

INVESTMENT HIGHLIGHTS

- 100% ownership of the high grade Mt Morgans Gold Project, Laverton District in WA
- Ore Reserve of 136,000oz at 6.2g/t Au
- Mineral Resources of 923,000oz at 3.1g/t Au (inclusive of reserves).
- Multiple high grade targets to be drilled, testing below existing resources as well as large scale conceptual targets.
- Minimum ore reserve target of 500,000 ounces.
- \$15M in cash as at 30 June 2013.

BOARD OF DIRECTORS

Rohan Williams
Non-Executive Chairman

Paul Payne
Managing Director

Barry Patterson
Non-executive Director

Robert Reynolds
Non-executive Director

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24 October 2013

INITIAL DRILLING CONFIRMS LARGE SCALE GOLD SYSTEM AT JUPITER

Dacian Gold Limited ("Dacian") is pleased to announce that its first 5 diamond drill holes at the Jupiter Prospect have returned thick intervals of low grade gold mineralisation indicative of a substantial gold system developed over a strike length in excess of 2km.

Results from each of the 5 broadly spaced reconnaissance diamond drill holes include:

- 13JUDD001 - 120m @ 0.4g/t Au
- 13JURD004 - 71.1m @ 0.5g/t Au
- 13JURD003 - 45m @ 0.4g/t and 87.5m @ 0.4g/t Au
- 13JUDD002 - 27m @ 0.5g/t and 30.5m @ 0.4g/t Au
- 13JURD005 - 13.6m @ 1.4g/t Au

The drill holes lie in the southern part of the prospect and have confirmed that extensive mineralisation occurs within the large syenite pipes as well as within structures in the surrounding basalt. The geology and style of mineralisation defined at Jupiter is analogous to that seen at the nearby >7Moz Wallaby deposit.

Managing Director Paul Payne commented "We are very encouraged by the results from this initial framework drilling which confirms our view that a major gold system exists at Jupiter. We will continue to scope out the full 2km extent of the Jupiter Corridor to define the structural controls on the system which we expect will then allow us to target higher grade positions with further drilling."

Jupiter Prospect

The Jupiter Prospect lies in the eastern half of Dacian's 100% owned Mt Morgans Gold Project, located 40km west of Laverton in the North Eastern Goldfields of Western Australia (Figure 1). Gold mineralisation at Jupiter occurs over a 2km long corridor and is associated with a series of syenite intrusions as well as gently dipping, structurally controlled zones within the surrounding basalt. The geology and style of mineralisation is analogous to that seen at the nearby >7Moz Wallaby deposit.

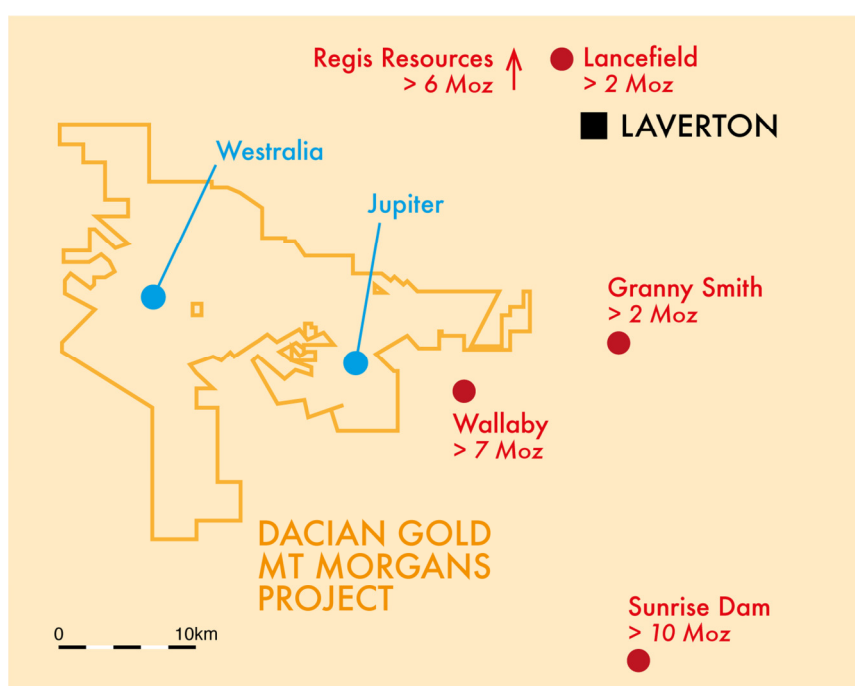


Figure 1: Regional Location Map

The broadly north-south Jupiter Corridor (Figure 2) contains a series of mineralised syenite pipes defined by shallow historic drilling. The northern portion of the corridor is defined by the historic Jupiter open pit where previous mine production together with the current Mineral Resource represent an endowment of approximately 300,000oz to a depth of only 150m below surface.

Dacian's initial drilling was focused at the southern end of the 2km long Jupiter Prospect and consisted of wide spaced diamond drill holes that were designed to:

- (i) locate the position of the syenite intrusive rock below the previous shallow surface drilling and;
- (ii) identify any gold-bearing structures that may be present in and around the syenites.

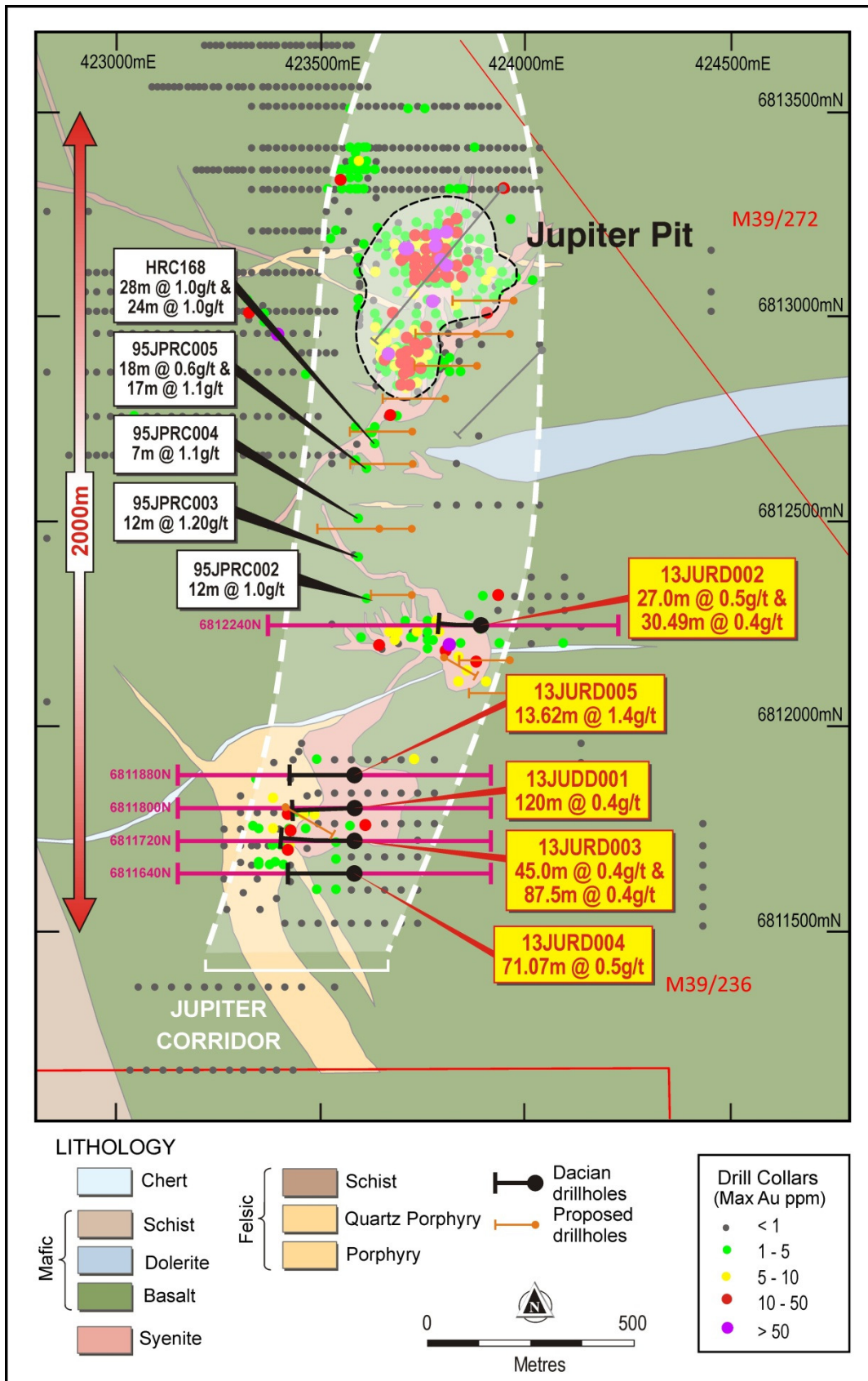


Figure 2: Jupiter plan showing Dacian drill holes, historic intersections and planned holes

The drilling successfully defined the depth extensions of the syenite bodies and confirmed a steep, pipe-like orientation of the intrusions. In some cases (eg 13JURD003 and 13JUDD001) the entire syenite body was continuously mineralised, as seen in Figures 3 and 4 respectively. Significant intersections from each of the first five holes completed (at above a 0.2g/t Au lower cutoff) are:

- **13JUDD001 - 120m @ 0.4g/t from 125m**
 including: 2.3m @ 2.9g/t from
 3.1m @ 3.1g/t
 4.0m @ 2.2g/t
- 13JURD004 - 6.1m @ 1.4g/t from 119.12m and
 71.1m @ 0.5g/t from 210.93m
 including: 4.93m @ 1.7g/t
- 13JUDD002 - 27.0m @ 0.5g/t from 62m and
 30.5m @ 0.4g/t from 122.75m
 including: 3.2m @ 2.6g/t
- **13JURD003 - 45m @ 0.4g/t from 76m and**
 87.5m @ 0.4g/t from 212m
 including: 6.0m @ 1.5g/t
- 13JURD005 - 13.6m @ 1.4g/t from 170.92m

The true thickness of the intersections is interpreted to be 75-100% of the down hole interval except for 13JURD005 where the true thickness is interpreted to be approximately 50% of down hole thickness. Full details of the Jupiter drilling intersections are included in Table 1.

In addition to the thick mineralisation seen within the syenite bodies, the intersection of 13.6m @ 1.4g/t Au in hole 13JURD005 confirms a second style of mineralisation at Jupiter. Here, the mineralisation is associated with a strong shallow west-dipping structure hosted entirely within basalt and displaying an intense sericite-silica alteration and quartz veining (Figure 5). This style of alteration away from the syenite bodies bears similarities to some of the high grade lodes mined at the Wallaby deposit; and further testing of this structure up-dip and along strike will be carried out immediately.

Broad zones of gold mineralisation at 0.4-0.5g/t Au within basalt were also intersected at shallow depths in 13JURD003 and 13JURD002 (Figures 3 and 6 respectively). Future drilling will target along-strike and at depth from these highly anomalous zones.

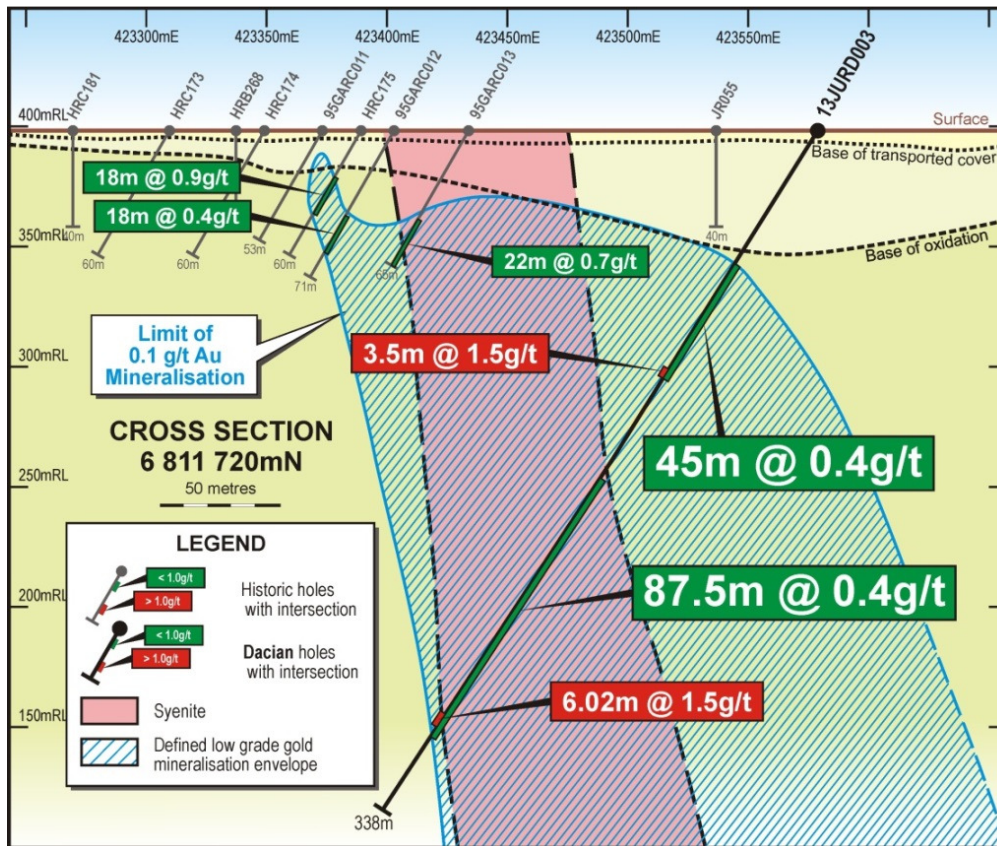


Figure 3: Section 6811720N with drill hole 13JURD003

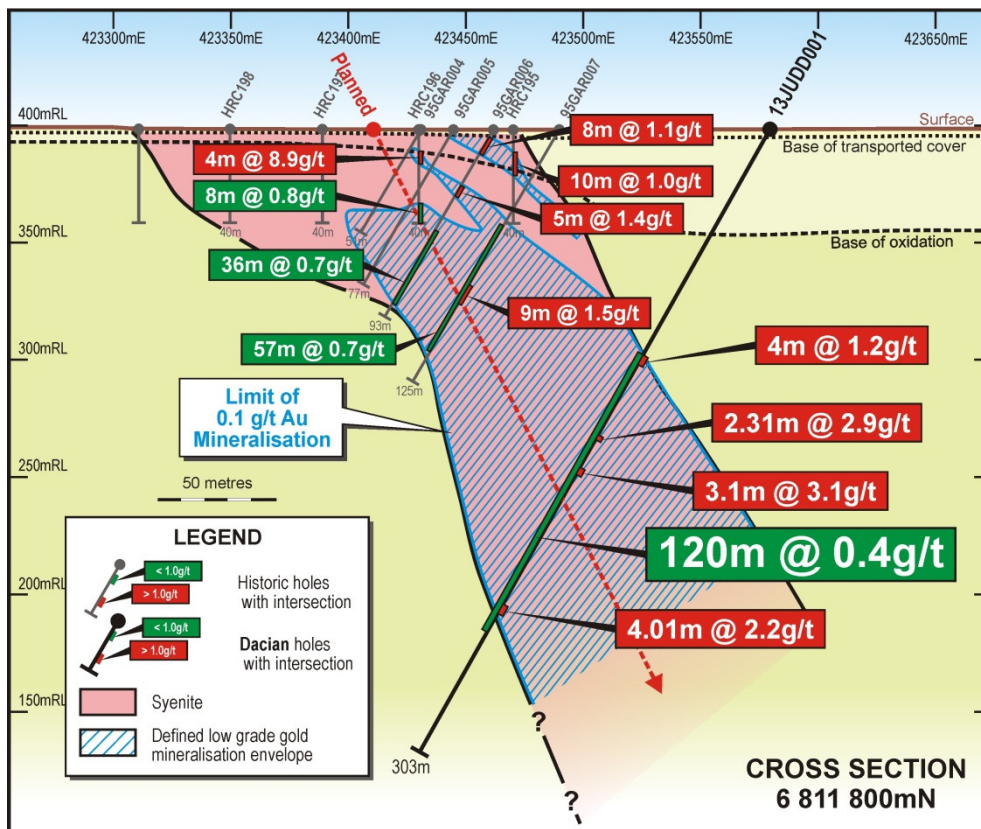


Figure 4: Section 6811800N with drill hole 13JURD001

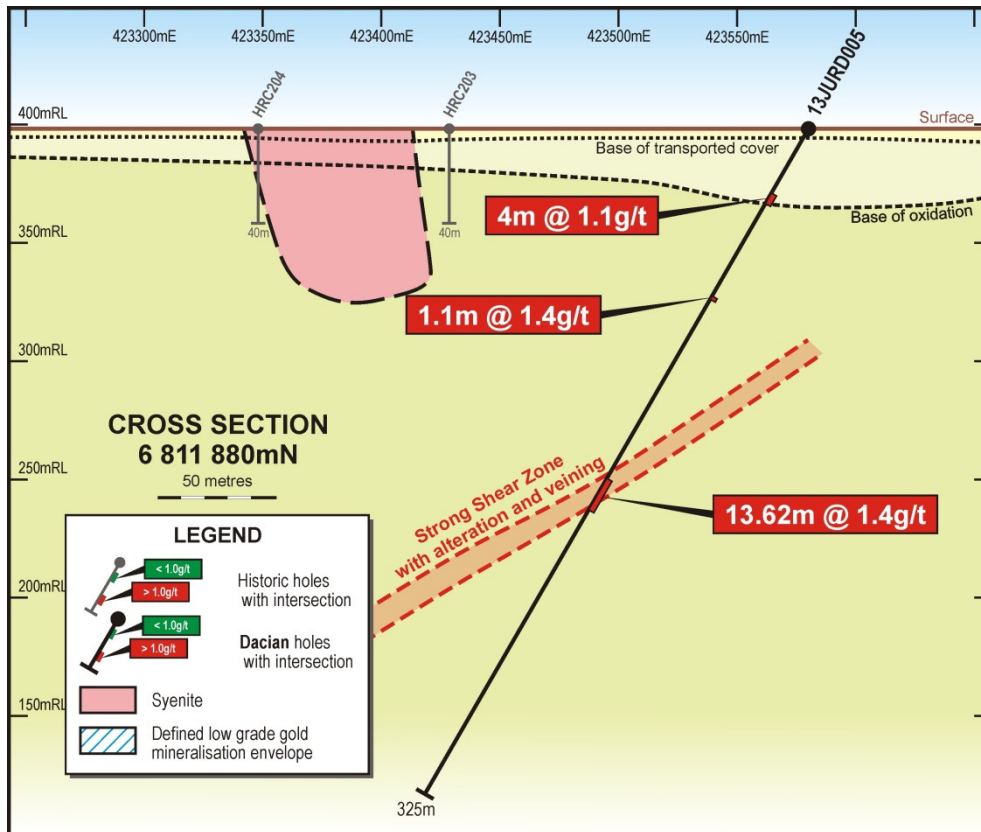


Figure 5: Section 6811880N with drill hole 13JURD005

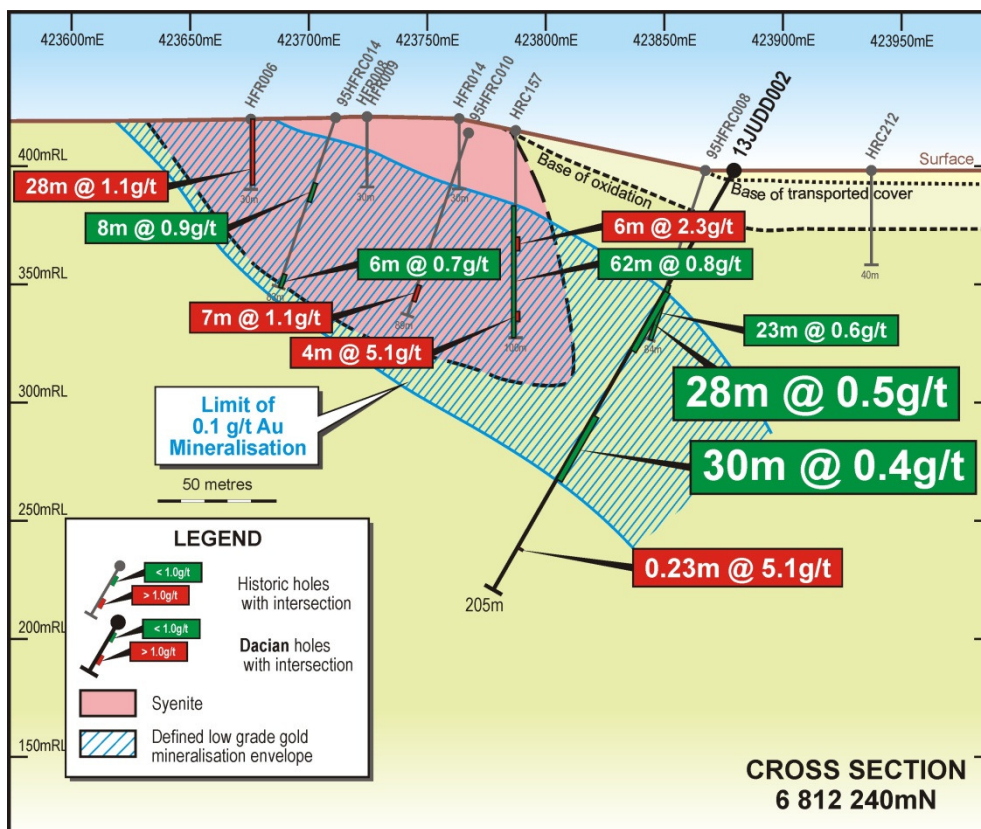


Figure 6: Section 6812240N with drill hole 13JURD002

Ongoing Exploration Programs

Drilling at the Jupiter Prospect is ongoing and is planned to:

- fully delineate the location and orientation of the prospective mineralised syenite bodies;
- Drill down the vertical axis of the defined syenites testing for high grade structures located within the intrusive body (see "Planned" drill hole in Figure 4);
- Test for high grade mineralised structures located within the surrounding basalt, away from the syenites.

Additional drilling is also planned for the Westralia deposit during November. A second diamond rig has been scheduled for this program which will comprise several infill holes to test for continuity of the high grade mineralisation defined by Dacian within the Millionaires Shoot. It is anticipated that this will allow a Mineral Resource update to be completed for the deposit including the mineralisation within the high grade shoot.

About Dacian Gold Limited

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

The Mt Morgans Project hosts high grade JORC Code compliant Mineral Resources of 923,000 ounces at an average grade of 3.1g/t gold, including JORC Code compliant Ore Reserves of 136,000 ounces at an average grade of 6.2g/t gold. In addition, the Company has identified multiple exploration targets and resource extension opportunities. If proven, they will enable growth of the Mt Morgans' existing Mineral Resource and Ore Reserve base.

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

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

Visit: www.daciangold.com.au

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Mineral Resources and Ore Reserves

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

Mt Morgans Gold Project Mineral Resources

Deposit	Cutoff Grade Au g/t	Measured			Indicated			Inferred			Total		
		Tonnes	Au g/t	Au Oz	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	1.5							811,000	2.8	73,000	811,000	2.8	73,000
Westralia	0.5	646,000	3.9	80,000	1,385,000	2.9	129,000	1,300,000	3.7	155,000	3,331,000	3.4	364,000
Craic	0.5				69,000	8.2	18,000	120,000	7.1	27,000	189,000	7.5	46,000
Transvaal	0.5	1,549,000	3.2	159,000	1,176,000	2.7	102,000	926,000	2.2	66,000	3,650,000	2.8	327,000
Ramornie	0.5				189,000	3.6	22,000	138,000	2.8	13,000	326,000	3.3	34,000
Morgans North	0.5				290,000	2.6	25,000	169,000	3.8	20,000	459,000	3.1	45,000
Total		2,194,000	3.4	240,000	3,108,000	3	296,000	3,996,000	3.0	387,000	9,298,000	3.1	923,000

Mt Morgans Gold Project Ore Reserves

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

Competent Person Statement

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

Table 1: Mt Morgans Exploration Drilling Results - Jupiter Prospect

Collar Location and Orientation								Intersection > 0.2ppm Au			
Hole	Type	X	Y	Z	Total Depth	Dip	Azimuth	From (m)	To (m)	Length (m)	Au (ppm)
13JUDD001	DD	423,580	6,811,800	399	303	-60	270	125	245	120.00	0.43
								125	129	4.00	1.20
								147.65	149.96	2.31	2.95
								166.9	170	3.10	3.12
								235	239.01	4.01	2.19
13JUDD002	DD	423,885	6,812,243	399	205	-60	270	62	89	27.00	0.49
								85.07	89	3.93	1.30
								122.75	153.24	30.49	0.43
13JURD003	RCD	423,580	6,811,720	399	336	-60	270	188.04	188.27	0.23	5.10
								76	121	45.00	0.38
								117.5	121	3.50	1.47
								171	191	20.00	0.28
13JURD004	RCD	423,580	6,811,640	399	330	-60	270	212	299.5	87.50	0.42
								292.32	298.34	6.02	1.45
								119.12	125.2	6.08	1.41
								210.93	282	71.07	0.48
13JURD005	RCD	423,580	6,811,880	399	325	-60	270	272.27	277.2	4.93	1.73
								315.53	317.82	2.29	1.42
								32	36	4.00	1.10
								81.9	83	1.10	1.45
								170.92	184.54	13.62	1.43

RC samples were collected at 1m intervals using a rig mounted cone splitter. The core samples were half NQ core and were based on geological boundaries with a minimum sample length of 0.25m. Reported intersections are based on intervals >0.2g/t Au and can include up to 8m of internal dilution. All samples were analysed by Bureau Veritas using a 40g fire assay. QAQC protocols include the use of blanks, standards and duplicates. All holes have been spatially located using differential GPS with downhole surveys completed using either an electronic multishot reflex tool or a north seeking gyro instrument.

The true thickness of the intersections is interpreted to be 75-100% of the down hole interval except for 13JURD005 where the true thickness is interpreted to be approximately 50% of down hole thickness.