



1 JUNE 2016

MORE STRONG ASSAYS STRENGTHEN CASE FOR MORGANS UNDERGROUND TO BE A SIGNIFICANT HIGH-GRADE MINE

Strong news-flow pending with Resource upgrades on both open cut and underground deposits expected next month, followed by a maiden Ore Reserve estimate in August and completion of Feasibility Study later this year.

KEY POINTS

- More excellent results returned from recently completed in-fill drilling at Morgans Underground, part of the Westralia Prospect at Dacian's 100% owned Mt Morgans Gold Project in WA:
 - 4.3m @ 22.4 g/t Au from 317.7m
 - 4.3m @ 17.5 g/t Au from 421.4m
 - 4.0m @ 13.9 g/t Au from 528.0m
 - 1.2m @ 19.1 g/t Au from 207.6m
 - 2.1m @ 12.6 g/t Au from 284.1m
 - 12.0m @ 5.7 g/t Au from 341.0m
 - 5.1m @ 7.4 g/t Au from 379.0m
 - 5.6m @ 5.1 g/t Au from 450.8m
 - 2.3m @ 8.1 g/t Au from 303.5m
 - 0.5m @ 26.8 g/t Au from 390.9m
 - 1.0m @ 11.9 g/t Au from 410.0m
- The new results augment previously released high-grade in-fill drill results at Morgans Underground which included 3.6m @ 48.0 g/t Au, 3.0m @ 24.6 g/t Au, 5.6m @ 23.2 g/t Au, 6.2m @ 20.1 g/t Au, 4.5m @ 13.4 g/t Au and 2.9m @ 16.1 g/t Au (see ASX releases of 11 February 2016 and 21 March 2016)
- High grade mineralisation at Morgans Underground has been confirmed over a strike distance of 750m and a vertical (dip) distance of 450m
- Several subparallel mineralised surfaces are evident
- Potential for combining multiple intersections from individual drill holes into 15–35m wide 5 g/t Au intervals, highlighting the opportunity to consider larger scale underground mining as part of the mining strategy at Morgans Underground

Dacian Gold Ltd (“Dacian Gold” or “the Company”) (ASX: DCN) is pleased to report new high grade in-fill drilling results from the Morgans Underground Mineral Resource, which forms part of the Westralia Prospect, at its 100% owned Mount Morgans Gold Project (MMGP) in Western Australia.

Together with the nearby Westralia Underground Mineral Resource, the Morgans Underground forms part of the large mineralised system at the Westralia Prospect where Dacian is targeting the development of two large, high grade underground mines below the historical open pit.

The latest results represent the final 34 diamond drill holes from the 35,000m resource-infill drilling program completed recently at Morgans Underground. Results from the previously released 37 in-fill diamond drill holes from Morgans Underground were reported in ASX announcements dated 11 February 2016 and 21 March 2016.

In addition to the 71 diamond drill holes completed at Morgans Underground, 26 diamond drill holes for 12,000m have now been completed at the nearby Westralia Underground and will be released to the market in the coming weeks.

Following the return of all the assay results from the combined 47,000m of drilling at the Westralia Prospect (incorporating both Morgans Underground and Westralia Underground); and subsequent geological interpretation and orebody modelling, the Westralia Prospect Mineral Resource upgrade will be released later this year.

Dacian Gold Executive Chairman Rohan Williams said the latest results further strengthened the Company’s development strategy at Mt Morgans, with the latest assays highlighting the potential of the Morgans Underground to be a significant high-grade mine in its own right.

“Significantly, the latest results from the Morgans Underground suggest the presence of several sub-parallel mineralised surfaces giving rise to the potential to bulk out some of the intersections into 15–35m intervals grading 5 g/t Au.”

“This highlights the opportunity to consider large scale underground mining as part of the mining strategy at Morgans Underground, which may have positive implications for the economics of the potential underground mining operation.”

“The stream of excellent results we have generated from the recently completed 90,000m in-fill and extensional drilling at Mount Morgans will be reflected in the upgrades to the existing 3Moz Resource, to be finalised over the coming months,” Mr Williams said.

“These new Mineral Resource estimates will in turn underpin the Mount Morgans Feasibility Study, which is already well advanced and is on track for completion later this year – representing the culmination of what should be an extremely busy second half for us.”

BACKGROUND

Dacian Gold has now completed a major resource in-fill and extensional drill program totalling 90,000m of RC and diamond drilling at its wholly owned MMGP located near Laverton in Western Australia. Drilling has focussed on the Westralia and Jupiter Prospects' Mineral Resources that were used in the MMGP Scoping Study, completed last year (see ASX announcement 30 September 2015).

OBJECTIVES FOR THE MORGANS UNDERGROUND DRILL-OUT

The principal objectives of the 35,000m drill-out on the Morgans Underground were to:

1. Complete a 50m x 50m infill diamond drill pattern over the Morgans Underground Inferred Mineral Resource. It is expected the 50m x 50m drill pattern at the Morgans Underground will be sufficient to upgrade the classification of the Morgans Underground to Indicated Resource, so as to allow mine design studies to estimate a maiden Ore Reserve for Morgans Underground.
2. Select representative drill core sections of intersected mineralisation for use in detailed metallurgical test work programs being undertaken as part of the MMGP Feasibility Study.
3. Complete detailed geotechnical logging to assist with mine planning and design studies, also as part of the MMGP Feasibility Study.

Figure 1 below shows the location of the 71 diamond drill holes that make up the 35,000m in-fill resource drill out at Morgans Underground. Also shown is the location of the Morgans Underground drill area in relation to the 3km long, 1.5 million ounce Westralia Prospect Mineral Resource, in which it sits. As can be seen from Figure 1, numerous +10 g/t Au intersections are present within the highlighted Morgans Underground drill area (pink ellipses along the drill hole trace), confirming the significant extent of mineralisation present within the Morgans Underground resource.

Several intersections at Morgans Underground have been returned from outside the existing Westralia Prospect Mineral Resource (yellow shaded area, Figure 1) suggesting the Mineral Resource may increase in these areas.

Dacian Gold believes that with ongoing drilling, the Westralia Prospect will continue to increase in size beyond the current resource limits which, in many cases, are arbitrarily defined boundaries limited by drilling density.

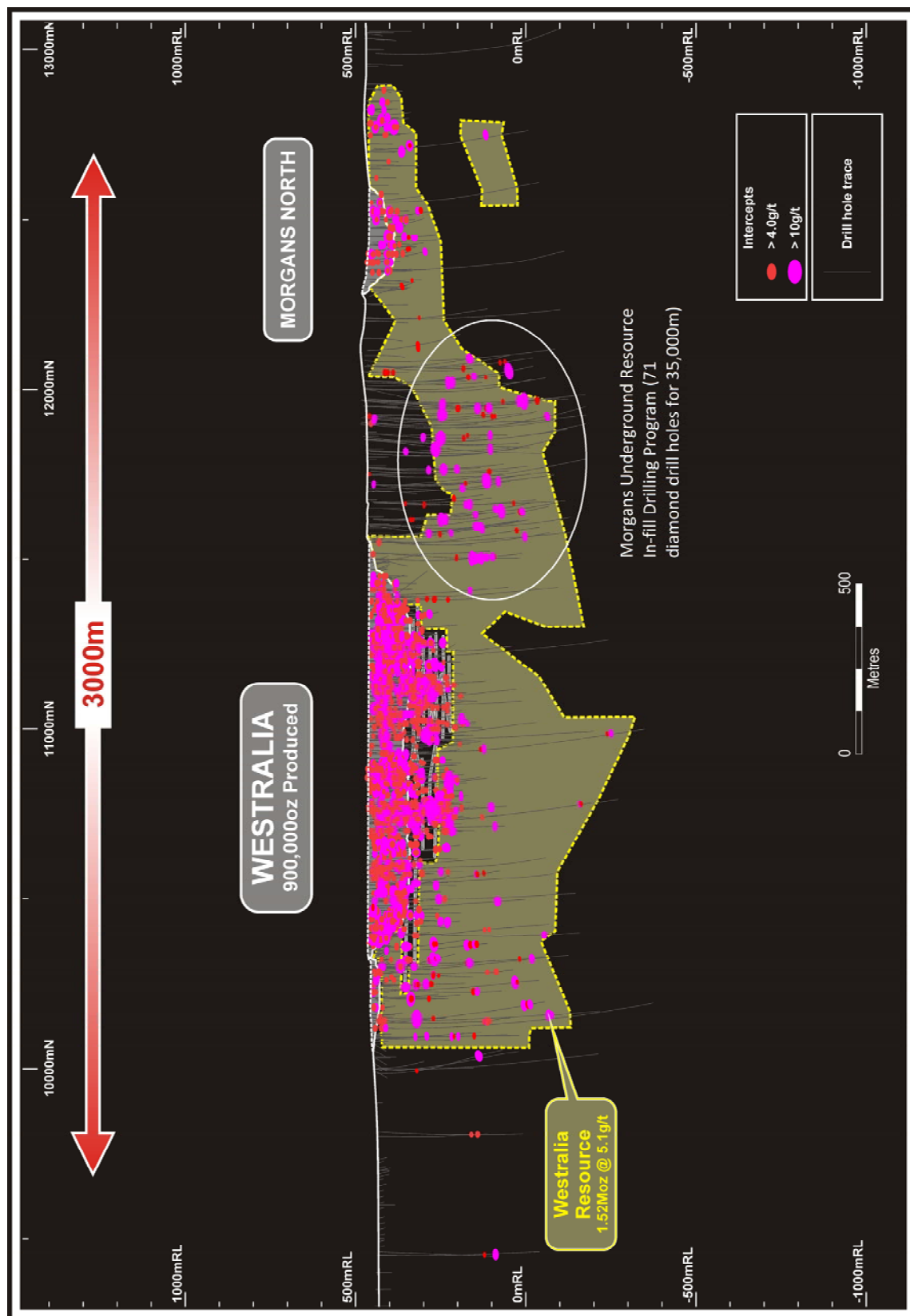


Figure 1: Longitudinal section of the 3km long, 1.5 million ounce Westralia Prospect Mineral Resource showing the location of the recently completed 71 hole, 35,000m in-fill diamond drilling program (white ellipse, and labelled). The in-fill drilling confirms the presence of significant high grade mineralisation within the Morgans Underground region.

RESULTS FROM THE MORGANS UNDERGROUND DRILL-OUT

The location of all intersections returned from the final 34 diamond drill holes of the Morgans Underground in-fill resource drill out are shown in long section in Figure 2, and tabled at the back of this announcement (Table 2). Several of the significant intersections are labelled on Figure 2 and listed in Table 1.

All previous drill hole results from Morgans Underground (see ASX announcements 11 February 2016 and 21 March 2016), together with the drill hole results reported herein have been colour-coded in the Figure 2 long section based on the amount of gold reported in the intersection, using an industry-standard Accumulation index. The Accumulation index multiplies the length of the reported drill intersection by the grade of the reported intersection. By way of an example, the 4.3m @ 22.4 g/t Au intersection of 16MMD0105 calculates an accumulation of $4.3 \times 22.4 = 96.3$; which in the case of Figure 2 is coloured purple.

As can be seen in Figure 2, the Morgans Underground mineralised position measures approximately 750m north-south (left to right, Figure 2) and approximately 450m in dip (or vertical) extent. The mineralisation remains open to the south and to the north, albeit in shallower dip (or vertical) extents.

Preliminary interpretation of the drill intersection results from Morgans Underground suggests two and possible three sub-parallel mineralised surfaces may be present. More detailed geological modelling and interpretation is required to confirm the existence of multiple surfaces, however the Company is encouraged there may exist the possibility of multiple surfaces being accessed from the potential mine development.

This announcement and those of 11 February 2016 and 21 March 2016 confirm the narrow, high grade Morgans Underground mineralisation as having excellent potential for underground mine development. Following the completion of all 71 diamond drill holes, it is now apparent there are areas within the Morgans Underground where individual high grade intersections may be combined into broader intersections, whilst maintaining a grade sufficient to be considered for possible larger scale underground stoping opportunities.

Dacian Gold's interpretation of these potential widely mineralised intervals is still at an early stage, however it is very encouraged by results such as 16MMRD0105 of this announcement (see Table 1) which returned:

- **35.3m @ 4.8 g/t Au** which included 4.3m @ 22.4 g/t Au and 12m @ 5.7 g/t Au.

Similar reviewing of previously released drill results shows combined intersections of:

- **23.4m @ 5.2 g/t Au** in 15MMRD0034 (see ASX announcement 11 February 2016)
- **20.1m @ 5.2 g/t Au** in 15MMRD0016 (see ASX announcement 30 July 2015)
- **15.5m @ 5.5 g/t Au** in 15MMRD0018 (see ASX announcement 30 July 2015)

The principal mineralised surface at Morgans Underground is located within the footwall banded iron formation (BIF) unit which lies at the base of the 80–100m thick Westralia BIF package. Early interpretation suggests the main higher grade or “shoot” trend is a relatively flat, north–plunging trend; see Figure 2 above. Ongoing detailed geological interpretation will further assess high grade trend directions.

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Drill hole	Intersection	From
16MMRD0041	4.3m @ 17.5 g/t Au and 0.9m @ 3.2 g/t Au	412.25m 437.70m
16MMRD0044	2.05m @ 6.8 g/t Au and 2.25m @ 8.1 g/t Au	205.85m 303.45m
16MMRD0047	1.5m @ 2.8 g/t Au	443.00m
16MMRD0051	2.05m @ 12.6 g/t Au	284.05m
16MMRD0043	1.0m @ 38.9 g/t Au	284.00m
16MMRD0056	0.8m @ 6.4 g/t Au	414.00m
16MMRD0057	0.6m @ 7.4 g/t Au	419.45m
15MMRD0064	1.4m @ 4.2 g/t Au and 3.1m @ 2.9 g/t Au and 4.0m @ 13.9 g/t Au	458.70m 512.00m 528.00m
16MMRD0066	1.0m @ 11.9 g/t Au	410.00m
16MMRD0069	0.5m @ 26.8 g/t Au	390.90m
16MMRD0092	1.2m @ 19.1 g/t Au	207.60m
16MMRD097	7.95m @ 2.3 g/t Au incl 1.0m @ 9.2 g/t Au	542.25m 542.25m
16MMRD0105	35.3m @ 4.8 g/t Au incl 4.3m @ 22.4 g/t Au and 12.5m @ 5.7 g/t Au	317.70m 317.70m 341.00m
16MMRD0125	5.1m @ 7.4 g/t Au and 1.2m @ 8.7 g/t Au and 5.6m @ 5.1 g/t Au	379.00m 426.80m 450.80m
16MMRD0293	0.3m @ 35.1 g/t Au	405.00m

Table 1: Significant results from the final 34 diamond drill holes of the Morgans Underground in-fill resource drill out.

NEXT STEPS

Ongoing detailed geological interpretation and modelling of the results obtained from the final 34 diamond drill holes at Morgans Underground will precede a Mineral Resource estimate update to be released to the market in July.

Upon return of all assays from the 26-hole in-fill diamond drill program at Westralia Underground, it is anticipated Dacian Gold will update the market in late June.

Following the release of all 313 infill RC drill results for the Jupiter Prospect (see ASX announcement dated 9 May 2016), the Company is currently in the process of completing an updated Mineral Resource estimate. It is expected Dacian Gold will release the updated Mineral Resource for the Jupiter Prospect in early July ahead of a maiden Ore Reserve estimate which the Company is planning on releasing to the market in August.

All Mineral Resource estimate updates and corresponding Ore Reserve mining studies will be incorporated into the MMGP Feasibility Study to be completed and released to the market later this year.

Dacian Gold is also in the process of completing a 600-hole reconnaissance RAB/aircore drilling program over “syenite corridor” targets in the Jupiter Prospect and at Cameron Well. Drilling results will be released to the market as they become available.

For and on behalf of the Board



Rohan Williams
Executive Chairman



Table 2: Mt Morgans Exploration Drilling Results - Morgans Underground

Collar Location and Orientation								Intersection > 1 ppm * m Au			
Hole	Type	X	Y	Z	Total Depth	Dip	Azimuth	From (m)	To (m)	Length (m)	Au (ppm)
16MMRD0040	RCD	408,915	6,817,991	455	447	-52	235	No significant assays			
16MMRD0041	RCD	408,916	6,817,992	455	528	-59	237	336.55	336.85	0.30	4.2
								390.75	393.20	2.50	1.0
								396.40	398.10	1.70	0.7
								412.45	416.80	4.30	17.5
								437.70	438.60	0.90	3.2
16MMRD0044	RCD	408,804	6,817,992	465	387	-60	239	194.00	196.00	2.00	2.3
								205.85	207.90	2.05	6.8
								303.45	305.70	2.25	8.1
16MMRD0045	RCD	408,805	6,817,993	465	442	-67	238	235.20	238.30	3.10	1.0
16MMRD0047	RCD	408,932	6,818,042	456	519	-54	239	164.75	165.30	0.55	1.9
								363.00	363.80	0.80	2.7
								443.00	444.50	1.50	2.8
15MMRD0049	RCD	408,781	6,818,037	471	369	-59	236	316.15	316.80	0.65	1.2
16MMRD0050	RCD	408,922	6,818,093	466	569	-54	238	474.20	476.65	2.45	1.8
16MMRD0051	RCD	408,765	6,818,085	472	381	-51	240	162.05	163.25	1.20	0.9
								284.05	286.10	2.05	12.6
16MMRD0054W1	RCD	408,904	6,818,140	478	588	-55	234	419.15	421.00	1.85	0.8
16MMRD0055	RCD	408,784	6,818,148	475	423	-57	231	No significant assays			
16MMRD0056	RCD	408,784	6,818,147	475	441	-60	236	284.70	285.70	1.00	1.8
								407.65	409.10	1.45	1.8
								414.00	414.75	0.75	6.4
16MMRD0057	RCD	408,783	6,818,147	475	522	-65	237	419.45	420.00	0.55	7.4
								428.40	429.00	0.60	5.0
								467.10	467.75	0.65	2.5
15MMRD0064	RCD	408,819	6,818,219	483	533	-66	236	434.50	436.70	2.20	2.4
								458.70	460.10	1.40	4.2
								512.00	515.10	3.10	2.9
								528.00	532.00	4.00	13.9
16MMRD0066	RCD	408,746	6,818,247	473	456	-54	240	387.55	388.80	1.25	3.0
								410.00	411.00	1.00	11.9
16MMRD0067	RCD	408,748	6,818,248	473	473	-61	239	301.50	306.85	5.35	1.6
								396.00	396.50	0.50	2.0
								412.15	415.85	3.70	1.9
16MMRD0069	RCD	408,718	6,818,282	474	429	-54	243	225.35	227.50	2.15	1.0
								246.90	247.70	0.80	1.2
								390.90	391.40	0.50	26.8
16MMRD0080	RCD	408,690	6,817,996	464	221	-59	239	137.00	137.80	0.80	1.1
16MMRD0090	RCD	408,659	6,818,092	467	267	-61	239	201	202	1.0	0.9
16MMDD0092	DD	408,669	6,818,041	465	289	-60	239	157.00	159.80	2.80	0.8
								207.60	208.75	1.15	19.1
16MMRD0097	RCD	409,080	6,817,939	445	651	-54	239	202.10	203.50	1.40	1.2
								442.00	443.00	1.00	1.0
								542.25	550.20	7.95	2.3
16MMRD0101	RCD	408,959	6,818,267	477	789	-64	237	406.10	407.20	1.10	1.8

Table 2 cont'd: Mt Morgans Exploration Drilling Results - Morgans Underground

16MMDD0105	DD	408,937	6,817,778	447	478	-66	238	215.10	217.05	1.95	2.7
								270.10	270.80	0.70	7.1
								317.70	322.00	4.30	22.4
								337.05	338.75	1.70	1.1
								341.00	353.00	12.00	5.7
16MMDD0106	DD	408,937	6,817,777	447	409	-59	240	144.00	146.95	2.95	0.5
								282.75	284.00	1.25	0.9
								300.05	301.60	1.55	2.8
								329.00	330.00	1.00	1.0
16MMRD0113	RCD	409,003	6,818,179	474	666	-54	235	No significant assays			
16MMRD0114	RCD	408,893	6,818,294	475	639	-59	241	No significant assays			
16MMRD0115	RCD	409,081	6,817,940	445	682	-59	237	558.00	558.40	0.40	2.7
								573.40	575.05	1.65	1.9
16MMRD0117	RCD	408,893	6,818,294	475	615	-57	238	78.00	78.75	0.75	1.3
16MMRD0119	RCD	409,089	6,817,888	446	613	-60	235	528.40	535.00	6.60	1.0
16MMRD0122	RCD	409,086	6,817,886	446	615	-55	238	515.20	517.65	2.45	1.8
								526.85	527.30	0.45	6.3
16MMRD0124	RCD	408,922	6,818,093	466	651	-60	240	439.40	440.00	0.60	1.1
16MMRD0125	RCD	409,082	6,817,828	444	567	-55	240	379.00	384.10	5.10	7.4
								392.15	392.55	0.40	13.0
								397.00	398.00	1.00	1.4
								426.80	428.00	1.20	8.7
16MMRD0293	RCD	408,782	6,818,037	471	471	-66	237	450.80	456.35	5.55	5.1
								389.25	390.00	0.75	1.1
16MMRD0301	RCD	409,019	6,817,681	445	381	-52	237	405.00	405.30	0.30	35.1
								202.15	205.85	3.70	1.0
								231.10	238.70	7.60	1.7
								247.00	248.00	1.00	2.3
								277.00	278.00	1.00	3.4
								284.65	285.00	0.35	5.1
								334.90	335.50	0.60	3.0
								338.00	338.45	0.45	3.6

About Dacian Gold Limited

The Mt Morgans Gold Project hosts high grade Mineral Resources of 3.0 million ounces at an average grade of 2.2 g/t gold. In addition, the Company has identified multiple exploration targets and resource extension opportunities. If proven, they will enable growth of the Mt Morgans' existing Mineral Resource and Ore Reserve base.

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

Dacian Gold's strategy at Mt Morgans is evolving toward potential mine development. It has identified two large mineralised systems at Westralia and Jupiter where it believes simultaneous mine development at each site is a possibility, and will be the subject of ongoing drilling and feasibility studies.

Dacian Gold is fully funded to complete the MMGP Feasibility Study, complete a major 90,000m resource in-fill drill program currently underway and maintain an active exploration program aimed at identifying new, high value mineral resources with the Mt Morgans project.

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

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APPENDIX I

Mount Morgans Gold Project Mineral Resources as at 15 September 2015

Deposit	Cut-off	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	-	-	-	13,066,000	1.4	605,000	13,484,000	1.1	480,000	26,550,000	1.3	1,085,000
Jupiter LG Stockpile	0.5	3,494,000	0.5	58,000	-	-	-	-	-	-	3,494,000	0.5	58,000
Westralia	2.0	235,000	4.6	35,000	1,961,000	4.7	293,000	7,074,000	5.2	1,192,000	9,269,000	5.1	1,520,000
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		4,096,000	1.2	161,000	15,656,000	2.0	1,006,000	21,978,000	2.6	1,842,000	41,730,000	2.2	3,008,000

Mt Morgans Gold Project Ore Reserves as at 15 September 2015

Deposit	Cut-off Grade	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

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, Jupiter and Transvaal Mineral Resource (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 Mineral Resources 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 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.

APPENDIX II – JORC TABLE 1

The following Table and Sections are provided to ensure compliance with the JORC Code (2012) edition requirements for the reporting of exploration results on the Mt Morgans Project which includes both Westralia and Jupiter.

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>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.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>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.</i> 	<ul style="list-style-type: none"> Dacian utilised RC and diamond drilling. Holes were generally angled towards grid west to optimally intersect the targeted mineralised zones. Dacian 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. At Jupiter the full length of each hole was sampled and at Westralia the core was selectively sampled. Dacian RC drilling was sampled at 1m intervals via an on-board cone splitter. Minor 4m composite samples were taken via a scoop and submitted for analysis. Historical RC samples were collected at 1m, 2m and 4m intervals using riffle splitters. Dacian 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"> <i>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).</i> 	<ul style="list-style-type: none"> Diamond drilling was carried out with NQ2 sized equipment with standard tube. Drill core was orientated using a Reflex orientation tool. For RC holes, a 5¼" face sampling bit was used For deeper holes, RC pre-collars

		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 Dacian core drilling were measured and recorded in the database and recovery was generally 100% in fresh rock with minor core loss in oxide. • In Dacian 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. • 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"> • All diamond drill holes were logged for recovery, RQD, geology and structure. RC drilling was logged for various geological attributes. • For Dacian drilling, diamond core was 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"> • Dacian 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. • Dacian RC samples were collected via on-board cone splitters. Most samples were 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 90% passing 75µm. • For historic drilling detailed

		<p>information on the QAQC programs used was not available.</p> <ul style="list-style-type: none"> • 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"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • For Dacian drilling, the analytical technique used was a 50g Lead collection fire assay. Analysed by Inductively Coupled Plasma Optical (Atomic) Emission Spectrometry. This is a full digestion technique. Samples were analysed at Intertek Genalysis in Maddington, Western Australia. • For Dacian drilling, sieve analysis was carried out by the laboratory to ensure the grind size of 90% passing 75µm was being attained. • For Dacian drilling, QAQC procedures involved the use of certified reference materials (1 in 20) and blanks (1 in 50). Results were assessed as each laboratory batch was received and were acceptable in all cases • No QAQC data has been reviewed for historic 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 are accurate. • At both Jupiter and Westralia, umpire laboratory testwork was completed in January 2014 over mineralised intersections with good correlation of results. • The Intertek preparation lab in Kalgoorlie was audited by Dacian

		in January 2016.
Verification of sampling & assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> At Jupiter and Westralia, significant intersections were visually field verified by company geologists. At Westralia, significant intersections from seven Dacian holes were re-assayed by screen fire assay with good repeatability of results No twin holes were drilled. Primary data was collected into either an Excel spread sheet 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"> <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>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> Historic drill hole collar coordinates were tied to a local grid with subsequent conversion to MGA94 Zone 51. Mine workings support the locations of historic drilling. All Dacian hole collars were surveyed in MGA94 Zone 51 grid using differential GPS. Dacian holes at Jupiter were downhole surveyed either with multi-shot EMS or Reflex multi-shot tool. Dacian holes at Westralia were downhole surveyed by Gyro Australia using a north seeking gyro tool. Topographic surface prepared from detailed ground and mine surveys.
Data spacing and distribution	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> At Jupiter, the nominal hole spacing of Dacian drilling is approximately 40 –80m. At Westralia, the Dacian drilling has a nominal spacing of approximately 40–80m along strike and 40–200m down dip. The drilling subject to this announcement has not been used to prepare Mineral Resource

		estimates for either deposit at this stage.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • At Westralia, drill holes are angled to 245°, which is approximately perpendicular to the orientation of the well-defined mineralisation. • At Jupiter, most 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"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Chain of custody is managed by Dacian. Samples are stored on site until collected for transport to Intertek Laboratories in Kalgoorlie. Dacian 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 reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • A RungePincokMinarco (RPM) consultant reviewed RC and diamond core sampling techniques in January 2016 and concluded that sampling techniques are satisfactory.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 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. 	<ul style="list-style-type: none"> The Westralia deposit is located within Mining Lease 39/18, which is wholly owned by Dacian and subject to a 1% capped third party production royalty. The Jupiter deposit is located within Mining Lease 39/236, which is wholly owned by Dacian and subject to a 1% capped production royalty and another tonnage based 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"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> At Westralia, open pit and underground mining has occurred since the 1890's. Other companies to have explored the deposit include Whim Creek Consolidated NL, Dominion Mining, Plutonic Resources, Homestake Gold and Barrick Gold Corporation. At Jupiter, open pit mining occurred in the 1990's. Previous companies to have explored the deposit include Croesus Mining, Dominion Mining and Barrick Gold Corporation.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The Westralia gold deposit is Archaean BIF hosted sulphide replacement mineralisation and is located within the Yilgarn Craton of Western Australia. The Jupiter prospect is interpreted to comprise structurally controlled mesothermal gold mineralisation related to syenite intrusions within altered basalt.
Drill hole information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole 	<ul style="list-style-type: none"> For drilling not previously reported, the locations and mineralised intersections for all holes completed are summarised in Tables 4 in the body of this ASX release. Refer to previous Dacian ASX releases for information regarding previous Dacian drilling. Reporting of intersection widths in Figures and summary tables is



	<ul style="list-style-type: none"> • down hole length and interception depth • hole length • 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. 	rounded to the nearest 0.1 m.
Data aggregation methods	<ul style="list-style-type: none"> • 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. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • Exploration results are reported as length weighted averages of the individual sample intervals. Zones of particularly high grade gold mineralisation have been separately reported in the tables in the body of this ASX release. • No high grade cuts have been applied to the reporting of exploration results. • At Westralia, intersections have been reported using a 0.5g/t lower cut-off, and can include up to 4m of internal dilution. • At Jupiter, intersections have been reported using a 0.2g/t lower cut-off, and can include up to 4m of internal dilution. • No metal equivalent values have been used.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • 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'). 	<ul style="list-style-type: none"> • At Westralia, drill holes are angled to 245°, which is approximately perpendicular to the orientation of the well-defined mineralised trend and true width is approximately 60–90% of down hole intersections. • At Jupiter, most holes are angled to the west so that intersections are orthogonal to the expected trend of mineralisation. It is interpreted that true width is approximately 60–100% of down hole intersections.
Diagrams	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Relevant diagrams have been included within the main body of text.



Balanced Reporting	<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. • 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. 	<ul style="list-style-type: none"> • All exploration results have been reported.
Other substantive exploration data	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • All interpretations for both Westralia and Jupiter mineralisation are consistent with observations made and information gained during previous mining at the project.
Further work	<ul style="list-style-type: none"> • The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> • At Jupiter, further broad spaced drilling is planned to define the structural controls and mineralisation potential of the Jupiter Corridor. Infill resource definition drilling along the Cornwall Shear will continue. • At Westralia, infill resource definition drilling is planned to improve confidence of the known mineralisation over 3km of strike length and extensional drilling is planned around the boundaries of the resource. • Refer to diagrams in the body of this release.