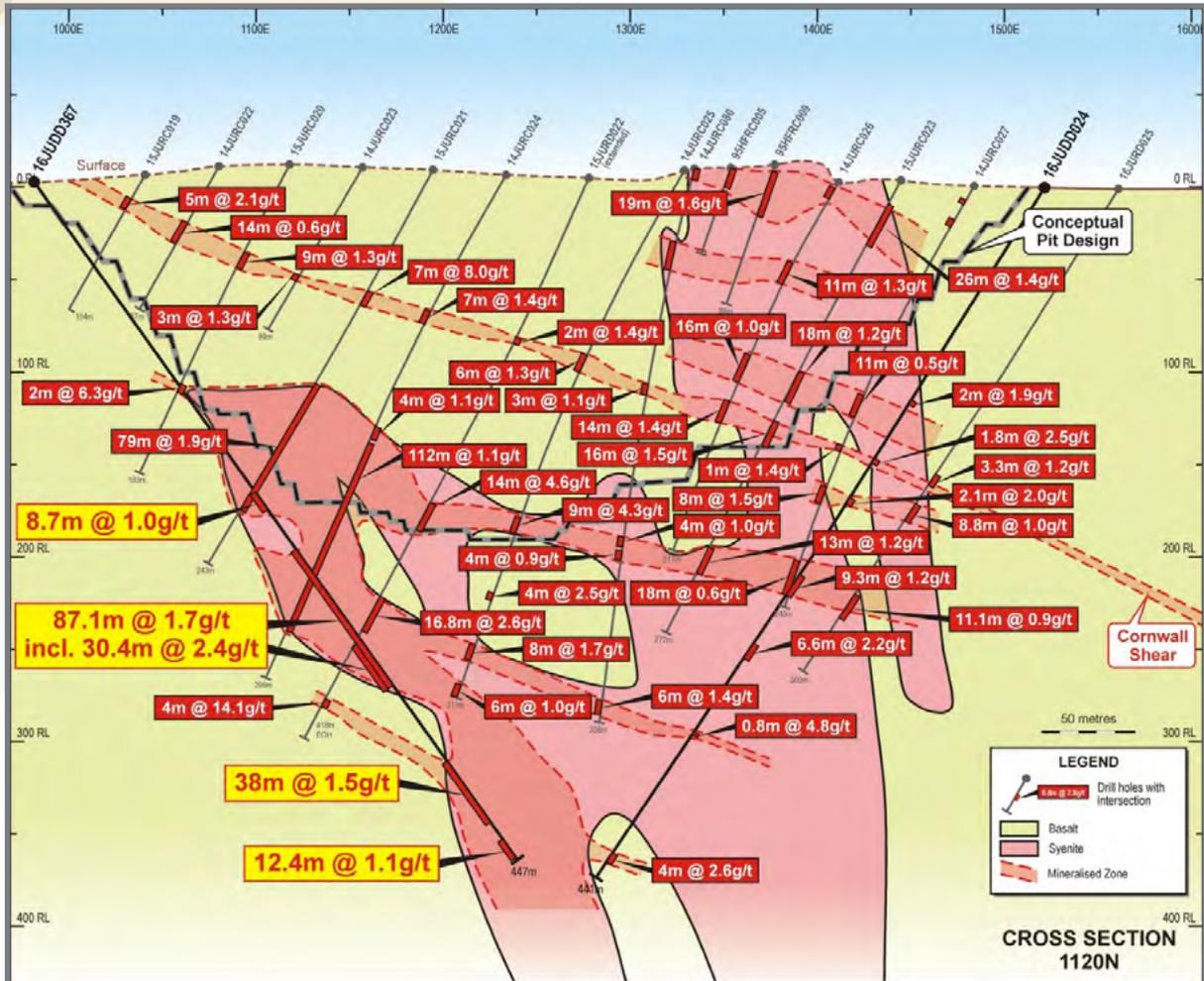


Figure 9: Cross section through Heffernans at 1120N showing the location of geotechnical drill holes 16JUDD367 and 16JUDD024. Note the significant thick intersections in 16JUDD367 below the conceptual open pit (red/yellow labels). Intersections from drilling completed in 2014 and 2015 are shown as red/white labels.

Updated Jupiter Deposit Mineral Resource

Following the 41,000m resource in-fill and extension drilling program undertaken at Jupiter, the Company published a revised Mineral Resource estimate for the Jupiter Deposit which resulted in a 69% increase in the Measured and Indicated Mineral Resource categories to 1,120,000 ounces of gold (refer ASX announcement 19 July 2016). Eighty-two percent of the total Jupiter Deposit Mineral Resource, increased to 33.7Mt @ 1.3 g/t Au for 1.4 million ounces, is now classified as Measured and Indicated Mineral Resource.

Dacian Gold’s drilling at Jupiter in less than three years has increased the Mineral Resource base from 78,000 ounces to 1.4 million ounces. Of the total Mineral Resource 816,000 ounces lies within 150m of the surface giving rise to a significant 5,000 ounces per vertical metre level of endowment.

Tabulated below is a summary of the updated Jupiter Deposit Mineral Resource showing the proportion of the resource that comprises oxide, transitional and fresh rock types.

Jupiter Deposit

July 2016 Mineral Resource Estimate (0.5g/t Cut-off Above OmRL, 1.5g/t Cut-off Below OmRL)

Type	Measured			Indicated			Inferred			Total		
	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
Oxide			0	1.0	1.4	42,000	0.1	1.9	6,000	1.1	1.4	49,000
Transitional	0.04	1.2	2,000	3.1	1.2	117,000	0.04	0.9	1,000	3.2	1.2	120,000
Fresh	1.0	1.7	52,000	18.8	1.4	847,000	6.1	1.1	223,000	25.9	1.4	1,123,000
Jupiter LG Stockpiles	3.5	0.5	58,000							3.5	0.5	58,000
Total	4.5	0.8	112,000	22.9	1.4	1,006,000	6.3	1.2	231,000	33.7	1.3	1,350,000

The corresponding Mineral Resource tables for the respective portions of the Jupiter Deposit that comprise the Doublejay, Heffernans and Ganymede Mineral Resources are tabulated below:

Doublejay Deposit

July 2016 Mineral Resource Estimate (0.5g/t Cut-off Above OmRL, 1.5g/t Cut-off Below OmRL)

Type	Measured			Indicated			Inferred			Total		
	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
Oxide			0	0.04	1.0	1,000				0.04	1.0	1,000
Transitional	0.04	1.2	2,000	1.1	1.1	36,000				1.1	1.1	38,000
Fresh	1.0	1.7	52,000	7.4	1.3	302,000	2.1	1.0	69,000	10.4	1.3	423,000
Total	1.0	1.7	54,000	8.5	1.3	339,000	2.1	1.0	69,000	11.6	1.2	463,000

Heffernans Deposit

July 2016 Mineral Resource Estimate (0.5g/t Cut-off Above OmRL, 1.5g/t Cut-off Below OmRL)

Type	Indicated			Inferred			Total		
	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
Oxide	0.5	1.4	22,000	0.03	2.2	2,000	0.5	1.4	24,000
Transitional	1.4	1.3	61,000	0.03	0.9	1,000	1.5	1.3	62,000
Fresh	10.5	1.5	505,000	3.4	1.2	128,000	13.9	1.4	633,000
Total	12.4	1.5	588,000	3.4	1.2	131,000	15.9	1.4	719,000

Ganymede Deposit

July 2016 Mineral Resource Estimate (0.5g/t Au Cut-off)

Type	Indicated			Inferred			Total		
	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
Oxide	0.4	1.4	19,000	0.1	1.8	4,000	0.5	1.5	23,000
Transitional	0.6	1.0	19,000			0	0.6	1.0	20,000
Fresh	1.0	1.3	40,000	0.6	1.3	26,000	1.6	1.3	66,000
Total	2.0	1.2	79,000	0.7	1.3	31,000	2.7	1.3	109,000

REVIEW OF OPERATIONS

MMGP FEASIBILITY STUDY

The objective of the Mt Morgans Gold Project (MMGP) Feasibility Study is to deliver an Ore Reserve similar to the results obtained from the Scoping Study released to the ASX on 30 September 2015. If Dacian Gold is able to deliver a Feasibility Study result similar to the Scoping Study, then there is a high likelihood the Dacian Gold Board will decide to proceed with mine development and construction in early 2017.

Key to achieving the positive results observed in the Scoping Study was the requirement to improve the confidence of the Mineral Resource which was successfully achieved through the completion of an approximately 90,000m RC and diamond drilling program (see section above titled Feasibility Study Drilling Program). As a result of this major drilling program, 1.12 million ounces of the Jupiter Deposit now sit in the Measured and Indicated Mineral Resource category and 905,000 ounces of the high grade Westralia deposit sits in the Measured and Indicated Mineral Resource categories.

Dacian Gold also receives a significant benefit in its quest to develop the MMGP due to the extensive infrastructure that is already associated with the project and surrounding area. The MMGP is situated in a brownfields site that saw the production of over 1 million ounces of gold during the late 1990s; the majority of which were won from the Westralia and Jupiter Deposits. Examples of the in-place infrastructure include:

- Established townships with public airports at nearby Laverton and Leonora;
- Public and private road networks including sealed highways lie within the project tenure;
- An existing excellent quality raw water source lies within the project area that previously was used in treatment of Mt Morgans ores;
- A new gas pipeline transects the entire tenement package from west to east;
- A Telstra telecommunications tower sits only 8km north of Westralia, within Dacian Gold tenure; and
- An existing accommodation camp and office complex is in place; however will likely be replaced by a new accommodation village to be built on the same site as the previous accommodation village.



During the course of the year, a considerable effort was made toward the MMGP Feasibility Study. Work programs undertaken during the year and nearing completion at the time of writing this report included:

- Advancement of comprehensive metallurgical test-work programs from both Westralia and Jupiter using RC and diamond core samples obtained from the major resource in-fill drill program.
- Collection of mine geotechnical data from core obtained from diamond drill holes that were part of the resource in-fill drill program.
- Advancement of detailed process plant, tailings storage facility and site infrastructure design work by GR Engineering Services Ltd as required for feasibility cost estimation.
- Completion of detailed civil geotechnical field investigations in and around the areas proposed for construction of the processing plant and associated tailings storage facility.
- Engagement of specialist mining consultants Orelogy to complete open pit mining study work for the proposed Jupiter open pits and Entech to complete mining study work related to the Westralia underground mining complex.
- Completion of environmental field surveys related to development of the project and as required for regulatory approvals.
- Completion of field work to determine the groundwater regime around the proposed open pit and underground mines as input for mine geotechnical assessments and to determine dewatering requirements.
- Continuation of groundwater exploration drilling programs to locate additional raw water supplies to supplement proposed supply from existing water bores within the project area.
- Advanced discussions with relevant government agencies and stakeholders.
- Recruitment of a Chief Financial Officer, Processing Manager and Mining Manager to assist with finalisation of the MMGP feasibility study and commence preparations for project development.

Dacian Gold will release the results of the MMGP Feasibility Study in Q4 of CY2016.



REVIEW OF OPERATIONS

EXPLORATION ACTIVITY

As noted in the Dacian Gold's Corporate Objective section above, the Company remains confident it will build on its initial success at Westralia and Jupiter; and continue to make new gold discoveries within the MMGP. It therefore remains a core Corporate Objective that Dacian Gold maintains an ongoing aggressive exploration initiative during its feasibility and potential construction campaigns.

During the year, and in addition to the 90,000m RC and diamond drilling program it completed as part of the Westralia and Jupiter resource in-fill and extension drilling, Dacian Gold commenced reconnaissance exploration on several exciting new and under-explored prospects, named Cameron Well, Jupiter Regional and Callisto.

JUPITER REGIONAL PROSPECT

The Jupiter Regional Prospect is the area in an around the 1.4 million ounce Jupiter deposit. The Company completed an ultra-detailed ground magnetic survey by collecting magnetic readings along a 2km east-west line, for every 50m, over a 5km distance. The approximately 10km² survey involved the walking and collection of magnetic readings over a distance of 382 kilometres (see ASX announcement 4 November 2015).

Figure 10 shows the result of the ultra-detailed magnetic survey in relation to the outline of the 1.4 million ounce Jupiter Deposit Mineral Resource. Several key drill targets are evident from the results of the magnetic survey and include from north to south:

- The untested bulls-eye magnetic anomaly called Rosetta; as well as a smaller positive magnetic anomaly immediately south of Rosetta;
- The large Europa magnetic anomaly lying immediately east of the Jupiter Deposit resource outline; and
- The conspicuous linear trends labelled Corridor A and Corridor B that show a magnetic character similar to that seen inside the Jupiter Deposit Mineral Resource.

At the time of writing this report, Dacian Gold has completed approximately 300 RAB drill holes along parts of Corridors A and B together with drill testing areas not previously explored south of and to the west of the Jupiter Deposit resource outline. Assays are awaited and will be released to the market once they are to hand.

A single RC hole as drilled into Rosetta in late 2015 which intersected magnetic basalt associated with structure and low level gold mineralisation. Further follow-up work is warranted at Rosetta.

Europa was tested with two diamond drill holes during early 2016. The purpose of the drilling was to identify the source of the magnetic anomaly ahead of more accurately defining its shape prior to diamond drill testing. The initial two diamond drill holes confirmed the source of the magnetic anomaly as magnetic basalt. Follow up three-dimensional magnetic modelling is planned for later in CY2016, with diamond drilling to occur afterwards.

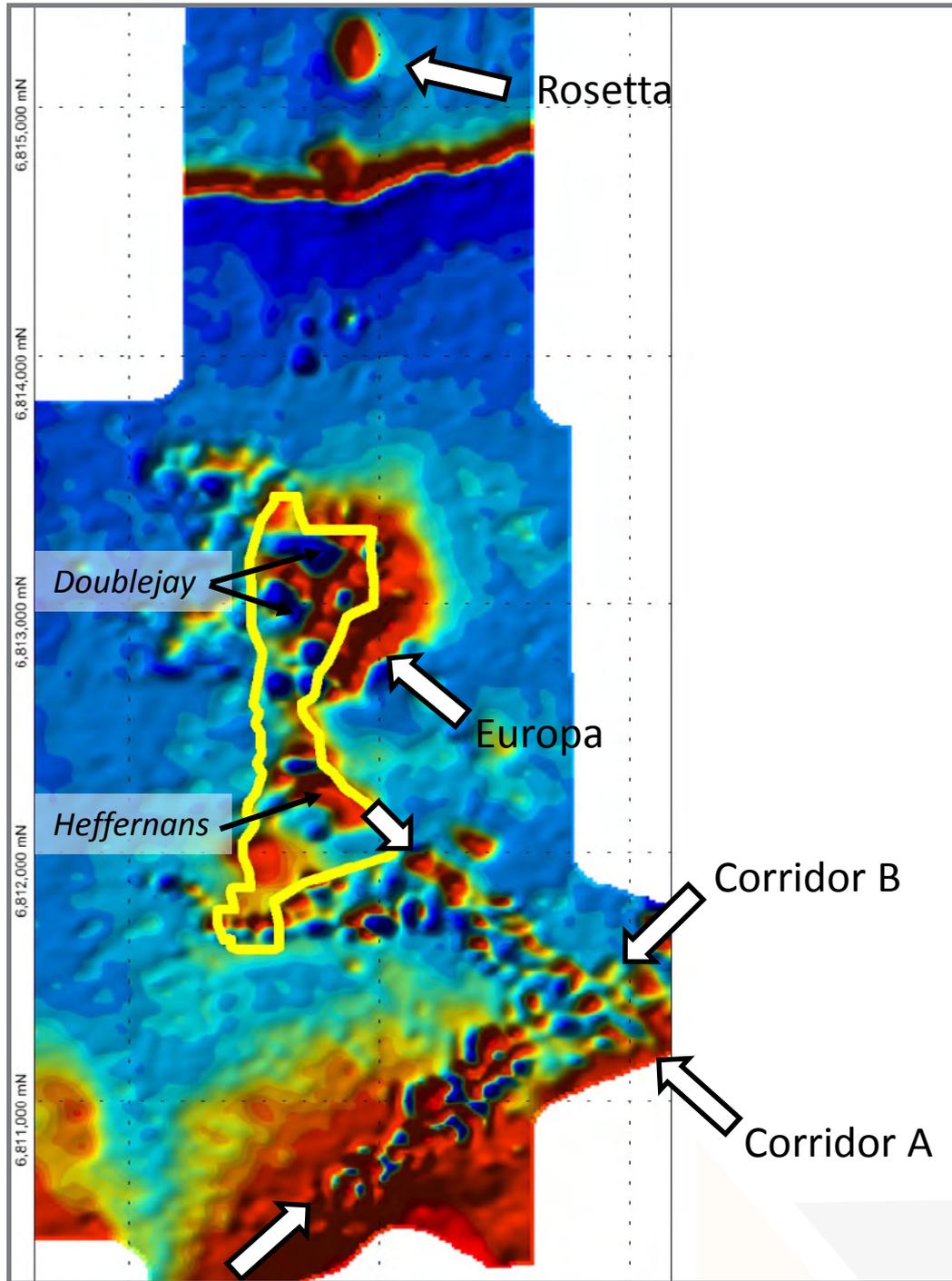


Figure 10: Jupiter Regional ultra-detailed ground magnetics (TMI). The 1.4 million ounce Jupiter Deposit Mineral Resource is shown as yellow outline. Note the variable magnetic response from within the Mineral Resource envelope: mineralised syenites display both positive magnetism (red circular features as seen at Heffernans) and negative magnetism (blue circular features as seen at Doublejay). Also note the discrete and unexplained Europa and Rosetta positive magnetic anomalies as well as the linear trends of combined positive and negative magnetic anomalies within the newly identified Corridor A and Corridor B. All of the new magnetic anomalies and Corridors represent drill-ready targets.

REVIEW OF OPERATIONS

CAMERON WELL PROSPECT

The Cameron Well Prospect is located 5km east of Westralia and was last explored in the 1990s. During its only previous exploration – some 15 years ago – significant intersections at shallow depths were returned, as shown in Figure 11. The intersections define near-flat, north-dipping gold lodes in an interpreted syenite complex; similar in style and host to that seen at the Jupiter and Wallaby gold deposits located 12km and 20km to the south-east respectively.

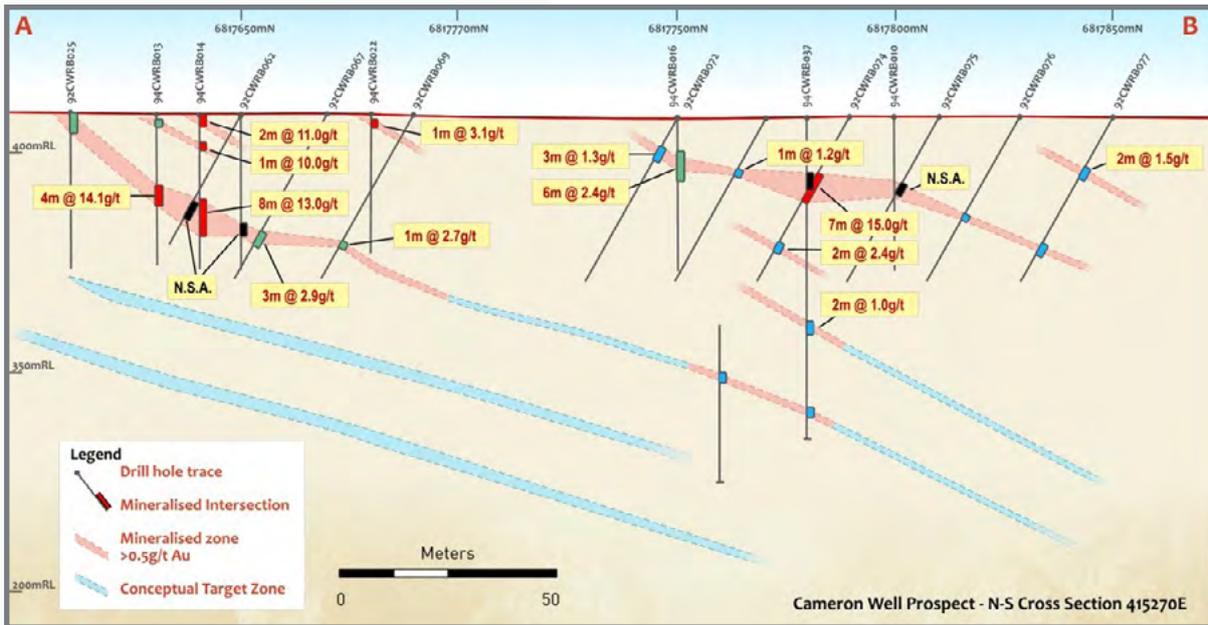


Figure 11: Shallow high grade intersections returned from drilling completed at Cameron Well in the 1990s (note hole prefix 92- and 94- indicates the drilling was completed in 1992 and 1994 respectively). The drilling suggests flat, north dipping lodes are present within an interpreted syenite complex – analogous to that seen at the Jupiter and Wallaby deposit to the east. Note also NSA = no significant assay.

As part of the 1990s drilling at Cameron Well, broad areas of highly anomalous gold was seen in an area less than 1km north of the cross section shown above in Figure 11. Both the broad areas of anomalism and the higher grade zones as seen in Figure 11 appear to be associated with a large ring-like magnetic anomaly interpreted to be caused by a syenite body; and is shown in Figure 12.

The larger, broader anomaly is defined by wide-spaced reconnaissance RAB drilling on 100m x 100m centres. Dacian Gold management is highly encouraged that despite the broad nature of the reconnaissance drilling, the northern anomaly shown in Figure 12 contains 20 holes that intersect 1g/t – 3g/t Au; 5 holes that intersect 3g/t – 5g/t Au and 5 holes that intersect plus 5g/t Au.

The combination of shallow high-grade, flat north-dipping lodes and strongly anomalous gold values intersected in the 100m x 100m spaced reconnaissance RAB drilling, all located on a circular magnetic feature thought to be a syenite, is highly encouraging. Given this level of mineralisation is seen over a distance of 2km makes it worthy of a significant exploration effort to more fully understand the extent and nature of this shallow, but extensively mineralised position.

Dacian Gold have completed a 133 hole RAB program further defining the extents of the mineralisation over 2.5km x 2km (See ASX Announcement 1 September 2016).

CALLISTO PROSPECT

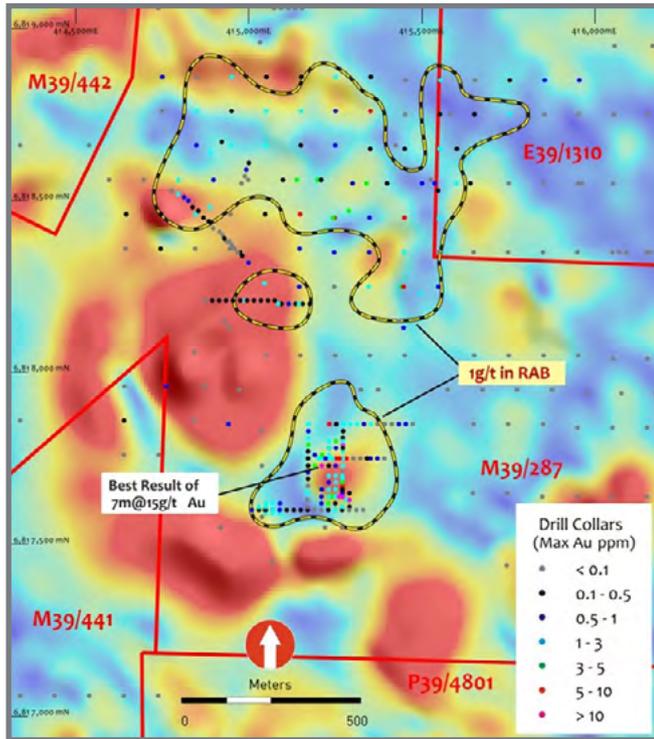


Figure 12: Cameron Well Prospect showing anomalous areas in association with a large ring-like magnetic anomaly thought to represent a syenite intrusive. The high grade cross section seen in Figure 11 above is located within the southern approximately circular anomaly (with label of "Best Result of 7m@15g/t Au"). The broad highly anomalous region in the larger shape at the top of the image.

The Callisto Prospect lies 6km south of the Jupiter Deposit and 7km west of the world-class +8Moz Wallaby gold deposit. It is defined as a significant 1km long x 500m wide positive magnetic anomaly lying beneath approximately 85m of Lake Carey clay sediments and is situated 4km from the Lake Carey shoreline. Due to its remoteness and being in a difficult location to explore, it has only seen very minor historic exploration with a total of three previous holes drilled. None of the previous holes drilled explained the source of the magnetic anomaly.

Dacian Gold believe the magnetic anomaly may be due to a large magnetic alteration event that is associated with the intrusion of syenite bodies as seen at the nearby Jupiter and Wallaby mines. At both Wallaby and Jupiter, the magnetic alteration event precedes a major Au mineralisation event.

Dacian Gold has embarked on a scissor-diamond drilling program aimed at testing the source of the magnetic anomaly. Two 800m deep diamond holes will be drilled into the geophysically modelled magnetic body as shown below in Figure 13. Note the 2001 drill hole shown in Figure 13 was stopped short of testing the modelled magnetic body.

At the time of writing this report, Dacian Gold was drilling the two holes. It will release the results of the drilling to the market as they become available.

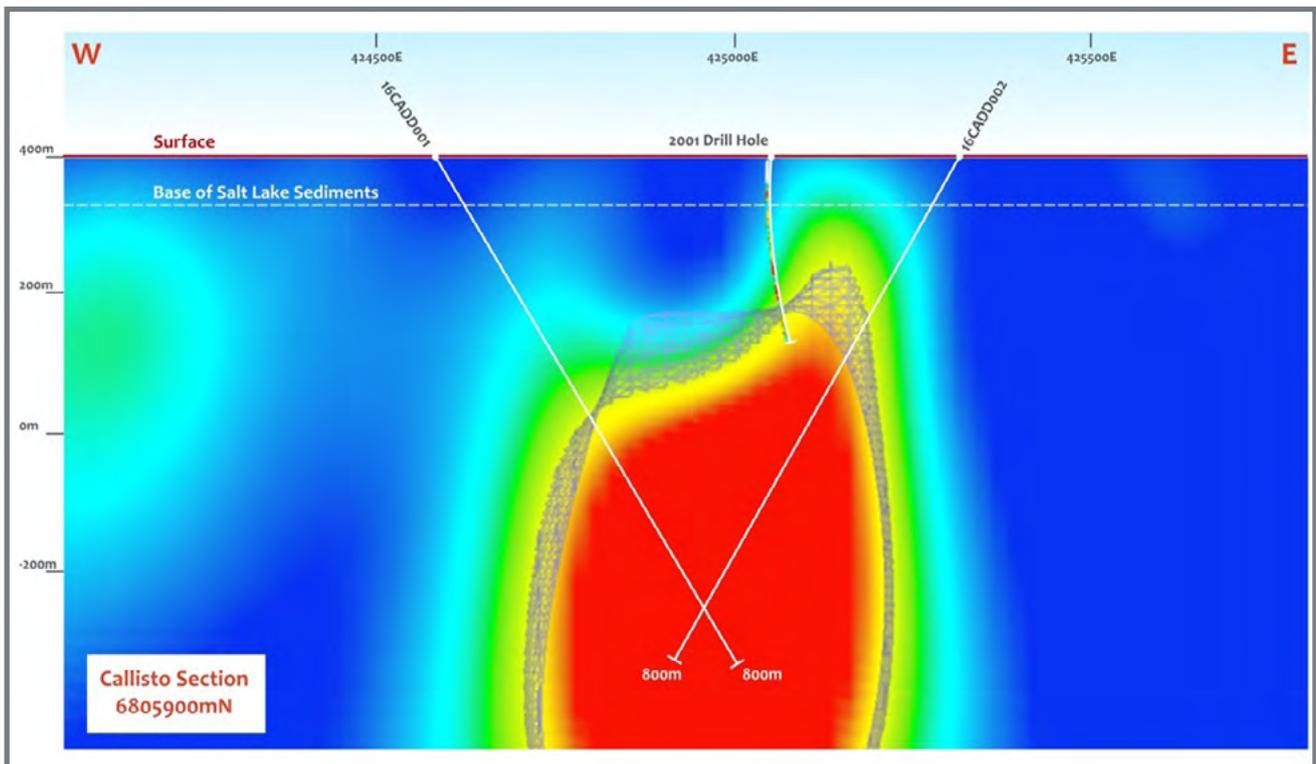


Figure 13: Modelling of the magnetic anomaly that defines the Callisto Prospect is to be tested by two 800m deep oriented scissor diamond drill holes, as shown. Note the location of the 2001 drill hole failed to test the interpreted magnetic model position.

2016 MINERAL RESOURCES & ORE RESERVES STATEMENT (DCN: 100%)

MOUNT MORGANS GOLD PROJECT MINERAL RESOURCES AS AT 28 JULY 2016

Deposit	Cut-off Grade	Measured			Indicated			Inferred			Total Mineral Resource		
	Au g/t	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz
King Street*	0.5	-	-	-	-	-	-	532,000	2.0	33,000	532,000	2.0	33,000
Jupiter	0.5	994,000	1.7	54,000	22,889,000	1.4	1,006,000	5,739,000	1.1	197,000	29,623,000	1.3	1,257,000
Jupiter UG	1.5	-	-	-	-	-	-	530,000	2.0	34,000	530,000	2.0	34,000
Jupiter LG Stockpile	0.5	3,494,000	0.5	58,000	-	-	-	-	-	-	3,494,000	0.5	58,000
Westralia	2.0	409,000	5.0	65,000	4,769,000	5.5	840,000	3,449,000	6.5	715,000	8,626,000	5.8	1,621,000
Craic*	0.5	-	-	-	69,000	8.2	18,000	120,000	7.1	27,000	189,000	7.5	46,000
Transvaal	2.0	367,000	5.8	68,000	404,000	5.3	69,000	482,000	4.7	73,000	1,253,000	5.2	210,000
Ramornie	2.0	-	-	-	156,000	4.1	21,000	285,000	3.9	36,000	442,000	4.0	57,000
Total		5,263,000	1.5	246,000	28,287,000	2.1	1,954,000	11,138,000	3.1	1,115,000	44,688,000	2.3	3,315,000

* JORC 2004 Mineral Resource

Total Mineral Resources stated in the 2015 Mineral Resources and Ore Reserves Statement (MROR) for the Mount Morgans Gold Project was 41,730,000 tonnes at 2.2 g/t for 3,008,000 ounces (refer 2015 Annual Report).

The change between the 2015 and 2016 MROR Statement were due to revised Mineral Resource estimates occurring at the Company's 100% owned Westralia and Jupiter deposits.

The Westralia Mineral Resource has increased from 9,269,000 tonnes at 5.1 g/t for 1,520,000 ounces to 8,626,000 tonnes at 5.8 g/t for 1,621,000 ounces (refer ASX releases 16 September 2015 and 28 July 2016).

The Jupiter Mineral Resource has increased from 26,550,000 tonnes at 1.3 g/t for 1,085,000 ounces, to 29,623,000 tonnes at 1.3 g/t for 1,257,000 ounces (open pit) and 530,000 tonnes at 2.0 g/t for 34,000 ounces (underground). This Mineral Resource for Jupiter includes the split of open and underground resources reported (refer ASX releases 16 September 2015 and 19 July 2016).

There is no change to the previously reported Mineral Resources for the King St, Craic, Jupiter LG stockpile, Transvaal and Ramornie deposits.

MOUNT MORGANS GOLD PROJECT ORE RESERVES AS AT 15 SEPTEMBER 2015

Deposit	Cut-off	Proved			Probable			Total		
	Au g/t	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
Total		-	-	-	28,000	9.2	8,000	28,000	9.2	8,000

* JORC 2004 Ore Reserve

CHANGES IN MINERAL RESOURCES SINCE 30 JUNE 2016

Since 30 June 2016 the Mineral Resource estimates for the Mount Morgans Gold Project have increased from 41,730,000 tonnes at 2.2 g/t for 3,008,000 ounces to 44,688,000 tonnes at 2.3 g/t for 3,315,000 ounces following revisions to Mineral Resource estimates for the Westralia and Jupiter deposits (refer ASX releases 19 July 2016 and 28 July 2016).

There has been no change to the previously reported Ore Reserve for the Craic deposit since the 2015 MROR Statement.

The Company confirms that all material assumptions and technical parameters pursuant to the mineral resource and Ore Reserve estimates at the time of the relevant market announcements continue to apply and have not materially changed.

GOVERNANCE

Dacian Gold maintains strong governance and internal controls in respect of its estimates of Mineral Resources and Ore Reserves and the estimation process.

Dacian ensures its sampling techniques, data collection, data veracity and the application of the collected data is at a high level of industry standard. Contract RC and diamond drilling with QA/QC controls approved by Dacian are used routinely. All completed holes are subject to downhole gyro or EMS surveys and collar coordinates surveyed with DGPS. All drill holes are logged by Dacian geologists. Diamond core is oriented and photographed. Dacian employs field QC procedures, including addition of standards, blanks and duplicates ahead of assaying which is undertaken using industry standards including fire assay at Intertek and Bureau Veritas laboratories in Perth and Kalgoorlie.

Assay data is continually validated and stored in DataShed. Geological models and wireframes are built using careful geological documentation and interpretations, all of which are validated by peer review. Resource estimation is undertaken by independent consultants and reported under JORC 2012. Estimation techniques are industry standard and include block modelling using Ordinary Kriging. Application of other parameters including cut off grades, top cuts and classification are all dependent on the style and nature of mineralisation being assessed.

Ore Reserve estimation is overseen by in house mining engineers using third party consultants to complete feasibility studies in mining, metallurgical, geotechnical, environmental and social matters. Results are verified by independent third party Ore Reserve specialist consultancies.



2016 MINERAL RESOURCES & ORE RESERVES STATEMENT (DCN: 100%)

COMPETENT PERSON STATEMENT

The Mineral Resources and Ore Reserves Statement is based on, and fairly represents, information and supporting documentation prepared by the respective competent persons named below.

The Mineral Resources Statement as a whole has been approved by Mr Rohan Williams. Mr Williams is a holder of shares and options in, and is the Executive Chairman and a full-time employee of, the Company, and is a Member of the Australasian Institute of Mining and Metallurgy. Mr Williams has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Williams has approved the Mineral Resources and Ore Reserves Statement as a whole and consents to its inclusion in the Annual Report in the form and context in which it appears.

The information in this report that relates to the Mineral Resource is based on information compiled by Mr Rohan Williams who is a director and full time employee of Dacian Gold Limited and a Member of The Australasian Institute of Mining and Metallurgy. Mr Williams has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration 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, Mineral Resources and Ore Reserves. Mr Williams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources (other than Westralia, Jupiter, Ramornie and Transvaal), Exploration Targets and Exploration Results is based on information compiled by Mr Rohan Williams, 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 Mineral Resource estimates for Westralia, Jupiter, Ramornie and Transvaal (not including Jupiter low-grade stockpile) is based on information compiled by Mr Shaun Searle, a Senior Consultant Geologist and full time employee at RungePincockMinarco and a Member of Australian Institute of Geoscientists.

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 Williams 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 Williams 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.

All information relating to Mineral Resources and Ore Reserves (other than the King Street and Craic) were prepared and disclosed under the JORC Code 2012. The JORC Code 2004 Mineral Resource and Ore Reserve have not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last updated.

DIRECTORS' REPORT

The Directors present the financial statements of Dacian Gold Limited ("the Company") and its controlled subsidiaries ("the Group") for the year ended 30 June 2016. In order to comply with the provisions of the Corporations Act 2001, the Directors Report is as follows:

DIRECTORS

The following persons were Directors of Dacian Gold Limited during or since the end of the year and up to the date of this report, were in office for this entire period unless stated otherwise:

Rohan Williams BSc (Hons), MAusIMM
(Executive Chairman)

Mr Williams was founding CEO and Managing Director of Avoca Resources Ltd, and led that company from its \$7 million exploration IPO in 2002 until its merger with Anatolia Minerals in 2011 to form Alacer Gold Corp, which valued Avoca at \$1 billion. At the time of the merger, Avoca Resources Ltd was the third largest ASX listed Australian gold producer.

Serving as the merged group's Chief Strategic Officer until the end of 2011, Mr Williams resigned as a Non-Executive Director of Alacer Gold Corp on 10 September 2013.

Prior to his time with Avoca Resources Ltd, Mr Williams worked with WMC Resources Limited where he held Chief Geologist positions at St Ives Gold Mines and the Norseman Gold Operation. He has 25 years of experience, including over 19 years in the world class Kalgoorlie-Norseman gold belt.

Mr Williams also serves on the Board of the Telethon Kids Institute.

On 14 March 2014 Mr Williams became Executive Chairman of the Company. Prior to this date Mr Williams undertook the Chairman's role on a Non-Executive basis.

Other than as stated above Mr Williams has not served as a Director of any other listed companies, in the 3 years immediately before the end of 2016 financial year.

Robert Reynolds MAICD, MAusIMM
(Non-Executive Director)

Mr Reynolds was the Non-Executive Chairman of Avoca Resources Ltd from 2002 until it merged with Anatolia Minerals to form Alacer Gold Corp in 2011. Mr Reynolds was Non-Executive Chairman of Alacer Gold Corp until 23 August 2011.

With over 35 years commercial experience in the mining sector, Mr Reynolds has worked on mining projects in a number of locations including Australia, Africa and across the Oceania region and has extensive experience in mineral exploration, development and mining operations.

Mr Reynolds was a long term Director of Delta Gold Limited and was a Director of Extorre Gold Mines Limited when it was acquired by Yamana Gold for CAD\$414 million on 22 August 2012. Mr Reynolds currently holds Directorships with Canadian companies Rugby Mining Limited and Exeter Resource Corporation. Mr Reynolds was previously a Director of ASX listed companies Chesser Resources, Convergent Minerals Limited and Global Geoscience Limited.

Other than as stated above Mr Reynolds has not served as a Director of any other listed companies, in the 3 years immediately before the end of 2016 financial year.



DIRECTORS' REPORT

Barry Patterson ASMM, MAusIMM, FAICD (Non-Executive Director)

Mr Patterson is a mining engineer with over 50 years of experience in the mining industry and is a co-founder, and Non-Executive Director, of ASX listed GR Engineering Limited.

Mr Patterson was also a founding shareholder of leading engineering services provider JR Engineering, which became Roche Mining after being taken over by Downer EDI in 2002. He also co-founded contract mining companies Eltin, Australian Mine Management and National Mine Management.

Mr Patterson has served as a Director of a number of public companies across a range of industries. He was formerly the Non-Executive Chairman of Sonic Healthcare Limited for 11 years, during which time the company's market capitalisation increased from \$20 million to \$4 billion, and Silex Systems Limited.

Other than as stated above Mr Patterson has not served as a Director of any other listed companies, in the 3 years immediately before the end of 2016 financial year.

Ian Cochrane BCom LLB (Appointed 26 February 2016) (Non-Executive Director)

Mr Cochrane is a corporate lawyer and was widely regarded as one of Australia's leading M&A lawyers until his retirement from the practice of law in December 2013.

Educated in South Africa where he completed degrees in Commerce and Law, he immigrated to Australia in 1986 and joined national law firm Corrs Chambers Westgarth and then Mallesons Stephen Jaques, specialising in Mergers & Acquisitions.

In 2006, Mr Cochrane co-established boutique law firm Cochrane Lishman, which was eventually acquired by the global law firm Clifford Chance in early 2011.

Mr Cochrane is currently the Chairman of VOC Group Limited and a Director and Deputy Chairman of diversified ASX-listed mining services group Ausdrill Limited. He is also a Director of Wright Prospecting Pty Ltd and Ardross Estates Pty Ltd.

He was previously Chairman of Little World Beverages Limited which produced the Little Creatures beers and was taken over by Lion Nathan in 2012. He was also previously a Director of Rugby WA and the West Australian Ballet.

Other than as stated above Mr Cochrane has not served as a Director of any other listed companies, in the 3 years immediately before the end of 2016 financial year.

COMPANY SECRETARY

Kevin Hart B.Comm, FCA

Mr Hart is a Chartered Accountant and was appointed to the position of Company Secretary on 27 November 2012. He has over 25 years' experience in accounting and the management and administration of public listed entities in the mining and exploration industry.

He is currently a partner in an advisory firm, Endeavour Corporate, which specialises in the provision of company secretarial and accounting services to ASX listed entities.



INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

The following relevant interests in shares and options of the Company were held by the Directors as at the date of this report:

Director	Number of fully paid ordinary shares	Number of options over ordinary shares
Rohan Williams	5,924,637	5,000,000
Robert Reynolds	2,575,000	300,000
Barry Patterson	5,031,819	300,000
Ian Cochrane	196,464	300,000

The Directors' interests in options over ordinary shares as at the date of this report include the following options that are currently vested and exercisable:

Director	Number of options vested and exercisable
Rohan Williams	3,000,000
Robert Reynolds	300,000
Barry Patterson	300,000
Ian Cochrane	300,000

Further details of the vesting conditions applicable to these options are disclosed in the remuneration report section of this Directors' Report.

SECURITIES

Shares

During the period the Company issued 36,256,254 ordinary fully paid shares at 69 cents per share pursuant to a fully underwritten accelerated institutional and retail non-renounceable entitlement offer and share placement raising approximately \$25 million before costs.

During or since the end of the financial year, the Company issued ordinary shares as a result of the exercise of options as follows (there were no amounts unpaid on the shares issued):

Date options granted	Issue price of options (\$)	Number of shares issued
9 October 2012	83 cents each	750,000
28 February 2014	56 cents each	500,000

Options

At the date of this report unissued ordinary shares of the Company under option are:

Number of Options	Exercise Price	Expiry Date
5,400,000	83 cents each	9 October 2017
500,000	56 cents each	28 February 2019
1,000,000	64 cents each	24 September 2019
2,000,000	45 cents each	17 November 2019
1,500,000	121 cents each	30 September 2020
1,650,000	122 cents each	31 January 2021
300,000	205 cents each	28 February 2021
500,000	372 cents each	30 June 2021

DIRECTORS' REPORT

DIVIDENDS

No dividends have been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was mineral exploration and development activities at its wholly owned Mt Morgans Gold Project in Western Australia.

There have been no significant changes in the nature of these activities during the financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year, not otherwise disclosed in this report.

REVIEW OF OPERATIONS

Operating results and financial position

The net loss after income tax for the financial year was \$21,832,884 (30 June 2015: \$8,048,428). Included in this loss for the financial year is an amount of \$19,141,580 (30 June 2015: \$6,501,354) in respect of exploration and evaluation costs not capitalised, and increases to provisions for rehabilitation liabilities of \$52,076 (2015: \$670,669).

At the end of the financial year the Group had \$9,648,425 (30 June 2015: \$4,624,894) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure is \$8,131,847 (30 June 2015: \$8,131,847).

Summary of Activities

During the 2016 financial year the Company has maintained its high level of exploration activity, primarily focused on the Westralia and Jupiter deposits at the Mt Morgans Gold Project. The Company plans to complete the definitive Feasibility Study and pursue project financing by the end of calendar year 2016.

The Group has incurred exploration and feasibility costs of over \$21.8 million during the 2016 financial year, which has included completing in excess of 127,500 metres of drilling, comprising over 49,000 metres of diamond core drilling, over 53,000 metres of RC drilling and over 25,000 metres of RAB and air core drilling.

As a result of the extensive infill and extensional drill programs undertaken during the 2016 financial year, the Company announced Mineral Resource upgrades in July 2016. Refer to ASX announcements dated 19th and 28th July 2016 for Jupiter and Westralia respectively.

Since the end of the financial year the Company has commenced regional exploration programs and continues to advance the Mt Morgans Gold Project Feasibility Study targeting first production in the first quarter of calendar year 2018. The Company expects to announce maiden Ore Reserves for Jupiter and Westralia in the near future.

The Group incurred exploration and feasibility costs of \$19,141,580 during the 12 months ended 30 June 2016 (30 June 2015: \$6,501,354).

Further details of the Company's activities including significant drill results returned for the 2016 financial year are included in the Review of Operations in this Annual Report.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant ASX releases and the form and context of the announcements have not been materially modified. In the case of estimates of Mineral Resources, the Company confirms that all material assumptions and technical parameters underpinning the relevant market announcements continue to apply and have not materially changed.

EVENTS SUBSEQUENT TO THE REPORTING DATE

There has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group intends to continue to undertake appropriate exploration and evaluation activities sufficient to maintain tenure of its prospective mineral properties, until such time that informed decisions can be made in order to commercially exploit or relinquish such properties.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group holds various exploration licences to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities.

So far as the Directors are aware, all exploration activities have been undertaken in compliance with all relevant environmental regulations.

OFFICER'S INDEMNITIES AND INSURANCE

During the year the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has not provided any insurance for an auditor of the Company.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

DIRECTORS' REPORT

NON-AUDIT SERVICES

During the year Grant Thornton the Company's auditor, has not performed any other services in addition to their statutory duties:

	2016	2015
	\$	\$
Total remuneration paid to auditors during the financial year:		
Audit and review of the Company's consolidated financial statements	32,251	32,978
Other services	-	-
Total	32,251	32,978

The Board considers any non-audit services provided during the year by the auditor and satisfies itself that the provision of any non-audit services during the year by the auditor is compatible with, and does not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services are reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they do not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

REMUNERATION REPORT (AUDITED)

Remuneration paid to Directors and Officers of the Group is set by reference to such payments made by other ASX listed companies of a similar size and operating in the mineral exploration industry. In addition, reference is made to the specific skills and experience of the Directors and Officers.

Details of the nature and amount of remuneration of each Director, and other Key Management Personnel if applicable, are disclosed annually in the Company's Annual Report.

Remuneration Committee

The Board has adopted a formal Remuneration Committee Charter which provides a framework for the consideration of remuneration matters.

The Remuneration & Nomination Committee is responsible for reviewing and making recommendations to the Board which has ultimate responsibility for the following remuneration matters:

1. Setting remuneration packages for Executive Directors, Non-Executive Directors and other Key Management Personnel; and
2. Implementing employee incentive and equity based plans and making awards pursuant to those plans.

Non-Executive Remuneration

The Company's policy is to remunerate Non-Executive Directors, at rates comparable to other ASX listed companies in the same industry, for their time, commitment and responsibilities.

Non-Executive Remuneration is not linked to the performance of the Company, however to align Directors' interests with shareholders' interests, remuneration may be provided to Non-Executive Directors in the form of equity based long term incentives.

1. Fees payable to Non-Executive Directors are set within the aggregate amount approved by shareholders at the Company's Annual General Meeting;
2. Non-Executive Directors' fees are payable in the form of cash and superannuation benefits;
3. Non-Executive superannuation benefits are limited to statutory superannuation entitlements; and
4. Participation in equity based remuneration schemes by Non-Executive Directors is subject to consideration and approval by the Company's shareholders.

The maximum Non-Executive Directors fees, payable in aggregate are currently set at \$500,000 per annum.

Executive Director and Other Key Management Personnel Remuneration

Executive remuneration consists of base salary, plus other performance incentives to ensure that:

1. Remuneration packages incorporate a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the Company's circumstances and objectives; and
2. A proportion of remuneration is structured in a manner to link reward to corporate and individual performances.

Executives are offered a competitive level of base salary at market rates (based on comparable ASX listed companies) and are reviewed regularly to ensure market competitiveness.

Use of Remuneration Consultants

To date the Company has not engaged external remuneration consultants to advise the Board on remuneration matters.

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

Incentive Plans

The Company provides long term incentives to Directors and Employees pursuant to the Dacian Gold Limited Employee Option Plan, which was last approved by shareholders on 16 November 2015.

The Board, acting in remuneration matters:

1. Ensures that incentive plans are designed around appropriate and realistic performance targets and provide rewards when those targets are achieved;
2. Reviews and improves existing incentive plans established for employees; and
3. Approves the administration of the incentive plans, including receiving recommendations for, and the consideration and approval of grants pursuant to such incentive plans.

Engagement of Non-Executive Directors

Non-Executive Directors conduct their duties under the following terms:

1. A Non-Executive Director may resign from his/her position and thus terminate their contract on written notice to the Company; and
2. A Non-Executive Director may, following resolution of the Company's shareholders, be removed before the expiration of their period of office (if applicable). Payment is made in lieu of any notice period if termination is initiated by the Company, except where termination is initiated for serious misconduct.

In consideration of the services provided by Mr Robert Reynolds, Mr Barry Patterson and Mr Ian Cochrane as Non-Executive Directors, the Company will pay them \$60,000 plus statutory superannuation per annum.

Messrs Reynolds, Patterson and Cochrane are also entitled to fees for other amounts as the Board determines where they perform special duties or otherwise perform extra services or make special exertions on behalf of the Company.

During the financial year ended 30 June 2016, the Company incurred no costs in respect of additional services provided by Directors.

Engagement of Executive Directors

The terms of Mr Rohan Williams Executive Services Agreement governing his role as Executive Chairman are summarised below.

In respect of his engagement as Executive Chairman, Mr Williams will receive a base salary of \$438,000 per annum inclusive of statutory superannuation (Total Fixed Remuneration, TFR). Any increase in salary is subject to the discretion of the Board.

The Company or Mr Williams may terminate the contract at any time by the giving of six months' notice. In addition, there are certain specific termination notice periods applicable to Company change of control events or ill health. The Company may elect to pay Mr Williams in lieu of part or all of the notice period specified in the contract.

Mr Williams may also receive a short term performance based reward in the form of a cash bonus up to, 40% of the TFR. The performance criteria, assessment and timing of which are determined at the discretion of the Board.

Mr Williams may participate in the Dacian Gold Limited Employee Option Plan and other long term incentive plans adopted by the Board.

Engagement of Executives

Mr Grant Dyker commenced in the capacity of Chief Financial Officer on 10 February 2016. The terms of Mr Dyker's employment contract are summarised below.

Mr Dyker will receive a base salary of \$328,500 per annum inclusive of statutory superannuation.

The Company or Mr Dyker may terminate the contract at any time by the giving of six months' notice. In addition, there are certain specific termination notice periods applicable to Company change of control events or ill health. The Company may elect to pay Mr Dyker in lieu of part or all of the notice period specified in the contract.

Mr Dyker may be invited to participate in incentive schemes. The performance criteria, assessment and timing of which are determined at the discretion of the Board.

Mr Dyker may participate in the Dacian Gold Limited Employee Option Plan and other long term incentive plans adopted by the Board.

Voting and comments made at the Company's 2015 Annual General Meeting ('AGM')

At the last AGM 99.9% of the shareholders voted to adopt the remuneration report for the year ended 30 June 2015. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Short Term Incentive Payments

The Board may, at its sole discretion, set the Key Performance Indicators (KPIs) for the Executive Directors or other Executive Officers. The KPIs are chosen to align the reward of the individual Executives to the strategy and performance of the Company.

Performance objectives, which may be financial or non-financial, or a combination of both, are determined by the Board.

No Short Term incentives are payable to Executives where it is considered that the actual performance has fallen below the minimum requirement.

Following a performance evaluation process in respect of the 12-month period ended 31 December 2015, Short Term incentive payments were made to Executives.

The Executive Chairman sets the KPIs for other members of staff, monitors actual performance and may recommend payment of short term bonuses to certain employees to the Board for approval.

Shareholding Qualifications

The Directors are not required to hold any shares in Dacian Gold under the terms of the Company's constitution.

Consequences of Company Performance on Shareholder Wealth

In considering the Company's performance and benefits for shareholder wealth, the Board provide the following indices in respect of the current financial year and previous financial years:

	2016	2015	2014	2013
Loss for the year attributable to shareholders	\$21,832,884	\$8,048,428	\$5,620,640	\$5,806,907
Closing share price at 30 June	\$2.90	\$0.43	\$0.35	\$0.17

As an exploration company the Board does not consider the loss attributable to shareholders as one of the performance indicators when implementing Short Term Incentive Payments. The Board considers that the success of exploration and feasibility programs, safety and environmental performance, the securing of funding arrangements and responsible management of cash resources and the Company's other assets are more appropriate performance indicators to assess the performance of management.

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

Remuneration Disclosures

Current Directors and Key Management Personnel of the Group have been identified as:

Mr Rohan Williams	Executive Chairman
Mr Ian Cochrane	Non-Executive Director (Appointed 26 February 2016)
Mr Barry Patterson	Non-Executive Director
Mr Robert Reynolds	Non-Executive Director
Mr Grant Dyker ⁽ⁱⁱ⁾	Chief Financial Officer (Appointed 4 February 2016)

The details of the remuneration of each Director and member of Key Management Personnel of the Company is as follows:

30 June 2016	Short Term		Post Employment	Other Long Term	Total	Value of Options as Proportion of Remuneration
	Base Salary and consulting fees	Short Term Incentive	Superannuation Contributions	Value of Options (i)		%
	\$	\$	\$	\$	\$	%
Current Directors and Key Management Personnel:						
Rohan Williams	403,000	160,000	35,000	142,268	740,268	19.2%
Ian Cochrane	20,000	-	1,900	155,904	177,804	87.7%
Barry Patterson	46,667	-	4,433	-	51,100	0.0%
Robert Reynolds	46,667	-	4,433	-	51,100	0.0%
Grant Dyker ⁽ⁱⁱ⁾	116,667	-	11,083	75,668	203,418	37.2%
TOTAL	633,001	160,000	56,849	373,840	1,223,690	

(i) The fair value of options is calculated at the date of grant using the Black Scholes option pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed in the above tables is the portion of the fair value of the options recognised in the reporting period.

(ii) Mr Dyker was appointed Chief Financial Officer on 4 February 2016 and commenced his role 10 February 2016.

30 June 2015	Short Term		Post Employment	Other Long Term	Total	Value of Options as Proportion of Remuneration
	Base Salary and consulting fees	Short Term Incentive	Superannuation Contributions	Value of Options (i)		%
	\$	\$	\$	\$	\$	%
Current Directors and Key Management Personnel:						
Rohan Williams	403,000	-	35,000	162,737	600,737	27.1%
Barry Patterson	40,000	-	3,800	5,243	49,043	10.7%
Robert Reynolds	40,000	-	3,800	5,243	49,043	10.7%
TOTAL	483,000	-	42,600	173,223	698,823	

- (i) The fair value of options is calculated at the date of grant using the Black Scholes option pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed in the above tables is the portion of the fair value of the options recognised in the reporting period.

Details of Performance Related Remuneration

Total Short Term incentives paid to Directors or Key Management Personnel of the Company during the period ended 30 June 2016 was \$160,000. No Short Term incentives were paid to Directors or Key Management Personnel of the Company during the financial year ended 30 June 2015.

Options Granted as Remuneration

2016

During the 2016 financial year there were 300,000 options over unissued shares issued to the Company Director Mr Ian Cochrane, pursuant to the Dacian Gold Limited Employee Option Plan. Details of the options issued to Mr Cochrane are as follows:

Grant Date	Exercise price per Option	Expiry Date	Number of Options Granted	Vesting Date	Total Value of Options Granted
26 February 2016	\$2.05 each	28 February 2021	300,000	26 February 2016	\$155,904

During the 2016 financial year there were 1,500,000 options over unissued shares issued to Executive Mr Grant Dyker, pursuant to the Dacian Gold Limited Employee Option Plan. Details of the options issued to Mr Dyker are as follows:

Grant Date	Exercise price per Option	Expiry Date	Number of Options Granted	Vesting Date	Total Value of Options Granted
5 February 2016	\$1.22 each	31 January 2021	750,000	31 January 2018	\$224,333
5 February 2016	\$1.22 each	31 January 2021	375,000	31 January 2019	\$112,166
5 February 2016	\$1.22 each	31 January 2021	375,000	31 July 2019	\$112,166

2015

During the 2015 financial year there were 2 million options over unissued shares issued to the Company's Executive Chairman Mr Rohan Williams, pursuant to the terms of his Executive Services Agreement and following shareholder approval of the issue at the Company's 2014 annual general meeting. Details of the options issued to Mr Williams are as follows:

Grant Date	Exercise price per Option	Expiry Date	Number of Options Granted	Vesting Date	Total Value of Options Granted
18 November 2014	46 cents each	17 November 2019	2,000,000	18 November 2016	\$201,320

Exercise of Options Granted as Remuneration

There were no ordinary shares issued on the exercise of options previously granted as remuneration to Directors or Key Management Personnel of the Company during either the financial year ended 30 June 2015 or 30 June 2016.

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

Equity instrument disclosures relating to key management personnel

Option holdings

Key Management Personnel have the following interests in unlisted options over unissued shares of the Company.

2016 Name	Balance at start of the year	Received during the year as remuneration	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
R Williams	5,000,000	-	-	5,000,000	3,000,000
I Cochrane	-	300,000	-	300,000	300,000
R Reynolds	300,000	-	-	300,000	300,000
B Patterson	300,000	-	-	300,000	300,000
G Dyker	-	1,500,000	-	1,500,000	-

Share holdings

The number of shares in the Company held during the financial year by key management personnel of the Company, including their related parties are set out below. There were no shares granted during the reporting period as compensation.

2016 Name	Balance at start of the year	Acquisitions pursuant to share placements	Other changes during the year	Balance at the end of the year
R Williams	5,200,000	724,637	-	5,924,637
R Reynolds	2,100,000	475,000	-	2,575,000
B Patterson	4,100,000	931,819	-	5,031,819
I Cochrane ⁱ	-	-	196,364	196,364
G Dyker ⁱⁱ	-	-	137,455	137,455

1. Ian Cochrane was appointed as a Director of the Company on 26 February 2016. The amount of shares held above represents his shareholdings at his date of appointment.
2. Grant Dyker was appointed as Chief Financial Officer on 4 February 2016. The amount of shares held above represents his shareholdings at his date of appointment.

Loans made to key management personnel

No loans were made to key personnel, including personally related entities during the reporting period.

Other transactions with key management personnel

During the financial year ended 30 June 2016 there have been no other transactions with, and are no amounts owing to or owed by Key Management Personnel.

There were no other transactions with key management personnel.

End of Remuneration Report

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on the following page.

This report is made in accordance with a resolution of the Directors.

DATED at Perth this 1st day of September 2016.



Rohan Williams
Executive Chairman



AUDITOR'S INDEPENDENCE DECLARATION



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Auditor's Independence Declaration To the Directors of Dacian Gold Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Dacian Gold Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature in black ink that reads "C A Becker".

C A Becker
Partner - Audit & Assurance

Perth, 1 September 2016

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**CONSOLIDATED STATEMENT OF PROFIT OR
LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	Consolidated	
		30 June 2016 \$	30 June 2015 \$
Revenue	3	332,412	301,561
Total Revenue		332,412	301,561
Employee expenses	3	(1,237,520)	(563,361)
Share based employee expense	18	(629,723)	(295,179)
Depreciation and amortisation expenses	10	(245,595)	(215,319)
Corporate expenses		(304,702)	(136,151)
Occupancy expenses		(146,796)	(80,816)
Marketing expenses		(160,672)	(62,065)
Financing expenses		(31,202)	(3,539)
Exploration costs expensed and written off	11	(19,193,656)	(7,172,023)
Administration and other expenses		(438,605)	(154,031)
Loss before income tax		(22,056,059)	(8,380,923)
Income tax benefit/(expense)	4	223,175	332,495
Net loss for the period attributable to the members of the parent entity		(21,832,884)	(8,048,428)
Other comprehensive Income		-	-
Total comprehensive result for the period attributable to the members of the parent entity	17	(21,832,884)	(8,048,428)
Loss per share			
Basic and diluted loss per share (cents)	5	(18.5)	(8.4)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Note	Consolidated	
		30 June 2016 \$	30 June 2015 \$
Current assets			
Cash and cash equivalents	7	9,648,425	4,624,894
Trade and other receivables	8	90,123	418,034
Total current assets		9,738,548	5,042,928
Non-current assets			
Other financial assets	9	34,211	34,211
Property, plant and equipment	10	748,125	396,225
Exploration and evaluation assets	11	8,131,847	8,131,847
Total non-current assets		8,914,183	8,562,283
Total assets		18,652,731	13,605,211
Current liabilities			
Borrowings	12	-	18,265
Trade and other payables	13	3,378,228	1,437,632
Total current liabilities		3,378,228	1,455,897
Non-current liabilities			
Provisions	14	1,966,676	1,914,600
Trade and other payables	13	48,560	-
Total non-current liabilities		2,015,236	1,914,600
Total liabilities		5,393,464	3,370,497
Net assets		13,259,267	10,234,714
Equity			
Issued capital	15	53,515,696	29,204,822
Share based payments reserve	17	1,321,449	774,886
Accumulated losses	17	(41,577,878)	(19,744,994)
Total equity		13,259,267	10,234,714

The above 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 2016

	Consolidated			
	Issued capital \$	Accumulated losses \$	Share based payments reserve \$	Total \$
At 1 July 2014	29,227,606	(11,696,566)	479,707	18,010,747
Total comprehensive result for the period:				
- Loss for the period	-	(8,048,428)	-	(8,048,428)
- Costs incurred on release of securities from escrow	(22,784)	-	-	(22,784)
- Movement in share based payments reserve in respect of options vesting	-	-	295,179	295,179
At 30 June 2015	29,204,822	(19,744,994)	774,886	10,234,714
At 1 July 2015	29,204,822	(19,744,994)	774,886	10,234,714
Total comprehensive result for the period:				
- Loss for the period	-	(21,832,884)	-	(21,832,884)
- Issue of capital from capital raising	25,016,818	-	-	25,016,818
- Issue of capital from exercise of options	653,500	-	-	653,500
- Costs incurred in respect of capital raised	(1,442,604)	-	-	(1,442,604)
- Movement in share based payments reserve in respect of options vesting	-	-	629,723	629,723
- Transfer from share based payments reserve to issued capital on exercise of options	83,160	-	(83,160)	-
At 30 June 2016	53,515,696	(41,577,878)	1,321,449	13,259,267

The above 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 2016

	Note	Consolidated	
		30 June 2016 \$	30 June 2015 \$
Cash flows from operating activities			
Interest received		316,771	243,506
Other income		15,641	69,730
Research & development tax concession income		555,670	-
Interest paid		(1,623)	(3,539)
Payments for exploration and evaluation		(17,412,277)	(5,527,770)
Payments to suppliers and employees		(2,142,236)	(968,478)
Net cash used in operating activities	7	(18,668,054)	(6,186,551)
Cash flows from investing activities			
Proceeds on redemption of bonds and security deposits		-	16,335
Payments for bonds and security deposits		-	(34,211)
Payments for plant and equipment		(525,564)	(65,470)
Net cash used in investing activities		(525,564)	(83,346)
Cash flows from financing activities			
Proceeds from issue of share capital (net of issue costs)		24,235,414	-
Repayment of borrowings		(18,265)	(31,310)
Payments on release of securities from escrow		-	(22,784)
Net cash used in financing activities		24,217,149	(54,094)
Net increase/(decrease) in cash held		5,023,531	(6,323,991)
Cash at the beginning of the period	7	4,624,894	10,948,885
Cash at the end of the period	7	9,648,425	4,624,894

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of financial report

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

The accounting policies below have been consistently applied to all of the years presented unless otherwise stated.

The financial statements have been prepared on a historical cost basis, except for available for sale investments and derivative financial instruments which have been measured at fair value. Cost is based on the fair values of consideration given in exchange for assets.

The financial statements are presented in Australian dollars.

These financial statements have been prepared on the going concern basis.

The financial report of the Company was authorised for issue in accordance with a resolution of Directors on 1st September 2016.

Statement of Compliance

The financial report of the Group complies with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards (AIFRS), in their entirety. Compliance with AIFRS ensures that the financial report also complies with International Financial Reporting Standards (IFRS) in their entirety. The Company is a for profit entity for the purpose of preparing the financial statements.

Going Concern Basis for Preparation of Financial Statements

These financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As at 30 June 2016, the Group has net current assets of \$6,360,320 (2015: \$3,587,031). These net current assets are considered sufficient by the Directors to meet all current minimum exploration expenditure commitments, settle all debts as and when they become due as well as operating cash outflows of the Group. In addition, should the Company require, the Board are confident of raising sufficient capital to fund the short term exploration and feasibility programs as well as fund the working capital requirements of the Group.

Material accounting policies adopted in the presentation of these financial statements are presented below:

(b) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, allowances and amounts collectable on behalf of third parties.

Interest income

Interest income is recognised on a time proportion basis and is recognised as it accrues.

(c) Income Tax

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

Deferred tax assets and liabilities are recognised for temporary timing differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to those timing differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Amounts receivable from the Australian Tax Office in respect of research and development tax concession claims are recognised as a tax benefit in the year in which the claim is lodged with the Australian Tax Office.

(d) Other Taxes

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

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

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

(e) Financing Costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest method.

Borrowing costs are expensed as incurred and included in net financing costs.

(f) Cash and Cash Equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Trade and Other Receivables

Trade receivables, which generally have 30–90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(h) Property, plant and Equipment

Property, plant and equipment is stated at cost, less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the asset as a replacement only if it is eligible for capitalisation. The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Depreciation is calculated on a straight-line basis or written down value over the estimated useful life of the assets as follows:

Office & computer equipment	25%-50% straight line
Fixtures and fittings	33% written down value
Plant and equipment	33% written down value
Motor Vehicles	33% written down value

(i) Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. This assessment for impairment is discussed further in note 1 (j).

(ii) De-recognition and Disposal

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

(i) Exploration and Evaluation Expenditure

Exploration and evaluation costs are written off in the year they are incurred, apart from acquisition costs and those costs that are incurred on an area of interest that contains a JORC Ore Reserve.

Capitalised exploration and evaluation expenditures in relation to specific areas of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Exploration and Evaluation Expenditure (continued)

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

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(j) Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at re-valued amount (in which case the impairment loss is treated as a re-valuation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at the re-valued amount, in which case the reversal is treated as a re-valuation increase.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Trade and Other Payables

Trade payables and other payables are carried at amortised costs and 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.

(l) Interest Bearing Liabilities

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

(m) Share Based Payments

Equity Settled Transactions:

The Group provides benefits to employees (including senior executives) of the Group in the form of Options, whereby employees render services in exchange for Options (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of the Options is determined by using an appropriate valuation model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the underlying Shares to which the Option relates (market conditions) if applicable.

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

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- (i) the extent to which the vesting period has expired; and
- (ii) the Group's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

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

If the terms of an Option are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the Option, or is otherwise beneficial to the employee, as measured at the date of modification.

If an Option is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled Option and designated as a replacement award on the date that it is granted, the cancelled Option and new awards are treated as if they were a modification of the Option, as described in the previous paragraph.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Share Capital

Shares are classified as equity. Incremental costs directly attributable to the issue of Shares pursuant to the Offer or Options are shown in equity as a deduction, net of tax, from the proceeds of issue.

(o) Basis of consolidation

The financial statements consolidate those of Dacian Gold Limited and all of its subsidiaries as at 30 June 2016. The parent controls a subsidiary if it is exposed, or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between controlled entities are eliminated on consolidation, including unrealised gains and losses resulting from intra-group transactions. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with accounting policies adopted by the Company.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiaries profit or loss and net assets that is not held by the Company. The company attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

(p) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Accounting for capitalised mineral exploration and evaluation expenditure

The Group's accounting policy is stated at 1(i). A regular review is undertaken of each area of interest to determine the reasonableness of the continuing carrying forward of costs in relation to that area of interest.

Mine restoration provisions estimates

The calculation of rehabilitation and closure provisions (and corresponding capitalised closure cost assets where necessary) rely on estimates of costs required to rehabilitate and restore disturbed land to its original condition. These estimates are regularly reviewed and adjusted in order to ensure that the most up to date data is used to calculate these balances.

Significant judgement is required in determining the provision for mine rehabilitation as there are many transactions and other factors that will affect the ultimate costs required to rehabilitate the mine site. Factors that will affect this liability include future development, changes in technology, price increases, changes in interest rates and changes in legislation.

Currently the Group bases its mine restoration provision on information provided by the Departments of Mines and Petroleum.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Critical accounting estimates and judgements (continued)

Measurement of share based payments

The Group records charges for share based payments. For option based share based payments, management estimate certain factors used in the option pricing model. These factors include volatility and exercise date of options. If these estimates vary the share based payment expense would have been different.

(q) Adoption of new and revised accounting standards

In the financial year ended 30 June 2016, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2015. It has been determined by the Group that, there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to Group accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the financial year ended 30 June 2016. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

NOTE 2 SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The Group's sole activity is mineral exploration wholly within Australia, therefore it has aggregated all operating segments into the one reportable segment being mineral exploration.

The reportable segment is represented by the primary statements forming these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

	Year ended 30 June 2016	Year ended 30 June 2015
	\$	\$
NOTE 3 REVENUE AND EXPENSES		
Loss for the year includes the following specific income and expenses:		
Gain on disposal of assets	-	909
Other income	15,641	69,730
Interest income	316,771	230,922
Legal expenses	21,990	3,198
Insurance	79,591	35,057
Office rent	87,595	30,495
Employee expenses:		
Salaries and wages	3,246,853	1,442,864
Director fees and consulting expenses	113,333	80,000
Defined contribution superannuation	292,483	133,115
Consultant expenses	-	-
Other employment expenses	342,617	104,231
Less: allocated to exploration project costs	(2,757,766)	(1,196,849)
	1,237,520	563,361

NOTE 4 INCOME TAX

a) Income tax expense

Current income tax:

Current income tax charge (benefit)	(6,451,576)	(2,195,264)
Current income tax not recognised	6,451,576	2,195,264
Research and development tax concession ⁱ	(223,175)	(332,495)

Deferred income tax:

Relating to origination and reversal of timing differences	6,845,277	2,125,563
Deferred income tax benefit not recognised	(6,845,277)	(2,125,563)

Income tax expense/(benefit) reported in the Statement of Profit or Loss and Other Comprehensive Income

(223,175) (332,495)

ⁱThe Research and tax concession benefit recognised in the year ended 30 June 2016 relates to an application made in respect of qualifying expenditure incurred during the 2013 financial year and lodged with AusIndustry during the period.

Year ended 30 June 2016	Year ended 30 June 2015
\$	\$

NOTE 4 INCOME TAX (CONTINUED)

b) Reconciliation of income tax expense to prima facie tax payable

Loss from continuing operations before income tax expense	(22,056,059)	(8,380,923)
Tax at the Australian rate of 30% (2015 – 30%)	(6,616,818)	(2,514,277)
Tax effect of permanent differences:		
Non-deductible expenses	189,927	88,554
Research and development tax concession	(223,175)	(332,495)
Capital raising costs claimed	(167,272)	(80,716)
Tax effect of other differences:		
Net deferred tax asset benefit not brought to account	6,594,163	2,506,439
Tax (benefit)/expense	(223,175)	(332,495)

c) Deferred tax – Statement of Financial Position

Liabilities

Prepaid expenses	-	(2,016)
Capitalised exploration expenditure	(2,115,457)	(2,439,554)
	(2,115,457)	(2,441,570)

Assets

Revenue losses available to offset against future taxable income	13,633,829	7,436,385
Rehabilitation provision	590,003	574,380
Employee leave provisions	60,094	20,815
Other financial assets	8,874	-
Accrued expenses	9,069	18,000
Deductible equity raising costs	429,675	162,799
	14,731,544	8,212,379
Net deferred tax asset/(liability)	12,616,087	5,770,809

Deferred tax assets have been recognised to the extent that they extinguish deferred tax liabilities of the Company as at the reporting date.

Net deferred tax assets have not been recognised, in either reporting period, in respect of amounts in excess of deferred tax liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

Year ended 30 June 2016	Year ended 30 June 2015
\$	\$

NOTE 4 INCOME TAX (CONTINUED)

d) Deferred tax – Statement of Profit or Loss and Other Comprehensive Income

Liabilities		
(Increase)/decrease in prepaid expenses	2,016	(871)
(Increase)/decrease in accrued income	-	3,775
(Increase)/decrease in capitalised exploration expenditure	324,097	(2,007,558)
Assets		
Increase/(decrease) in revenue losses available to offset against future taxable income	6,197,443	3,996,941
Increase/(decrease) in rehabilitation provision	15,623	201,201
Increase/(decrease) in employee leave provisions	39,279	9,850
Increase/(decrease) in other financial assets	8,874	-
Increase/(decrease) in accruals	(8,931)	(2,527)
Increase/(decrease) in deductible equity raising costs	266,876	(75,248)
Deferred tax benefit/(expense) not recognised	6,845,277	2,125,563

The deferred tax benefit of tax losses not brought to account will only be obtained if:

- (i) The Company derives future assessable income of a nature and an amount sufficient to enable the benefit from the tax losses to be realised;
- (ii) The Company continues to comply with the conditions for deductibility imposed by tax legislation; and
- (iii) No changes in tax legislation adversely affect the Company realising the benefit from the deduction of the losses.

All unused tax losses of \$45,446,094 (2015: \$24,787,951) were incurred by Australian entities.

**Year ended
30 June 2016**

Year ended
30 June 2015

NOTE 5 EARNINGS PER SHARE

	Cents	Cents
a) Basic earnings per share		
Loss attributable to ordinary equity holders of the Company	(18.5)	(8.4)
b) Diluted earnings per share		
Loss attributable to ordinary equity holders of the Company	(18.5)	(8.4)
	\$	\$
c) Loss used in calculation of basic and diluted loss per share		
Loss after tax from continuing operations	(21,832,884)	(8,048,428)
(d) Weighted average number of shares used as the denominator	No.	No.
Weighted average number of shares used as the denominator in calculating basic and dilutive loss per share	118,222,614	96,100,000

At 30 June 2016 the Company has on issue 13,150,000 (2014: 10,150,000) unlisted options over ordinary shares that are not considered to be dilutive as the potential increase in shares on issue would decrease the loss per share.

NOTE 6 DIVIDENDS

No dividends were paid or proposed during the financial year ended 30 June 2015 or 30 June 2016.

The Company has no franking credits available as at 30 June 2015 or 30 June 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

	Year ended 30 June 2016	Year ended 30 June 2015
	\$	\$
NOTE 7 CASH AND CASH EQUIVALENTS		
Cash at bank ¹	6,138,645	4,594,144
Deposits at call ²	3,509,780	30,750
	9,648,425	4,624,894

¹ Cash at bank earns interest at floating rates based on daily deposit rates.

² Short term deposits, the duration of which is dependent on the immediate cash requirements of the Group. These deposits earn interest at the respective short term interest rates.

At 30 June 2015 or 30 June 2016 the Group had no undrawn committed borrowing facilities.

Reconciliation to the Statement of Cash Flows:

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of any outstanding bank overdrafts.

Cash and cash equivalents as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash and cash equivalents	9,648,425	4,624,894
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Non-cash financing and investing activities:

There have been no non-cash financing and investing activities for the year ended 30 June 2016 (30 June 2015: Nil).

Cash balances not available for use:

There are no amounts included in cash and cash equivalents not available for use as at 30 June 2016.

Other than an amount of \$30,750 on deposit in respect of the Company's corporate credit card facility there were no amounts included in cash and cash equivalents not available for use at 30 June 2015. During the period the terms of the facility were amended and the deposit was redeemed.

Year ended 30 June 2016	Year ended 30 June 2015
\$	\$

NOTE 7 CASH AND CASH EQUIVALENTS (CONTINUED)

Reconciliation of loss after tax to net cash outflow from operating activities:

Loss from ordinary activities after income tax	(21,832,884)	(8,048,428)
Depreciation	245,595	215,319
Share based payments expense	629,723	295,179
Movement in assets and liabilities:		
(Increase)/decrease in prepaid expenses	6,720	(2,905)
(Increase)/decrease in accrued income	332,495	(319,911)
(Increase)/decrease in other receivables	(5,540)	(53,950)
Increase/(decrease) in rehabilitation provision	52,076	670,669
Increase/(decrease) in employee leave provisions	130,930	32,832
Increase/(decrease) in trade and other payables	1,772,831	1,024,644
Net cash flow from operating activities	(18,668,054)	(6,186,551)

NOTE 8 TRADE AND OTHER RECEIVABLES

Current assets

R&D Concession tax benefit receivable	-	332,495
Other receivables	90,123	85,539
	90,123	418,034

The R&D concession included in the 30 June 2015 prior period comparative relates to an application made in respect of qualifying expenditure incurred during the 2014 financial year. This amount was received from the Australian Taxation Office during the period. The R&D concession recognised in the current period of \$223,175, as referred to in note 4 relates to qualifying expenditure incurred during the 2013 financial year. This amount was also received from the Australian Taxation Office during the period.

The Group has no trading activity and as such has no trading receivables. The Group does not consider any of its current receivables to be subject to impairment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

Year ended 30 June 2016	Year ended 30 June 2015
\$	\$

NOTE 9 OTHER FINANCIAL ASSETS

Non-current assets

Security Bonds and Deposits:

Balance at the start of the financial year	34,211	16,335
Bonds redeemed during the financial year	-	(16,335)
Bonds paid during the financial year	-	34,211
	34,211	34,211

Other financial assets at 30 June 2016 represent a security deposit of \$34,211 in respect of the Company's lease of its Perth administration office.

NOTE 10 PROPERTY, PLANT AND EQUIPMENT

Carrying values

Office and computer equipment:

Cost	232,758	182,904
Depreciation	(177,399)	(124,892)
	55,359	58,012

Plant and equipment:

Cost	940,661	629,427
Depreciation	(528,959)	(396,170)
	411,702	233,257

Fixtures and fittings:

Cost	83,709	70,082
Depreciation	(43,834)	(26,516)
	39,875	43,566

Motor vehicles:

Cost ¹	272,572	161,753
Depreciation	(143,345)	(100,363)
	129,227	61,390

Work in progress:

Cost	111,962	-
	748,125	396,225

Year ended 30 June 2016	Year ended 30 June 2015
\$	\$

NOTE 10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of movements

Office and computer equipment:

Opening net book value	58,012	91,587
Additions	49,854	25,163
Depreciation	(52,507)	(58,738)
	55,359	58,012

Plant and equipment:

Opening net book value	233,257	348,145
Additions	311,234	-
Depreciation	(132,789)	(114,888)
	411,702	233,257

Fixtures and Fitting:

Opening net book value	43,566	14,715
Additions	13,627	40,307
Depreciation	(17,318)	(11,456)
	39,875	43,566

Motor Vehicles:

Opening net book value	61,390	91,627
Additions	110,818	-
Depreciation	(42,981)	(30,237)
	129,227	61,390

Work in Progress:

Additions	111,962	-
	111,962	-
	748,125	396,225

¹ Included in the net book value of motor vehicles as at 30 June 2015 of \$61,390 are assets secured under finance leases of \$49,098. The Group had no assets secured under finance lease at 30 June 2016. Details of finance lease liabilities are included at note 12 and note 20b.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

	Year ended 30 June 2016	Year ended 30 June 2015
	\$	\$
NOTE 11 DEFERRED EXPLORATION AND EVALUATION EXPENDITURE		
Deferred exploration costs at the start of the financial year	8,131,847	8,131,847
Exploration and evaluation costs incurred	19,141,580	6,501,354
Movement in provision for rehabilitation costs ¹	52,076	670,669
Exploration and evaluation costs expensed and written off	(19,193,656)	(7,172,023)
	8,131,847	8,131,847

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent upon the successful development or commercial exploitation of the respective areas.

¹ The Group reviews its estimate for likely rehabilitation costs on an annual basis, and recognises the change in the resulting provision as an expense in the Statement of Profit or Loss and Other Comprehensive Income in line with the accounting policy for exploration and evaluation expenditure. Refer note 14 for details of the provision at the balance sheet date.

NOTE 12 BORROWINGS

Current liabilities		
Finance lease due within 12 months	-	18,265
Non-current liabilities		
Finance leases due after 12 months	-	-

The Group had no borrowings at 30 June 2016. Included in borrowings as at 30 June 2015 are amounts of \$18,265 owing in respect of finance lease liabilities in respect of the acquisition of motor vehicles included as assets of the Group.

See Note 19 for financial instrument disclosures relating to borrowings.

There are no other financing facilities available to the Group as at 30 June 2016 (30 June 2015: Nil).

Year ended 30 June 2016	Year ended 30 June 2015
\$	\$

NOTE 13 TRADE AND OTHER PAYABLES

Current liabilities		
Trade and other payables	2,665,370	1,308,248
Accrued expenses	561,105	60,000
Employee leave liabilities	151,753	69,384
	3,378,228	1,437,632
Non-current liabilities		
Employee leave liabilities	48,560	-

Trade payables are non-interest bearing and normally settled on 30 day terms. See Note 19 for financial instrument disclosures relating to trade and other payables.

NOTE 14 PROVISIONS

Non-current liabilities		
Rehabilitation provision	1,966,676	1,914,600

The rehabilitation provision relates to the estimated obligations in relation to the environmental rectification works at the Mt Morgans Gold Project.

Reconciliation of movements in Rehabilitation Provision:		
Balance at the start of the financial year	1,914,600	1,243,931
Increase/(decrease) in rehabilitation provision during the financial year (note 11)	52,076	670,669
Balance at the end of the financial year	1,966,676	1,914,600

NOTE 15 ISSUED CAPITAL

a) Ordinary shares

The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia. The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them.

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

Ordinary shares have no par value. There is no limit to the authorised share capital of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 15 ISSUED CAPITAL (CONTINUED)

	2016 No.	2015 No.	2016 \$	2015 \$
b) Share capital				
Issued share capital	133,306,254	96,100,000	53,515,696	29,204,822
c) Share movements during the year				
Balance at the start of the financial year	96,100,000	96,100,000	29,204,822	29,227,606
Share issue	36,256,254	-	25,016,818	-
Exercise of options	950,000	-	736,660	-
Less share issue costs	-	-	(1,442,604)	(22,784)
Balance at the end of the financial year	133,306,254	96,100,000	53,515,696	29,204,822

During the period the Company issued 36,256,254 ordinary fully paid shares at 69 cents per share pursuant to a fully underwritten accelerated institutional and retail non-renounceable entitlement offer and share placement raising approximately \$25 million before costs.

d) Option plan

Information relating to the Dacian Gold Limited Employee Option Plan is set out in note 18.

	30 June 2016 No	30 June 2015 No
NOTE 16 OPTIONS		
Options on issue at the start of the financial year	10,150,000	7,150,000
Options issued	3,950,000	3,000,000
Options exercised	(950,000)	-
	13,150,000	10,150,000

NOTE 16 OPTIONS (CONTINUED)

a) Options issued during the year

During the financial year the Company issued 3,950,000 options over unissued shares (2015: 3,000,000), as follows:

Options issued to:	Number of options	Exercise price	Expiry date
An officer and employees of the Company pursuant to the Dacian Gold Limited Employee Option Plan	1,500,000	\$1.22	30 September 2020
An officer and employees of the Company pursuant to the Dacian Gold Limited Employee Option Plan	1,650,000	\$1.22	31 January 2021
A Director of the Company pursuant to the Dacian Gold Limited Employee Option Plan	300,000	\$2.05	28 February 2021
An employee of the Company pursuant to the Dacian Gold Limited Employee Option Plan	500,000	\$3.72	30 June 2021

b) Options exercised during the year

During the financial year the Company issued 950,000 shares on the exercise of options (2015: Nil).

c) Options on issue at the balance date

The number of options outstanding over unissued ordinary shares at 30 June 2016 is 13,150,000 (2015: 10,150,000).

The terms of these options are as follows:

Number of options outstanding	Exercise price	Expiry date
5,700,000	83 cents	9 October 2017
500,000	56 cents	28 February 2019
1,000,000	64 cents	24 September 2019
2,000,000	45 cents	17 November 2019
1,500,000	\$1.22	30 September 2020
1,650,000	\$1.22	31 January 2021
300,000	\$2.05	28 February 2021
500,000	\$3.72	30 June 2021

e) Subsequent to the balance date

No options have been granted subsequent to the balance date and to the date of signing this report.

Subsequent to balance date and to the date of signing this report 300,000 options have been exercised at 83 cents per share.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 16 OPTIONS (CONTINUED)

(f) Reconciliation of movement of options over unissued shares during the period including weighted average exercise price (WAEP)

	2016		2015	
	No.	WAEP (cents)	No.	WAEP (cents)
Options outstanding at the start of the year ⁱ	10,150,000	71.0	7,150,000	80.2
Options granted during the year	3,950,000	159.6	3,000,000	52.3
Options exercised during the year	(950,000)	68.8	-	-
Options outstanding at the end of the year	13,150,000	97.7	10,150,000	72.0

ⁱ Number and WAEP of options outstanding at 1 July 2015 has been adjusted in accordance with the terms and conditions of the Dacian Gold Limited Employee Option Plan. Details of the adjustment are noted below.

Adjustment to exercise price of unlisted options

As a result of the Company undertaking a pro rata entitlement offer of securities which was completed on 1 December 2015, the exercise price of a number of classes of options over unissued shares in the Company issued prior to the offer has been recalculated.

The resulting reduction in exercise price, reflected in the table below, was calculated in accordance with the terms and conditions of the options on issue and the Company's employee share option plan. Further details of the Dacian Gold Limited Employee Option Plan are included at note 18.

Date granted	Number of options	Expiry date	Original exercise price	Amended exercise price
9 October 2012	6,150,000	9 October 2017	84 cents	83 cents
28 February 2014	1,000,000	28 February 2019	57 cents	56 cents
25 September 2014	1,000,000	24 September 2019	65 cents	64 cents
18 November 2014	2,000,000	17 November 2019	46 cents	45 cents
5 October 2015	1,500,000	30 September 2020	\$1.22	\$1.21

Please note that any vesting conditions in relation to the options on issue remain unchanged.

(g) Weighted average contractual life

The weighted average contractual life for un-exercised options is 33 months (2015: 30 months).

NOTE 17 ACCUMULATED LOSSES AND RESERVES

	2016		2015	
	Accumulated losses \$	Share based payments reserve (i) \$	Accumulated losses \$	Share based payments reserve (i) \$
Balance at the beginning of the year	(19,744,994)	774,886	(11,696,566)	479,707
Loss for the period	(21,832,884)	-	(8,048,428)	-
Transfer from share based payments reserves to issued capital on exercise of options	-	(83,160)	-	-
Share based payments for the period	-	629,723	-	295,179
Balance at the end of the year	(41,577,878)	1,321,449	(19,744,994)	774,886

(i) The share based payments reserve is used to recognise the fair value of options issued but not exercised.

NOTE 18 SHARE BASED PAYMENTS

During the financial year 3,950,000 options over unissued shares were issued pursuant to the Company's Employee Share Option Plan. These options have been valued and included in the financial statements over the periods that they vest. The share based payments expense for the period of \$629,723 (30 June 2015: \$295,179) relates to the fair value of options apportioned over their respective vesting periods.

Basis and assumptions used in the valuation of options.

The options issued during the year were valued using the Black-Scholes option valuation methodology.

Date granted	Number of options granted	Exercise price (cents)	Expiry date	Risk free interest rate used	Volatility applied	Value per Option (cents)
5 October 2015	1,500,000	122	30 September 2020	2.06%	65%	25.10
5 February 2016	1,650,000	122	31 January 2021	2.00%	60%	29.91
26 February 2016	300,000	205	28 February 2021	2.00%	60%	51.97
28 June 2016	500,000	372	30 June 2021	1.75%	60%	88.92

Historical volatility has been used as the basis for determining expected share price volatility. A discount of 30% in respect of a lack of marketability has been applied to the Black-Scholes option valuation to reflect the non-negotiability and non-transferability of the unlisted options granted.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 18 SHARE BASED PAYMENTS (CONTINUED)

Dacian Gold Limited Employee Option Plan

The establishment of the Dacian Gold Limited Employee Option Plan ("the Plan") was last approved by a resolution of the shareholders of the Company on 16 November 2015. All eligible Directors, executive officers and employees of Dacian Gold Limited who have been continuously employed by the Company are eligible to participate in the Plan.

The Plan allows the Company to issue free options to eligible persons. The options can be granted free of charge and are exercisable at a fixed price in accordance with the Plan. Options issued under the Plan have vesting periods prior to exercise, except under certain circumstances whereby options may be capable of exercise prior to the expiry of the vesting period.

During the financial year ended 30 June 2016, 3,950,000 (30 June 2015: 3,000,000) options over unissued shares were issued to a Director and employees, pursuant to the terms of the Dacian Gold Limited Employee Share Option Plan.

NOTE 19 FINANCIAL INSTRUMENTS

The Group has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Group's exposure to the specific risks, and the policies and processes for measuring and managing those risks. The Board of Directors has the overall responsibility for the risk management framework and has adopted a Risk Management Policy.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers and investments.

Trade and other receivables

The nature of the business activity of the Group does not result in trading receivables. The receivables that the Company does experience through its normal course of business are short term and the most significant recurring by quantity is receivable from the Australian Taxation Office, the risk of non-recovery of receivables from this source is considered to be negligible.

Cash deposits

The Directors believe any risk associated with the use of predominantly only one bank is addressed through the use of at least an A-rated bank as a primary banker and by the holding of a portion of funds on deposit with alternative A-rated institutions. Except for this matter the Group currently has no significant concentrations of credit risk.

The Directors do not consider that the Group's financial assets are subject to anything more than a negligible level of credit risk, and as such no disclosures are made.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Group's current and future operations, and consideration is given to the liquid assets available to the Group before commitment is made to future expenditure or investment.

NOTE 19 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk (continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	\$	\$	\$	\$	\$	\$	\$
2016							
Trade and other payables	2,665,370	2,665,370	2,665,370	-	-	-	-
	2,665,370	2,665,370	2,665,370	-	-	-	-
2015							
Trade and other payables	1,308,248	1,308,248	1,308,248	-	-	-	-
Finance lease liabilities	18,265	19,886	17,046	2,840	-	-	-
	1,326,513	1,328,134	1,325,294	2,840	-	-	-

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

Interest rate risk

The Group has significant cash assets which may be susceptible to fluctuations in changes in interest rates. Whilst the Company requires the cash assets to be sufficiently liquid to cover any planned or unforeseen future expenditure, which prevents the cash assets being committed to long term fixed interest arrangements; the Group does mitigate potential interest rate risk by entering into short to medium term fixed interest investments.

The Group does not have any direct contact with foreign exchange or equity risks other than their effect on the general economy.

At the reporting date the interest profile of the Group's interest-bearing financial instruments was:

	Carrying amount (\$)	
	30 June 2016	30 June 2015
Fixed rate instruments		
Financial assets	3,509,780	-
Variable rate instruments		
Financial assets	6,138,645	4,624,894

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 19 FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity	
	1% increase	1% decrease	1% increase	1% decrease
2016				
Fixed & variable rate instruments	96,484	(96,484)	96,484	(96,484)
2015				
Fixed & variable rate instruments	46,249	(46,249)	46,249	(46,249)

(d) Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:

	2016		2015	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Cash and cash equivalents	9,648,425	9,648,425	4,624,894	4,624,894
Trade and other receivables	90,123	90,123	418,034	418,034
Borrowings	-	-	(18,265)	(18,265)
Trade and other payables	(2,665,370)	(2,665,370)	(1,308,248)	(1,308,248)
Net financial assets	7,073,178	7,073,178	3,716,415	3,716,415

(e) Impairment losses

The Directors do not consider that any of the Group's financial assets are subject to impairment at the reporting date.

No impairment expense or reversal of impairment charge has occurred during the reporting period, other than the write off of deferred exploration assets at note 11.

Year ended 30 June 2016	Year ended 30 June 2015
\$	\$

NOTE 20 COMMITMENTS

(a) Operating lease commitments:

Due within 1 year	97,680	92,082
Due after 1 year but not more than 5 years	41,400	135,584
Due after more than 5 years	-	-
	139,080	227,666

The operating lease commitment relates to the lease of the Group's Perth office and car parking for a 36 month term from 1 December 2014. The lease includes an option to extend for an additional 3 year period following expiry of the initial lease term on 30 November 2017.

(b) Finance lease commitments:

Finance lease arrangements in respect of the purchase of 2 vehicles were fully repaid at the end of the financial year, see Note 12.

Details of the cash obligations in relation to the finance leases are included at note 19b.

Due within 1 year	-	18,265
Due after 1 year but not more than 5 years	-	-
Due after more than 5 years	-	-
	-	18,265

Finance lease liabilities are secured over the underlying assets, see Note 10.

(c) Capital commitments:

The Company has no capital commitments contracted for at 30 June 2016 (30 June 2015: Nil).

(d) Exploration commitments

The Group has certain obligations for payment of tenement rent, shire rates and to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Group's exploration programmes and priorities. At 30 June 2016, the Group had satisfied all of its exploration commitments pursuant to the leases, which are currently approximately \$3,138,118 per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 21 CONTINGENCIES

Contingent liabilities

Other than the below there are no material contingent liabilities at the reporting date.

The Company must pay Macquarie Bank a royalty of 1% of gross revenue earned on 491,617 troy ounces of gold produced on the Tenements and sold to an offtaker.

Contingent assets

There are no material contingent assets at the reporting date.

NOTE 22 RELATED PARTY DISCLOSURES

Other than the key management personnel related party disclosure in the Remuneration Report and in note 23, there are no related party transactions to report.

NOTE 23 KEY MANAGEMENT PERSONNEL

(a) Directors and key management personnel

The following persons were Directors or Key Management Personnel of the Company during the current and prior financial year:

Rohan Williams	Executive Chairman
Robert Reynolds	Non-Executive Director
Barry Patterson	Non-Executive Director
Ian Cochrane	Non-Executive Director
Grant Dyker	Chief Financial Officer

There were no other persons employed by or contracted to the Company during the financial year, having responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly.

(b) Key management personnel compensation

Details of key management personnel remuneration are contained in the Audited Remuneration Report in the Directors' Report. A summary of total compensation paid to key management personnel during the year is as follows:

	2016	2015
	\$	\$
Total short-term employment benefits	793,001	483,000
Total share based payments	373,840	173,223
Total post-employment benefits	56,849	42,600
	1,223,690	698,823

NOTE 24 EVENTS SUBSEQUENT TO THE REPORTING DATE

There has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Year ended 30 June 2016	Year ended 30 June 2015
\$	\$

NOTE 25 AUDITORS REMUNERATION

Total remuneration paid to auditors during the financial year:

Audit and review of the Company's financial statements	32,251	32,978
Other services	-	-
Total	32,251	32,978

NOTE 26 CONTROLLED ENTITIES

Ownership Interest

	2016	2015
	%	%
Parent Entity		
Dacian Gold Limited		
Subsidiaries		
Dacian Gold Mining Pty Ltd ⁱ	100	-
Mt Morgans WA Mining Pty Ltd ⁱ	100	-

ⁱ During the year on 26 April 2016, these companies were incorporated. They are fully owned subsidiaries of the Company. The entities were dormant at 30 June 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

NOTE 27 PARENT ENTITY

Financial statements and notes for Dacian Gold Limited, the legal parent entity are provided below;

	Parent	
	30 June 2016	30 June 2015
	\$	\$
Financial position		
Current assets	9,738,548	5,042,928
Non-current assets	8,914,183	8,562,283
Total assets	18,652,731	13,605,211
Current liabilities	3,378,228	1,455,897
Non-current liabilities	2,015,236	1,914,600
Total liabilities	5,393,464	3,370,497
Shareholders equity		
Issued capital	53,515,696	29,204,822
Share based payments reserve	1,321,449	774,886
Accumulated losses	(41,577,878)	(19,744,994)
Total equity	13,259,267	10,234,714
Financial performance		
Loss for the year	(21,832,884)	(8,048,428)
Other comprehensive income/(loss)	-	-
Total comprehensive loss	(21,832,884)	(8,048,428)

The contingent liabilities and commitments of the parent entity are consistent with those disclosed in the financial report.

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2016

In the opinion of the Directors of Dacian Gold Limited (the 'Company'):

- a. The accompanying financial statements and notes of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - i. give a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2016 and of its performance for the year then ended; and
 - ii. comply with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
- b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- c. The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2016.

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

DATED at Perth this 1st day of September 2016.



Rohan Williams
Executive Chairman



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Independent Auditor's Report To the Members of Dacian Gold Limited

Report on the financial report

We have audited the accompanying financial report of Dacian Gold Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 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. The Directors' responsibility also includes 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. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, 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 us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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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.

Auditor's opinion

In our opinion:

- a the financial report of Dacian 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 2016 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 the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in pages 33 to 38 of the directors' report for the year ended 30 June 2016. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.



Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Dacian Gold Limited for the year ended 30 June 2016, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker

C A Becker
Partner - Audit & Assurance

Perth, 1 September 2016

ASX ADDITIONAL INFORMATION

Pursuant to the Listing Requirements of the Australian Securities Exchange, the shareholder information set out below was applicable as at 24 August 2016.

A. DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of shareholders by size of holding:

Distribution	Number of Shareholders	Securities Held
1-1,000	517	264,097
1,001-5,000	480	1,281,015
5,001-10,000	171	1,365,068
10,001-100,000	319	10,253,230
More than 100,000	81	120,442,844
TOTALS	1,568	133,606,254

There are 63 shareholders holding less than a marketable parcel of ordinary shares.

B. SUBSTANTIAL SHAREHOLDERS

An extract of the Company's Register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below:

Shareholder Name	Number of Shares	% of Shares
BANK OF NOVA SCOTIA	10,850,000	8.18%
COMMONWEALTH BANK OF AUSTRALIA	8,011,497	6.00%

ASX ADDITIONAL INFORMATION

C. TWENTY LARGEST SHAREHOLDERS

Shareholder Name	Number of Shares	% of Shares
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	23,478,841	17.57
CITICORP NOMINEES PTY LIMITED	11,660,960	8.73
J P MORGAN NOMINEES AUSTRALIA LIMITED	11,235,035	8.41
TODTONA PTY LTD	5,381,819	4.03
VITESSE PTY LTD <THE VITESSE INVESTMENT A/C>	5,100,000	3.82
POLLY PTY LTD <BS PATTERSON FAMILY A/C>	5,031,819	3.77
SGJ INVESTMENTS PTY LTD	5,031,819	3.77
SANPOINT PTY LTD <THE FIORE FAMILY A/C>	4,800,000	3.59
DALRAN PTY LTD <SMITH FAMILY A/C>	4,666,608	3.49
REDLAND PLAINS PTY LTD <BRIAN BERNARD RODAN S/F A/C>	4,163,298	3.12
KINGARTH PTY LTD	4,100,000	3.07
ARIKI INVESTMENTS PTY LIMITED	3,909,727	2.93
REDASO PTY LTD <REDASO FAMILY A/C>	3,067,473	2.30
NATIONAL NOMINEES LIMITED	2,965,245	2.22
ROGO INVESTMENTS PTY LIMITED	2,575,000	1.93
CAUTIOUS PTY LTD <THE RESERVE A/C>	2,351,819	1.76
BNP PARIBAS NOMS PTY LTD <DRP>	1,389,964	1.04
SANDHURST TRUSTEES LTD <HARPER BERNAYS LTD A/C>	1,255,170	0.94
MR KENNETH JOSEPH HALL <HALL PARK A/C>	1,227,273	0.92
KINGARTH PTY LTD	1,130,682	0.85
TOTALS	104,522,552	78.23

D. VOTING RIGHTS

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll, each share will have one vote.

E. RESTRICTED SECURITIES

The Company has no restricted securities.

TENEMENT SCHEDULE

AS AT 24TH AUGUST 2016

Tenement Type	Tenement	Status	Location	Ownership
E	39/1950	Application	Lake Carey WA	Dacian Gold Ltd (100%)
E	39/1951	Application	Lake Carey WA	Dacian Gold Ltd (100%)
E	39/1952	Application	Lake Carey WA	Dacian Gold Ltd (100%)
E	39/1967	Application	Lake Carey WA	Dacian Gold Ltd (100%)
E	38/2951	Granted	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%)
E	39/1787	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%)
L	39/0244	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
L	39/0245	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
L	39/0246	Application	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%)

TENEMENT SCHEDULE

AS AT 24TH AUGUST 2016

Tenement Type	Tenement	Status	Location	Ownership
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%)
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%)
M	39/1107	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
P	38/4093	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	38/4094	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	38/4095	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%)

Tenement Type	Tenement	Status	Location	Ownership
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	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5359	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5360	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5361	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
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	39/5374	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5375	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5377	Granted	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%)

TENEMENT SCHEDULE

AS AT 24TH AUGUST 2016

Tenement Type	Tenement	Status	Location	Ownership
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	39/5461	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5469	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5475	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5476	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5477	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5478	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5479	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5490	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5491	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5492	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5493	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5494	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5498	Application	Mt Morgans WA	Dacian Gold Ltd (100%)





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