

15 DECEMBER 2015

MAJOR RESOURCE DRILL OUT COMMENCES AT THE MT MORGANS GOLD PROJECT

Dacian Gold Limited (ASX:DCN) (“Dacian” or “the Company”) is pleased to advise that following the completion of its \$25 million capital raising (see ASX announcement of 1 December 2015), it has commenced a major resource–infill drilling program at its 100% owned Mt Morgans Gold Project, located 20km south west of Laverton in Western Australia.

The resource–infill drilling program is aimed at improving the geological confidence of the Westralia and Jupiter Mineral Resources that were the subject of the Company’s Scoping Study (see ASX announcement of 30 September 2015). Approximately 50,000m of predominantly diamond drilling at the Westralia Prospect and 30,000m of RC drilling at Jupiter Prospect is to be completed over the next 6 months.

Figure 1 below is a photograph of three RC drilling rigs with support vehicles arriving on site over the last weekend. Together with three diamond rigs that commenced drilling in late November, a total of 6 rigs are now currently working double shift at Mt Morgans.



Figure 1: Arrival of three of the six drill rigs and support vehicles currently operating at Mt Morgans.

The Company will provide regular updates to the market over the next 6 months as drilling results come to hand.

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

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For and on behalf of the Board



Rohan Williams

Executive Chairman

About Dacian Gold Limited

The Mt Morgans Project hosts high grade Mineral Resources of 3.0 million ounces at an average grade of 2.2g/t gold, including Ore Reserves of 8,000 ounces at an average grade of 9.2g/t gold. In addition, the Company has identified multiple exploration targets and resource extension opportunities. If proven, they will enable growth of the Mt Morgans' existing Mineral Resource and Ore Reserve base.

Dacian Gold has recently completed a \$25 million capital raising. The Company has a strong Board and Management team which includes Rohan Williams as Executive Chairman; Robert Reynolds (formerly non-executive Chairman of Avoca Resources Ltd) and Barry Patterson (co-founder and non-executive Director of GR Engineering Ltd) as non-executive directors.

Dacian's 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 considers a high grade Ore Reserve of at least 600,000 ounces of gold is reasonably likely to provide sufficient returns to justify the investment capital required to construct an ore processing facility at the project.

Appendix I

Mount Morgans Gold Project Mineral Resources as at 15 September 2015

| Deposit | Cut-off 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 | - | - | - | 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 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, Jupiter and Transvaal Mineral Resource (current announcement) 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 (current announcement) 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 Reserves 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.