

28 JULY 2016

176% INCREASE IN MEASURED AND INDICATED RESOURCES AT WESTRALIA TO 900,000 OZ

***Average resource grade increases from 5.1 g/t Au to 5.8 g/t Au
Outstanding result follows recent 1.1Moz M&I Resource upgrade at
Jupiter, paving way for completion of Feasibility Study later this year***

- Dacian Gold takes another key step towards development of the 100%-owned Mt Morgans Gold Project in WA with a **176% increase in the Measured and Indicated Resources** of the Westralia Deposit from 328,000 ounces to **905,000 ounces**
- Total Westralia Deposit Mineral Resource increases to:
 - 8.6Mt @ 5.8 g/t Au for 1.6 million ounces**
- Average grade of Westralia Deposit Mineral Resource increases by **15% to 5.8 g/t Au**
- Westralia Underground Mineral Resource is renamed **Beresford** Mineral Resource and the Morgans Underground Mineral Resource is renamed the **Allanson** Mineral Resource
- The Westralia Deposit Mineral Resource comprises:
 - 6.4Mt @ 5.7 g/t Au for 1,162,000 ounces at Beresford;
 - 1.7Mt @ 6.9 g/t Au for 382,000 ounces at Allanson;
 - 0.5Mt @ 4.2 g/t Au for 77,000 ounces at Morgans North
- Inferred Mineral Resource at Westralia Deposit is **715,000 ounces at a grade of 6.5 g/t Au** and represents an excellent resource-upgrade drill target
- 400m vertical block of Mineral Resource below the RL base of the historic Westralia open pit contains 1.2 million ounces of gold for an endowment of 3,000 ounces per vertical metre (OVM)
- Total Mt Morgans Gold Project Mineral Resource increases to:
 - 44.7Mt @ 2.3 g/t Au for 3.3 million ounces**and includes **2.2 million ounces of Measured and Indicated Mineral Resources**

Dacian Gold Ltd (ASX: DCN) (“Dacian Gold” or “the Company”) is pleased to report a 176% increase in the Measured and Indicated Mineral Resources for the Westralia Deposit, part of its 100%-owned Mount Morgans Gold Project (“MMGP”) in WA.

The key announcement, which follows last week’s Mineral Resource upgrade for the nearby Jupiter Prospect, marks the culmination of Dacian’s highly successful 2016 resource in-fill drilling campaign and signals another key step towards achieving its objective of becoming Australia’s next significant mid-tier gold producer.

The Westralia Deposit now has Measured and Indicated Resources of **905,000 ounces**, which will underpin the maiden Westralia Ore Reserve due later this year.

Total Mineral Resource at the Westralia Deposit has increased by 101,000 ounces and is now:

8.6Mt @ 5.8 g/t Au for 1,621,000 ounces

Importantly, the new Westralia Mineral Resource of 1.62 million ounces has an average grade of 5.8 g/t Au, which is a **significant increase of 0.7g/t Au or 15% in the average grade** compared with the previous Westralia Mineral Resource (see ASX announcement 16 September 2015).

The new Westralia Deposit Mineral Resource incorporates drill results from the recently completed resource in-fill and extensional drilling program which comprised 71 diamond drill holes (for 35,000m) at the Morgans Underground and 24 diamond drill holes (for 11,000m) at the Westralia Underground. The key aim of this major 46,000m diamond drilling program was to in-fill drill the respective Westralia Deposit Mineral Resources to 50 x 50m centres with a view to increase the Measured and Indicated Resource proportion of the overall resource estimate.

Dacian Gold also advises that as of today, it has renamed the Westralia Underground Mineral Resource to the *Beresford Mineral Resource* and the Morgans Underground Mineral Resource to the *Allanson Mineral Resource*. The previously named Westralia Prospect is renamed the Westralia Deposit, and now comprises the following Mineral Resources: Beresford, Allanson and Morgans North.

Dacian Gold engaged international mining specialists RungePincockMinarco Ltd (RPM) to complete the independent Mineral Resource estimate for the Westralia Deposit, which is the subject of this announcement.

Dacian Gold Executive Chairman Rohan Williams said the achievement of a 176% increase in the Measured and Indicated Resource to over 900,000 ounces, coupled with a 15% increase in the overall grade of the entire Westralia Deposit Mineral Resource is an outstanding result, which sets the foundation for the Mt Morgans Feasibility Study, due for completion later this year.

“Our success in building a Measured and Indicated Resource of this size – now totalling over 2Moz of M & I resources across the Westralia Deposit and Jupiter Prospect – means we have ticked another key box in our strategy to become a mid-tier gold producer in 2018,” he said.

“We also have a high-grade 715,000oz Inferred Resource below the M & I resource at the Westralia Deposit, which provides an immediate target for drilling to convert additional ounces into the higher-confidence Measured and Indicated categories.”

BACKGROUND

Dacian Gold first commenced drilling at its Westralia Prospect in late 2012, immediately after its IPO listing on the ASX. Within 12 months, Dacian Gold had increased the Westralia Deposit Mineral Resource by 68% from 364,000 ounces to 610,000 ounces.

Subsequent drilling programs and Mineral Resource upgrades throughout 2014 and 2015 confirmed that the Company had discovered over one million ounces of gold (see ASX announcement 30 July 2015).

Prior to this announcement, the previous Mineral Resource estimate for the Westralia Deposit was 9.3Mt @ 5.1 g/t Au for 1.52 million ounces (see ASX announcement 16 September 2015).

In the period December 2015 to May 2016, Dacian Gold completed a 95-hole diamond drilling program (for 46,000m) as part of a resource-infill and resource-extension drill program of the Westralia Deposit. See ASX announcements of 28 June 2016, 1 June 2016, 21 March 2016 and 11 February 2016 for full drill results and all requisite disclosures of this major drilling program.

Including the new Mineral Resource for the Westralia Deposit, the total Mineral Resource inventory for the Mt Morgans Gold Project is now:

44.7Mt @ 2.3 g/t Au for 3.3 million ounces, and includes Measured and Indicated Mineral Resources of 2.2 million ounces

Appendix I lists all of Dacian’s ASX announcements that relate to the Westralia Deposit drilling programs, results and Mineral Resource estimates.

WESTRALIA DEPOSIT MINERAL RESOURCE

Summary

The **1.62 Moz** Westralia Deposit Mineral Resource estimate is summarised below in Table 1.

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

Type	Measured			Indicated			Inferred			Total		
	Tonnage Mt	Au g/t	Au Ounces	Tonnage Mt	Au g/t	Au Ounces	Tonnage Mt	Au g/t	Au Ounces	Tonnage 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

Table 1: Westralia Prospect Mineral Resource as at 28 July 2016.

Note:

1. Totals may differ due to rounding, Mineral Resources reported on a dry in-situ basis.
2. The Statement of Estimates of Mineral Resources has been compiled by Mr. Shaun Searle who is a full-time employee of RPM and a Member of the AIG. Mr. Searle has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code (2012).
3. All Mineral Resources figures reported in the table above represent estimates at 28th July, 2016. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.
4. Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).
5. Reporting cut-off grade selected based on the results of the Mount Morgans Gold Project Scoping Study announced to the ASX on 30th September 2015.

Several important features are evident from the upgraded Westralia Deposit Mineral Resource:

- a significant improvement in overall grade from 5.1 g/t Au (see ASX announcement 16 September 2015) to 5.8 g/t Au, up 15%;
- the Measured and Indicated Mineral Resources total 905,000 ounces and comprise 56% of the total Westralia Deposit Mineral Resource; and
- the Inferred Mineral Resources totals 715,000 ounces at a grade of 6.5 g/t Au, and therefore represent an **excellent resource–upgrade target**. As the majority of the Inferred Mineral Resource lie below the Measured and Indicated Mineral Resource, it is anticipated drill programs aimed at potentially converting the Inferred Mineral Resource to Indicated Mineral Resource will be completed from underground locations, should the Feasibility Study currently in process show underground mining at Westralia is viable.

Figure 1 below is a long section showing the location of the 1.62 million ounce Westralia Deposit Mineral Resource in association with the historic production centres of Westralia and Morgans North. It can be seen the Mineral Resource is continuously mineralised over a strike of 3km and remains open to the south, and at depth.

Also shown in the Figure is the distribution of all drilling with the recent 46,000m diamond drilling program, centred on Beresford and Allanson, clearly evident at the south end (left of

image) of the Westralia pit, and in between the Westralia and Morgans North open pits, respectively.



Figure 1: The 1.6 million ounce upgraded Westralia Deposit Mineral Resource showing continuous resource developed over 3km in strike. Note the location of Beresford, south of, and below the mined-out Westralia open pit; Allanson, located at depth between the Westralia and Morgans North open pits and Morgans North. All Mineral Resources remains open to the south and at depth.

Figure 2 below shows the same Mineral Resource outline for the Westralia Deposit as shown in Figure 1 above; although in Figure 2, the Measured, Indicated and Inferred classifications of the Westralia Mineral Resource (as described in Table 1) are shown. As with Figure 1, the location of all drilling is displayed.

It is evident from Figure 2 that the in-fill drill programs at Beresford and Allanson have successfully converted the majority of the respective Mineral Resources to Measured and Indicated Mineral Resources. By upgrading the Mineral Resource classification, the main objective of the 46,000m in-fill diamond drilling program undertaken between December 2015 and May 2016 has been successfully met.

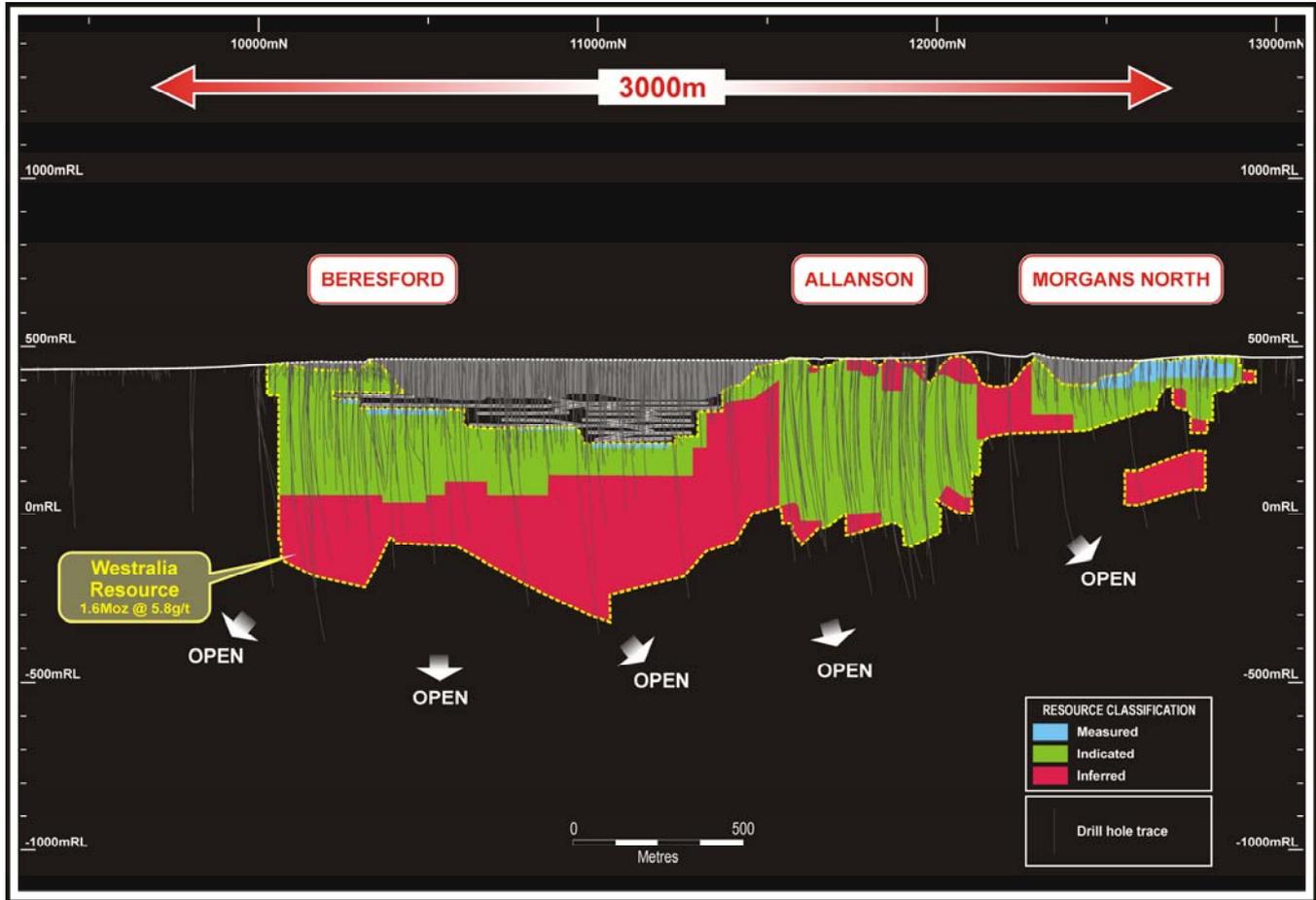


Figure 2: Long section of the Westralia Deposit Mineral Resource colour-coded for resource classification.

As noted above, the Measured and Indicated Mineral Resources (blue and green shaded areas in Figure 2) total 905,000 ounces. The large body of Inferred Mineral Resource (red shade in Figure 2), which contains 715,000 ounces at a grade of 6.5 g/t Au, provides an excellent resource-upgrade drilling target.

It is anticipated any drill programs aimed at potentially converting Inferred Mineral Resource to Indicated Mineral Resource will be undertaken from underground locations, should the Feasibility Study currently in process show underground mining at Westralia is viable.

Figure 3 is a Grade-Tonnage curve for the Westralia Deposit. Here Mineral Resource tonnages and grades are shown at variable lower cut-off grades. For example the 2 g/t Au lower cut-off grade used in this Westralia Deposit Mineral Resource update gives rise to an estimate of:

8.6Mt @ 5.8 g/t Au for 1,621,000 ounces.

Correspondingly, the same Mineral Resource using a higher cut-off grade of 3 g/t Au, is:

6.6Mt @ 6.9 g/t Au for 1,463,000 ounces.

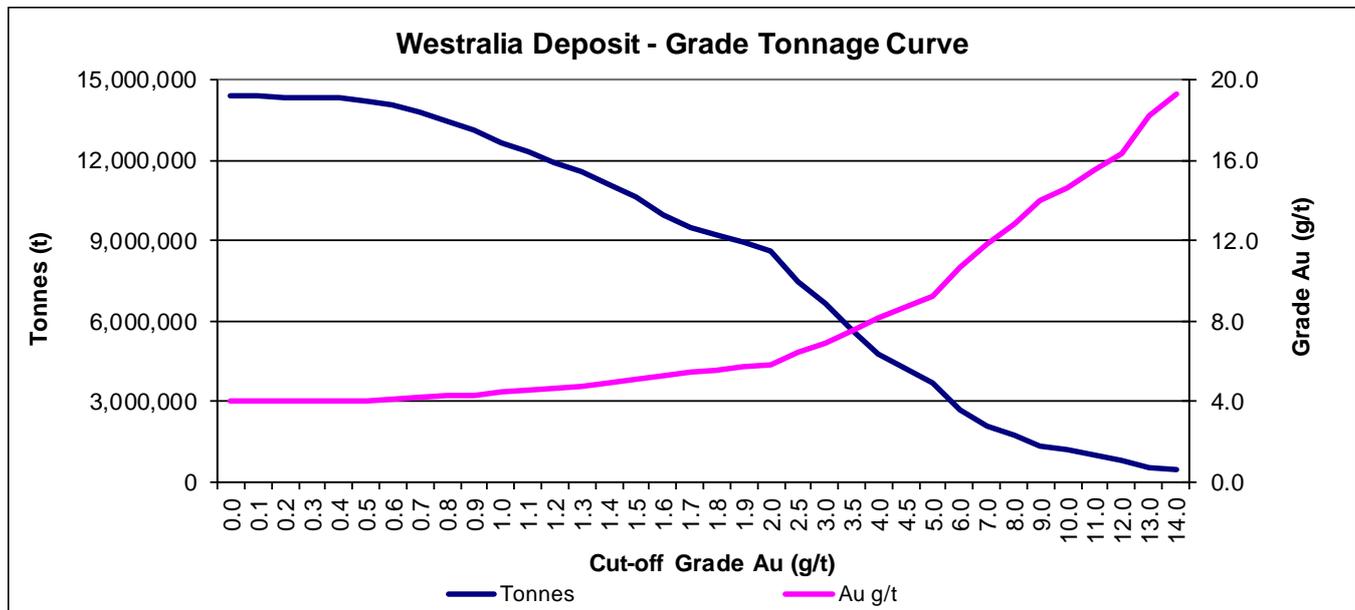


Figure 3: Grade-Tonnage Curve for the Westralia Deposit

Figure 4 below is a Bench tonnage and grade distribution of the Westralia Deposit Mineral Resource. Each “bench” represents a 20m high (vertical) block of Mineral Resource (above a lower cut-off grade of 2 g/t Au) from the surface (480RL) to a depth of over 700m below the surface. Note the low tonnages from the surface (480RL) to 360RL represents the mined Westralia Pit which finished mining at 140m depth.

Figure 4 highlights several important features:

- The 400m vertical block of mineralisation below the base of the historic Westralia open pit (being 340RL to -40RL) contains 1.2 million ounces of gold for an endowment of over 3,000 ounces per vertical metre (OVM).
- There is a general increase in grade with depth until -220RL (720m below surface) at which time the grade reduces to less than 4 g/t Au. This may be due to lower drilling density at the north end of the Westralia Deposit (see Figures 1 and 2)

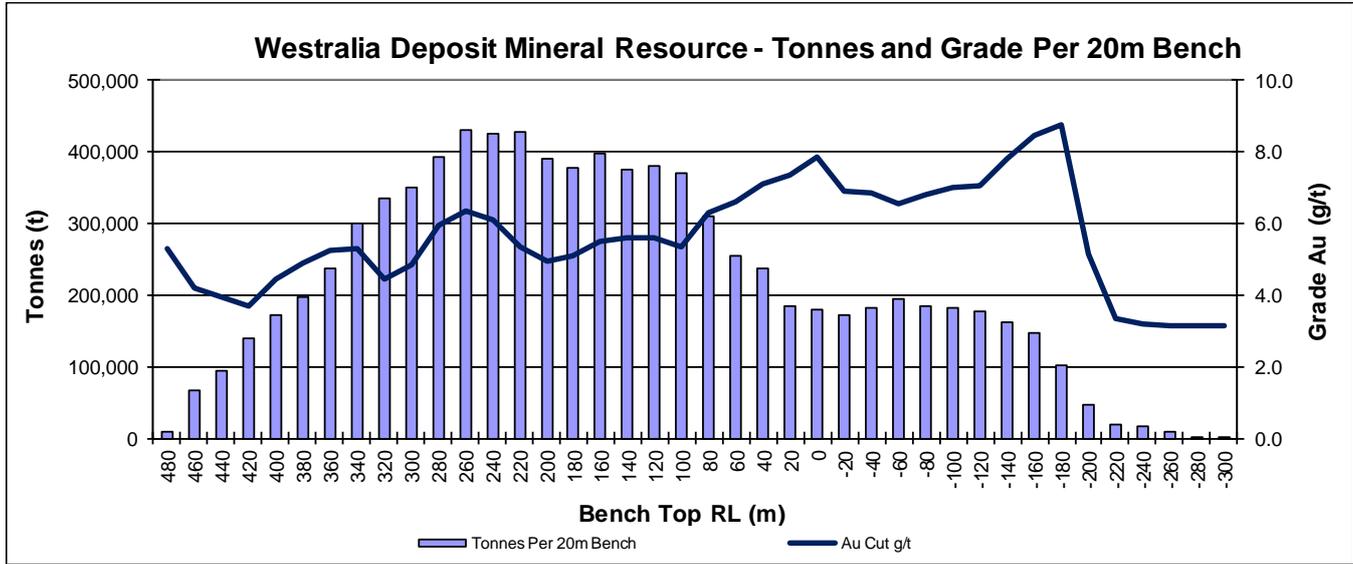


Figure 4: Bench tonnage and grade distribution of the Westralia Deposit Mineral Resource. Note the base of the historic Westralia open pit is at 340RL (140m below the surface).

Please refer to Appendix II and III for full JORC 2012 technical information and requisite disclosures relating to the Westralia Deposit Mineral Resource.

Comparison with Previous Westralia Deposit Mineral Resource Estimate

Dacian Gold’s previous ASX release relating to the Westralia Deposit Mineral Resource was made on 16 September 2015, and is summarised below in Table 2.

Westralia Prospect
September 2015 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				0.05	3.8	6,400	0.002	3.4	200	0.05	3.8	6,600
Transitional				0.08	3.5	9,000	0.07	2.6	5,400	0.15	3.1	14,400
Fresh	0.2	4.6	35,000	1.8	4.7	277,600	7.0	5.3	1,186,000	9.1	5.1	1,498,600
Total	0.2	4.6	35,000	2.0	4.7	293,000	7.1	5.2	1,191,600	9.3	5.1	1,519,600

Note: Totals may differ due to rounding

Mineral Resources reported on a dry basis

Table 2: Previously reported Westralia Prospect Mineral Resource, released to the ASX on 16 September 2015

Comparing Tables 1 and 2 provides a direct comparison between the September 2015 and July 2016 Mineral Resource estimates. Key changes between the two estimates are:

- The new July 2016 upgraded Mineral Resource has increased the total average grade from 5.1 g/t Au to 5.8 g/t Au, up 0.7 g/t Au or 15%
- The new July 2016 upgraded Mineral Resource is an increase of 101,000 ounces or 7% above the September 2015 Mineral Resource

- The Mineral Resource total tonnes has decreased from 9.3Mt in September 2015 to 8.6Mt in July 2016 (note grade and ounces up, as shown above)
- The Measured and Indicated Mineral Resources has increased from 328,000 ounces in September 2015 to 905,000 ounces, up 176%
- The average grade of the Measured and Indicated Mineral Resources has increased from 4.6 g/t Au to 5.4 g/t Au, up 17%
- Fifty-six percent of the new total Mineral Resource is classified as Measured and Indicated Resource whereas 22% of the September 2015 Mineral Resource was classified as Measured and Indicated Mineral Resource
- The proportion of Inferred Mineral Resource of the total Mineral Resource has decreased from 78% in the September 2015 Mineral Resource to 44% in the July 2016 Mineral Resource

Comparing the total MMGP Mineral Resource inventory (see Appendix II) of this announcement with the corresponding inventory as at September 2015, the following is noted:

- The total ounce inventory has increased from 3.01 million ounces at September 2015 to 3.32 million ounces in this announcement.
- The total average grade has increased from 2.2 g/t Au at September 2015 to 2.3 g/t Au in this announcement.

Beresford, Allanson and Morgans North Mineral Resources

The Beresford, Allanson and Morgans North Mineral Resources are the dominant hosts to the Westralia Deposit Mineral Resource reported above in Table 1, and are summarised below in Table 3.

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

	Measured			Indicated			Inferred			Total		
	Tonnage Mt	Au g/t	Au Ounces	Tonnage Mt	Au g/t	Au Ounces	Tonnage Mt	Au g/t	Au Ounces	Tonnage 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

Table 3: Westralia Deposit showing individual Mineral Resource areas.

LISTING RULE 5.8.1

Pursuant to ASX listing Rule 5.8.1, and in addition to the information contained in Appendix III, the Company provides the following:

Westralia Deposit Geology

The Westralia gold deposit lies on the western limb on the overturned Mt Margaret anticline in the Laverton Gold District, located 700km north-east of Perth in WA. The Archaean-aged deposit is contained within three predominant Banded Iron Formation (BIF) units referred to as Hangingwall BIF, Central BIF and Footwall BIF (see also ASX announcement of 28 June 2016). The majority of the 900,000 ounces of past production from the Westralia open pit and underground mines is from the Hangingwall BIF.

The mineralisation style is typically sulphidisation of the BIF in all three BIF units. High grade shoot development is interpreted to be predominantly steep-south or flat-north; each based on high angle intersections between the steep east-dipping BIF unit and mineralised structures.

The steep-south shoot geometry is based on the intersection between the steep east-dipping BIF units and steep east-dipping NNE structures that are seen to control mineralisation at Transvaal, Craic, Ramornie, Sarah and Ramornie North. The flat-north shoot geometry is based on the intersection between the steep east-dipping BIF units and flat north-dipping, east-west striking structures that are seen also to control mineralisation at King St and Recreation Reserve.

Drilling and Sampling Techniques

The Company utilised RC pre-collars and NQ2 diamond drilling to drill test the Westralia mineralisation used in the resource estimate. Drill holes were typically angled towards grid west to optimally intersect the targeted mineralised zones.

Drill core was sampled as half-core at 1m intervals or to geological contacts. To ensure representative sampling, half core samples were always taken from the same side of the core.

Drill samples were submitted to a contract laboratory for crushing and pulverising to produce a 40g charge for fire assay. QAQC procedures involved the use of certified reference materials (1 in 20) and blanks (1 in 50).

Mineral Resource Estimation Methodology

All drill holes were logged in full and geological interpretation of logged data carried out in cross-sectional and plan view.

The Westralia Deposit mineralisation was constrained by wireframes constructed using a 0.5g/t Au cut-off grade. Mineralisation wireframes were generally constrained to the BIF units. The wireframes were applied as hard boundaries in the estimate.

Using parameters derived from modelled variograms, Ordinary Kriging was used to estimate average block grades for gold only using Surpac software. The parent block dimensions used

were 20m NS by 5m EW by 10m vertical with sub-cells of 2.5m by 0.625m by 1.25m. The parent block size dimension was selected on the results obtained from Kriging Neighbourhood Analysis that suggested this was the optimal block size for the Westralia dataset.

An orientated 'ellipsoid' search was used to select data and adjusted to account for the variations in lode orientations.

The Westralia Mineral Resource has been reported at a 2g/t Au cut-off based on the results of the Mount Morgans Gold Project Scoping Study announced to the ASX on 30th September 2015.

Dacian Gold collected 14,450 density measurements during the 2013–16 drilling programs. All samples were in fresh rock and subdivided into BIF and non-BIF lithologies and determined whether the measurements were in waste or mineralisation.

The resource was classified as Measured, Indicated, and Inferred Mineral Resource based on data quality, sample spacing, and lode continuity. The Measured Mineral Resource was assigned to areas of the deposit defined by extensive open cut and underground grade control drilling (10m strike spacing) and face sampling which confirmed the geological and grade continuity of the mineralisation. The Indicated Mineral Resource was defined within areas of close spaced diamond and RC drilling of less than 50m by 50m, and where the continuity and predictability of the lode positions was good. The Inferred Mineral Resource was assigned to areas of the deposit where drill hole spacing was greater than 50m by 50m.

Mining and Metallurgical Methods and Parameters

The Beresford and Allanson Mineral Resources are to be assessed for mining by underground techniques; whereas the Morgans North Mineral Resource will be assessed for mining by open pit techniques. Both open pit and underground mining has previously occurred at Westralia prior during the 1990s. Deposits of the reported Westralia grades are successfully mined using underground techniques elsewhere in the WA.

Metallurgical testing was carried out on samples from Westralia Underground in the early 1990s. Test work results indicated significant gravity recoverable gold was evident in the tested ore samples, and together with conventional CIP, led to gold recoveries of >90% at standard grind sizes. In 2013 Dacian Gold contracted METS to conduct test-work on the Westralia core and found that gravity and cyanidation leaching at a grind size of 75µm resulted in an overall gold recovery of 97.8%. It is assumed that extraction of gold will be achieved by gravity and cyanide leaching methods, with recoveries greater than 90% based on these results.

In respect of the Company's ASX announcement of 19 July 2016, titled *Measured and Indicated Resources up 69% to 1.1 Million ounces at Jupiter Prospect*, Dacian Gold provides the following information:

Jupiter Prospect Geology

The Jupiter gold deposit lies centrally within the overturned Mt Margaret anticline in the Laverton Gold District, located 700km north-east of Perth in WA. The Archaean-aged deposit is contained within a series of syenite intrusive rocks and surrounding basalt. The mineralisation is constrained to a series of north-south striking, flat east-dipping structures, of which the Cornwall Shear Zone (CSZ) is the most significant.

The mineralisation is associated with a style of alteration that is typically found in WA gold deposits which includes silicification, sericitisation, sulphidisation and carbonation of the host rock. High grade gold is found in the plane of the north-south striking structures referred to above.

Drilling and Sampling Techniques

The Company utilised predominantly RC drilling with lesser NQ2 diamond drilling to drill test the Jupiter mineralisation used in the resource estimate. Drill holes were angled towards grid west to optimally intersect the targeted mineralised zones.

For RC drilling, samples were collected at 1m intervals from an on-drill rig cone splitter and the full length of each hole sampled.

Drill core was sampled as half-core at 1m intervals or to geological contacts. To ensure representative sampling, half core samples were always taken from the same side of the core and the full length of each hole sampled.

All drill samples were submitted to a contract laboratory for crushing and pulverising to produce a 40g charge for fire assay. QAQC procedures involved the use of certified reference materials (1 in 20) and blanks (1 in 50).

Mineral Resource Estimation Methodology

All drill holes were logged in full and geological interpretation of logged data carried out in cross-sectional and plan view.

The Jupiter Prospect mineralisation was constrained by wireframes constructed using a 0.5g/t Au cut-off grade. Syenite wireframes were constructed using geological logging. The wireframes were applied as hard boundaries in the estimate.

Using parameters derived from modelled variograms, Ordinary Kriging was used to estimate average block grades for gold only using Surpac software. The parent block dimensions used were 10m NS by 10m EW by 5m vertical with sub-cells of 2.5m by 2.5m by 1.25m. The parent block size dimension was selected on the results obtained from Kriging Neighbourhood Analysis that suggested this was the optimal block size for the Jupiter Prospect dataset.

An orientated 'ellipsoid' search was used to select data and adjusted to account for the variations in lode orientations.

The Mineral Resource has been reported at a 0.5g/t Au cut-off above the 0mRL and 1.5 g/t cut-off below the 0mRL, based on the results of the Mount Morgans Gold Project Scoping Study announced to the ASX on 30th September 2015; and assumptions about economic cut-off grades for open pit and underground mining.

Dacian Gold collected 11,523 density measurements during the 2013–16 drilling programs. The majority of samples were in fresh rock and subdivided into different lodes, weathering states and whether the measurements were in waste or mineralisation.

The resource was classified as Measured, Indicated, and Inferred Mineral Resource based on data quality, sample spacing, and lode continuity. The Measured Mineral Resource was confined to the CSZ and syenite stock in areas of close spaced drilling less than 20m by 20m. The Indicated Mineral Resource was defined within areas of close spaced diamond and RC drilling of less than 40m by 40m, and where the continuity and predictability of the lode positions was good. The Inferred Mineral Resource was assigned to areas of the deposit where drill hole spacing was greater than 40m by 40m and up to a maximum spacing of 100m

Mining and Metallurgical Methods and Parameters

The Company believes the Jupiter deposit is able to be assessed for open pit mining techniques above the 0mRL; and for underground mining below this level. Open pit mining has previously occurred at Jupiter during the 1990s. Deposits of the reported Jupiter grades are successfully mined using open pit mining techniques elsewhere in the WA.

Metallurgical testing was carried out on samples from Jupiter in the mid–1990s. Test work results indicated that conventional gravity and CIP extraction led to gold recoveries of >90% at standard grind sizes. It is assumed that extraction of gold will be achieved by gravity and cyanide leaching methods, with recoveries greater than 90% based on these results.

NEXT STEPS

The following work programs and corresponding ASX announcements are planned for the coming weeks:

- Exploration is ongoing with a 600-hole reconnaissance drill testing program at Jupiter Regional and Cameron Well. Initial results are likely to be received and released to the market in August;
- Maiden Ore Reserve for the Jupiter Prospect and Westralia Deposit to be released later in the year;
- A specialist salt-lake drilling rig is currently mobilising to the promising Callisto target, located 7km west of the 8 Moz Wallaby gold deposit. Drilling is expected to commence shortly.

Feasibility Study activities are advanced with the following work streams in progress:

- Environmental impact assessments related to project development and drafting of regulatory approval submissions;
- Metallurgical testwork programs for determination of process plant operating and performance criteria;
- Detailed design of processing plant and tailings storage facility infrastructure, enabling capital cost and operating cost estimation;
- Detailed open pit and underground mine designs and associated schedules for the proposed Jupiter and Westralia mining areas respectively, following finalisation of Mineral Resource estimate updates; and
- Publication of Ore Reserve estimates for the Jupiter open pit mining complex and Westralia underground mining complex.

For and on behalf of the Board



Rohan Williams
Executive Chairman

About Dacian Gold Limited

The Mt Morgans Gold Project (MMGP) hosts high grade Mineral Resources of 3.3 million ounces at an average grade of 2.3 g/t gold. The Company is presently concluding a detailed Feasibility Study ahead of a decision to proceed with mine construction and development at the end of CY2016. The Company believes it has an excellent opportunity to build the MMGP into a high margin mid-tier gold production centre.

Dacian Gold has a strong Board and proven management team which includes Rohan Williams as Executive Chairman; and Robert Reynolds, Barry Patterson and Ian Cochrane as non-executive directors.

The Company has also identified multiple exploration targets and resource extension opportunities at Mt Morgans. If proven, they will enable growth of the Mt Morgans' existing Mineral Resource and Ore Reserve base.

Dacian Gold remains fully funded to complete the MMGP Feasibility Study up to the project investment decision.

For further information visit: www.daciangold.com.au or please contact:

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Appendix I

Date	ASX Announcement
26/11/2012	Dacian Commences Drilling at Mt Morgans Gold Project
5/03/2013	Mt Morgans Exploration Update
13/03/2013	High Grade Drilling Results Continue at Westralia
5/07/2013	High Grade Mineralisation Continuity at Westralia Confirmed
11/12/2013	Drilling Confirms High Grade Shoot at Westralia
19/12/2013	Increase in Westralia Resource to 610,000 Ounces
15/10/2014	Drilling Confirms Larger Gold System at Westralia
4/02/2015	Multiple Down-Hole EM Anomalies Identified at Westralia
24/02/2015	Westralia Underground Resource Increase
4/06/2015	High Impact Drilling Program Commences at Westralia
22/06/2015	Significant Results from Footwall BIF at Westralia
30/07/2015	Significant Discovery in Footwall BIF at Westralia
30/07/2015	Westralia Resource Increases 76% to 1.5 Million Ounces
10/09/2015	Mt Morgans Exploration Update
16/09/2015	Update 3Moz Mineral Resource Included in Scoping Study
30/09/2015	Mt Morgans Gold Project Scoping Study
15/12/2015	Major Drill Out Commences at Mt Morgans Gold Project
11/02/2016	Excellent Results from Morgans Underground Drill-Out
21/03/2016	High Grade Infill Drilling Results - Morgans Underground
1/06/2016	More Strong Assay Results from Morgans Underground
28/06/2016	Outstanding New Results at Westralia Underground
25/07/2016	Strong Drilling Results at Westralia

Appendix II

Mount Morgans Gold Project Mineral Resources as at 28 July 2016

Deposit	Cut-off Grade Au g/t	Measured			Indicated			Inferred			Total Mineral Resource		
		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

Mt Morgans Gold Project Ore Reserves as at 15 September 2015

Deposit	Cut-off Grade Au g/t	Proved			Probable			Total		
		Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz
Craic	3.9	-	-	-	28,000	9.2	8,000	28,000	9.2	8,000
Total		-	-	-	28,000	9.2	8,000	28,000	9.2	8,000

In relation to Mineral Resources and Ore Reserves, the Company confirms that all material assumptions and technical parameters that underpin the relevant market announcement continue to apply and have not materially changed.

Competent Person Statement

Exploration

The information in this report that relates to Exploration Results is based on information compiled by Mr Rohan Williams who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Williams holds shares and options in, and is a director and full time employee of, Dacian Gold Ltd. Mr Williams has sufficient experience which is relevant to the style of mineralisation under consideration 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 the information compiled by him, in the form and context in which it appears.

Mineral Resources and Ore Reserves

The information in this report that relates the Westralia Deposit Mineral Resource (current announcement), Jupiter Prospect (see ASX Announcement 19 July 2016) and Transvaal Mineral Resources (see ASX announcement 16th September, 2015) and the Ramornie Mineral Resource (see ASX announcement 24th February, 2015) is based on information compiled by Mr Shaun Searle who is a Member of Australian Institute of Geoscientists and a full time employee of RPM. Mr Searle 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 Searle 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 the Jupiter Low Grade Stockpile (see ASX announcement – 16th September, 2015) and is based on information compiled by Mr Rohan Williams who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Williams holds shares and options in, and is a director and full time employee of, Dacian Gold Ltd. 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, Jupiter Low Grade Stockpile, Transvaal, and Ramornie which are reported under JORC 2012) is based on information compiled by Mr Rohan Williams, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Williams holds shares and options in, and is a director and full time employee of, Dacian Gold Ltd.

Where the Company refers to the Westralia Deposit Mineral Resource in this report (referencing this release made to the ASX), it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the resource estimate with that announcement continue to apply and have not materially changed.

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 Westralia Deposit – see current ASX announcement, Jupiter – see ASX announcement 19 July 2016; Transvaal and Jupiter LG stockpile Mineral Resources – see ASX announcement 16th September, 2015 and Ramornie Mineral Resource, see ASX announcement 24th February, 2015) was prepared and disclosed under the JORC Code 2004. It has 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.

Appendix III

Exploration results at Westralia were reported by DCN and released to the ASX during 2013 to 2016 – see Appendix I. Mr Rohan Williams, Executive Chairman of DCN compiled the information in Section 1 and Section 2 of the following JORC Table 1 and is the Competent Person for those sections. Mr Shaun Searle, an employee of RungePincocKMinarco Ltd (RPM) compiled the information in Section 3 of the following JORC Table 1 and is the Competent Person for that section.

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> • DCN utilised RC and diamond drilling. Holes were generally angled towards grid west to optimally intersect the targeted mineralised zones. • DCN core was sampled as half core at 1m intervals or to geological contacts. • To ensure representative sampling, half core samples were always taken from the same side of the core and the full length of each hole sampled. • DCN RC drilling was sampled at 1m intervals via an on-board cone splitter. • Historical RC samples were collected at 1m, 2m and 4m intervals using riffle splitters. • DCN samples were submitted to a contract laboratory for crushing and pulverising to produce a 40g charge for fire assay.
Drilling techniques	<ul style="list-style-type: none"> • Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> • Diamond drilling was mostly carried out with NQ2 sized equipment, along with minor HQ3 and PQ2, using standard tube. • Drill core was orientated using a Reflex orientation tool. • For RC holes, a 5/4" face sampling bit was used. For deeper holes, RC holes were followed with diamond tails.
Drill sample recovery	<ul style="list-style-type: none"> • Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> • Recoveries from historical drilling are unknown. • Recoveries from DCN core drilling were measured and recorded in the database and recovery was generally 100% in fresh rock with minor core loss in oxide. • In DCN drilling no relationship exists between sample recovery and grade.
Logging	<ul style="list-style-type: none"> • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. 	<ul style="list-style-type: none"> • All diamond drill holes were logged for recovery, RQD, geology and structure. RC drilling was logged for various geological attributes. • For DCN drilling, diamond core was

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> • photographed both wet and dry. • All drill holes were logged in full.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> • DCN core was cut in half using an automatic core saw at either 1m intervals or to geological contacts. • To ensure representivity, all core samples were collected from the same side of the core. • Historical RC samples were collected at the rig using riffle splitters. Samples were generally dry. • DCN RC samples were collected via on-board cone splitters. Samples were mostly dry. • For RC drilling, sample quality was maintained by monitoring sample volume and by cleaning splitters on a regular basis. • Field duplicates were taken at 1 in 25 for RC drilling. • Sample preparation was conducted by a contract laboratory. After drying, the sample is subject to a primary crush, then pulverised to that 85% passing 75µm. • For historic drilling detailed information on the QAQC programs used was not available. • Sample sizes are considered appropriate to correctly represent the gold mineralisation based on: the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and assay value ranges for Au.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> • For DCN drilling, the analytical technique used was a 40g fire assay with Pb collection, with an ICP-AAS finish. This is a full digestion technique. Samples were analysed at Bureau Veritas in Kalgoorlie and Intertek in Perth, WA. • For DCN drilling, sieve analysis was carried out by the laboratory to ensure the grind size of 85% passing 75µm was being attained. • For DCN drilling, QAQC procedures involved the use of certified reference materials (1 in 20) and blanks (1 in 50). • Results were assessed as each laboratory batch was received and were acceptable in all cases. • No QAQC data has been reviewed for historical drilling although mine production has largely validated drilling results. • Laboratory QAQC includes the use of internal standards using certified reference material, blanks, splits and replicates. • Certified reference materials demonstrate that sample assay values

Criteria	JORC Code explanation	Commentary
		are accurate.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Significant intersections were visually field verified by company geologists and by Shaun Searle of RPM during the 2013 and 2016 site visits. Results of re-assaying selected historical core obtained from Jupiter showed a slight bias. The re-assayed grades were generally higher than the original assay grades. Infill drilling by DCN has confirmed mineralisation thickness and tenor. Primary data was collected into either an Excel spread sheet software and then imported into a Data Shed database. Assay values that were below detection limit were adjusted to equal half of the detection limit value.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Historical drill hole collar coordinates were tied to a local grid with subsequent conversion to MGA94 Zone 51. Mine workings support the locations of historical drilling. All DCN hole collars were surveyed in MGA94 Zone 51 grid using differential GPS. DCN holes were down-hole surveyed with a north-seeking gyro. Topographic surface prepared from detailed ground and mine surveys.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Nominal hole spacing of DCN drilling is approximately 50 by 50m. The mineralised domains have sufficient continuity in both geology and grade to be considered appropriate for the Mineral Resource and Ore Reserve estimation procedures and classification applied under the 2012 JORC Code. Samples have been composited to 1m lengths in mineralised lodes using fixed length techniques.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> Most drill holes are angled to the west so that intersections are orthogonal to the expected trend of mineralisation. No orientation based sampling bias has been identified in the data
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Chain of custody is managed by DCN. Samples are stored on site until collected for transport to Intertel & BV Laboratories in Kalgoorlie. DCN personnel have no contact with the samples once they are picked up for transport. Tracking sheets have been set up to track the progress of samples.
Audits or	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> Shaun Searle of RPM reviewed drilling and sampling procedures during the

Criteria	JORC Code explanation	Commentary
reviews		<p>2013 and 2016 site visits and found that all procedures and practices conform with industry standards.</p> <ul style="list-style-type: none"> • DCN completed a laboratory audit of BV Laboratories in July 2014 and found that all procedures and practices conform to industry standards.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> • <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.</i> 	<ul style="list-style-type: none"> • The Westralia Deposit is located within Mining Lease 39/18, which is wholly owned by DCN and subject to a 1% capped production royalty. • The tenements are in good standing with no known impediment to future grant of a mining permit.
Exploration done by other parties	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • At Westralia, open pit and underground mining has occurred since the 1890s. Other companies to have explored the deposit include Whim Creek, Consolidated NL, Dominion Mining, Plutonic Resources, Homestake Gold and Barrick Gold Corporation.
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • The Westralia deposit is an Archean BIF-hosted sulphidised gold deposit and is located within the Yilgarn Craton of WA
Drill hole information	<ul style="list-style-type: none"> • <i>A summary of all information material to the under-standing of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> • <i>easting and northing of the drill hole collar</i> • <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> • <i>dip and azimuth of the hole</i> • <i>down hole length and interception depth</i> • <i>hole length</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> • All exploration results have previously been reported by DCN between 2012 and 2016. • All information has been included in the appendices. No drill hole information has been excluded.
Data aggregation methods	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation</i> 	<ul style="list-style-type: none"> • Exploration results are not being reported. • Not applicable as a Mineral Resource is being reported. • Metal equivalent values have not been used.

Criteria	JORC Code explanation	Commentary
	<p><i>should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <ul style="list-style-type: none"> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> Drill holes are angled toward 245 degrees so that intersections are orthogonal to the expected orientation of mineralisation. It is interpreted that true width is approximately 60-90% of down hole intersections.
Diagrams	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> Relevant diagrams have been included within the announcement and previous announcements as listed in Appendix I.
Balanced Reporting	<ul style="list-style-type: none"> <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> All DCN hole collars were surveyed in MGA94 Zone 51 grid using differential GPS. DCN holes were down-hole surveyed with a north-seeking gyro. Exploration results are not being reported.
Other substantive exploration data	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> All interpretations for Westralia mineralisation are consistent with observations made and information gained during previous mining at the project.
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large- scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> Infill drilling is planned at selected areas of the Westralia Mineral Resource Refer to diagrams in the body of text within the Mineral Resource reports of Appendix I

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	<ul style="list-style-type: none"> Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used. 	<ul style="list-style-type: none"> The data base has been systematically audited by a DCN geologist. Original drilling records were compared to the equivalent records in the data base (where original records were available). Any discrepancies were noted and rectified by the data base manager. All DCN drilling data has been verified as part of a continuous validation procedure. Once a drill hole is imported into the data base a report of the collar, down-hole survey, geology, and assay data is produced. This is then checked by a DCN geologist and any corrections are completed by the data base manager.
Site visits	<ul style="list-style-type: none"> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case. 	<ul style="list-style-type: none"> A site visit was conducted by Shaun Searle of RPM during January 2016. Shaun inspected the deposit area, drill core, outcrop, the Westralia pits and the core logging and sampling facility. During this time, notes and photos were taken. Discussions were held with site personnel regarding drilling and sampling procedures. No major issues were encountered. A site visit was conducted, therefore not applicable.
Geological interpretation	<ul style="list-style-type: none"> Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. Nature of the data used and of any assumptions made. The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The factors affecting continuity both of grade and geology. 	<ul style="list-style-type: none"> The confidence in the geological interpretation is considered to be good and is based on previous mining history and visual confirmation in outcrop and within the Westralia open pits. Geochemistry and geological logging has been used to assist identification of lithology and mineralisation. The deposit consists of sub-vertical to steeply dipping BIF units within a shear zone. Mineralisation is mostly confined to the BIF units. Infill drilling has supported and refined the model and the current interpretation is considered robust. Outcrops of mineralisation and host rocks within the open pits confirm the geometry of the mineralisation. Infill drilling has confirmed geological and grade continuity.
Dimensions	<ul style="list-style-type: none"> The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource. 	<ul style="list-style-type: none"> The Westralia Mineral Resource area extends over a SE-NW strike length of 2.8km (from 6,816,500mN – 6,818,950mN), has a maximum width of 40m (409,480mE – 409,520mE) and includes the 775m vertical interval from 460mRL to -315mRL.
Estimation and modelling techniques	<ul style="list-style-type: none"> The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description 	<ul style="list-style-type: none"> Using parameters derived from modelled variograms, Ordinary Kriging (OK) was used to estimate average block grades in three passes using Surpac software. Linear grade estimation was deemed suitable for the Westralia Mineral Resource due to the geological control on mineralisation.

Criteria	JORC Code explanation	Commentary
	<p><i>of computer software and parameters used.</i></p> <ul style="list-style-type: none"> • <i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i> • <i>The assumptions made regarding recovery of by-products.</i> • <i>Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</i> • <i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i> • <i>Any assumptions behind modelling of selective mining units.</i> • <i>Any assumptions about correlation between variables.</i> • <i>Description of how the geological interpretation was used to control the resource estimates.</i> • <i>Discussion of basis for using or not using grade cutting or capping.</i> • <i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i> 	<p>Maximum extrapolation of wireframes from drilling was 100m down-dip. This was half drill hole spacing in this region of the deposit. Maximum extrapolation was generally half drill hole spacing.</p> <ul style="list-style-type: none"> • Detailed reconciliation could not be conducted due to the absence of a complete set of mining stope shapes for the underground mining completed by Plutonic. To be conservative, an all-encompassing void wireframe was constructed. Mined material from the hanging wall BIF unit within this void wireframe reports 332,000t at 4.1g/t Au for 43,700 ounces at a 2g/t Au cut-off. Therefore, the reported production between November 1994 to January 1998 of 711,940t at 3.7g/t Au for 77,178 ounces cannot be directly reconciled with the current block model, however it is noted that the grades were similar. • No recovery of by-products is anticipated. • Only Au was interpolated into the block model. • The parent block dimensions used were 20m NS by 5m EW by 10m vertical with sub-cells of 2.5m by 0.625m by 1.25m. The model was rotated -30° to align with the general strike of the mineralisation. The parent block size dimension was selected on the results obtained from Kriging Neighbourhood Analysis that suggested this was the optimal block size for the Westralia dataset. • An orientated 'ellipsoid' search was used to select data and adjusted to account for the variations in lode orientations, however all other parameters were taken from the variography derived from Objects 1, 2, 8, 11 and 13. Up to four passes were used for each domain. The first pass had a range of 60m, with a minimum of 10 samples. For the second pass, the range was extended to 120m, with a minimum of 6 samples. For the third pass, the range was kept at 120m, with a minimum of 2 samples. For the final pass, the range was extended to 400m, with a minimum of 2 samples. A maximum of 20 samples was used for the first three passes and a maximum of 6 samples was used for the final pass. • No assumptions were made on selective mining units. • Only Au assay data was available, therefore correlation analysis was not possible. • The deposit mineralisation was constrained by wireframes constructed using a 0.5g/t Au cut-off grade. Mineralisation wireframes were generally constrained to the BIF units. The wireframes were applied as hard boundaries in the estimate.

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> Statistical analysis was carried out on data from 93 lodes. The high coefficient of variation and the scattering of high grade values observed on the histogram for some of the objects suggested that top cuts were required if linear grade interpolation was to be carried out. As a result variable top cuts between 30g/t and 100g/t Au were applied, resulting in a total of 34 samples being cut. Validation of the model included detailed comparison of composite grades and block grades by strike panel and elevation. Validation plots showed good correlation between the composite grades and the block model grades.
Moisture	<ul style="list-style-type: none"> Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content. 	<ul style="list-style-type: none"> Tonnages and grades were estimated on a dry in situ basis.
Cut-off parameters	<ul style="list-style-type: none"> The basis of the adopted cut-off grade(s) or quality parameters applied. 	<ul style="list-style-type: none"> The Mineral Resource has been reported at a 2g/t Au cut-off based on the results of the results of the Mount Morgans Gold Project Scoping Study announced to the ASX on 30th September 2015.
Mining factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made. 	<ul style="list-style-type: none"> RPM has assumed that the deposit could be mined using mainly underground techniques, with some open pit mining at Morgan's North. Underground mining has previously occurred at Westralia prior to the 1930's and open pit and underground mining occurred during the 1990's. Deposits of the reported Westralia grades are successfully mined using underground techniques elsewhere in the Yilgarn.
Metallurgical factors or assumptions	<ul style="list-style-type: none"> The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made. 	<ul style="list-style-type: none"> Metallurgical testing was carried out on samples from Westralia Underground and Westralia Deeps in 1992. Test work results indicated significant gravity recoverable gold was evident in the tested ore samples, but the Westralia Deeps samples were particularly sensitive to grind size. Gold recoveries of >95% and >90% were achieved with cyanidation leaching at grind sizes <75µm for the Westralia Underground and Westralia Deeps samples respectively. In addition, DCN contracted METS to conduct test-work on the Westralia core and found that gravity and cyanidation leaching at a grind size of 75µm resulted in an overall gold recovery of 97.8%. It is assumed that extraction of gold will be achieved by gravity and cyanide leaching methods, with recoveries greater than 90% based on these

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Environmental factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made. 	<p>results.</p> <ul style="list-style-type: none"> No assumptions have been made regarding environmental factors. Historical mining has occurred at the Westralia deposit. DCN will work to mitigate environmental impacts as a result of any future mining or mineral processing.
Bulk density	<ul style="list-style-type: none"> Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials. 	<ul style="list-style-type: none"> DCN collected 11,450 density measurements during the 2013-16 drilling programs. The vast majority of samples were in fresh rock. RPM extracted the density measurements within the various mineralisation and weathering zones and assigned averages in the block model. Bulk density is measured. Moisture is accounted for in the measuring process and measurements were separated for lithology and mineralisation. It is assumed there are minimal void spaces in the rocks at Westralia. The Westralia resource contains minor amounts of oxide and transitional material above the fresh bedrock. Values for these zones were derived from known bulk densities from similar geological terrains.
Classification	<ul style="list-style-type: none"> The basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). Whether the result appropriately reflects the Competent Person's view of the deposit. 	<ul style="list-style-type: none"> The Mineral Resource estimate is reported here in compliance with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' by the Joint Ore Reserves Committee (JORC). The resource was classified as Measured, Indicated, and Inferred Mineral Resource based on data quality, sample spacing, and lode continuity. The Measured portion of the deposit was assigned to areas of the deposit defined by extensive open cut and underground grade control drilling (10m strike spacing) and face sampling which confirmed the geological and grade continuity of the mineralisation. The Indicated Mineral Resource was defined within areas of close spaced diamond and RC drilling of less than 50m by 50m, and where the continuity and predictability of the lode positions was good. The Inferred Mineral Resource was assigned to areas of the deposit where drill hole spacing was greater than 50m by 50m, where small isolated pods of mineralisation occur

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		<p>outside the main mineralised zones, and to geologically complex zones.</p> <ul style="list-style-type: none"> The input data is comprehensive in its coverage of the mineralisation and does not favour or misrepresent in-situ mineralisation. The definition of mineralised zones is based on high level geological understanding producing a robust model of mineralised domains. This model has been confirmed by infill drilling which supported the interpretation. Validation of the block model shows good correlation of the input data to the estimated grades. The Mineral Resource estimate appropriately reflects the view of the Competent Person.
Audits or reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of Mineral Resource estimates.</i> 	<ul style="list-style-type: none"> Internal audits have been completed by RPM which verified the technical inputs, methodology, parameters and results of the estimate.
Discussion of relative accuracy/ confidence	<ul style="list-style-type: none"> <i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i> <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i> <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i> 	<ul style="list-style-type: none"> The lode geometry and continuity has been adequately interpreted to reflect the applied level of Measured, Indicated and Inferred Mineral Resource. The data quality is good and the drill holes have detailed logs produced by qualified geologists. A recognised laboratory has been used for all analyses. The Mineral Resource statement relates to global estimates of tonnes and grade. Reconciliation could not be conducted due to the absence of a complete set of mining stope shapes for the underground mining completed by Plutonic.