

## 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 840,000oz 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.
- \$18.5M in cash as at 31 December 2012.

## 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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## MT MORGANS EXPLORATION UPDATE

Dacian Gold Limited ("Dacian") is pleased to present an update of its ongoing drilling activities at its 100% owned Mt Morgans Gold Project, located 40km west of Laverton in Western Australia's north-eastern goldfields.

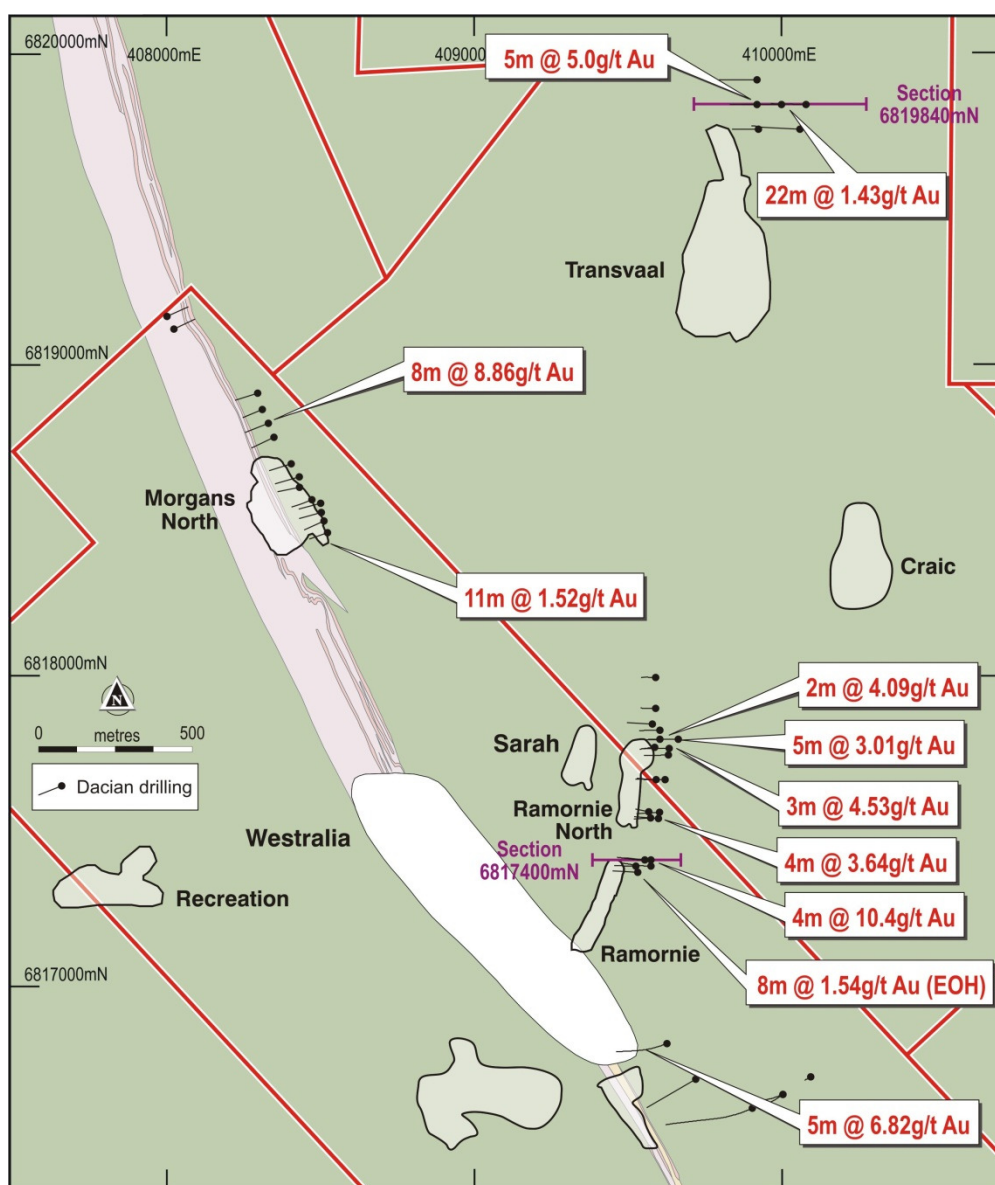
### Key points:

- Results from step-out resource-extension drilling at Westralia and Transvaal; and testing below the Ramornie prospect confirm high grade extensions to known mineralisation at each site, including:
  - 4m @ 10.4 g/t from 152m at Ramornie,
  - 5m @ 6.8 g/t from 193m at Westralia, and
  - 5m @ 5.0 g/t from 135m at Transvaal
- Resource-extension drilling remains ongoing at Westralia and Transvaal. Regional Exploration programs are to commence shortly with drilling planned for the syenite-related, Jupiter and Cameron Well prospects.
- Resource estimation studies at Ramornie are on track to be completed at end of Q1;

Managing Director Paul Payne commented "Results received at this early stage in our programs are very encouraging with high grade gold mineralisation intersected outside of existing resources at each of the prospects drilled. We will continue our drilling on these high grade targets as we begin our evaluation of the exciting regional targets."

## Overview

Reverse circulation (RC) drilling resumed at Mt Morgans in mid-January and diamond drilling commenced in early February. By late February results returned showed the drilling had defined high grade extensions to known mineralisation at the Westralia and Transvaal resources and at the Ramornie prospects, with results from several holes pending. New drill results from the initial 2013 drilling program are included in Table 1 and all significant intersections are shown below in Figure 1.



**Figure 1: Location of All New Dacian Drilling with Significant Results**

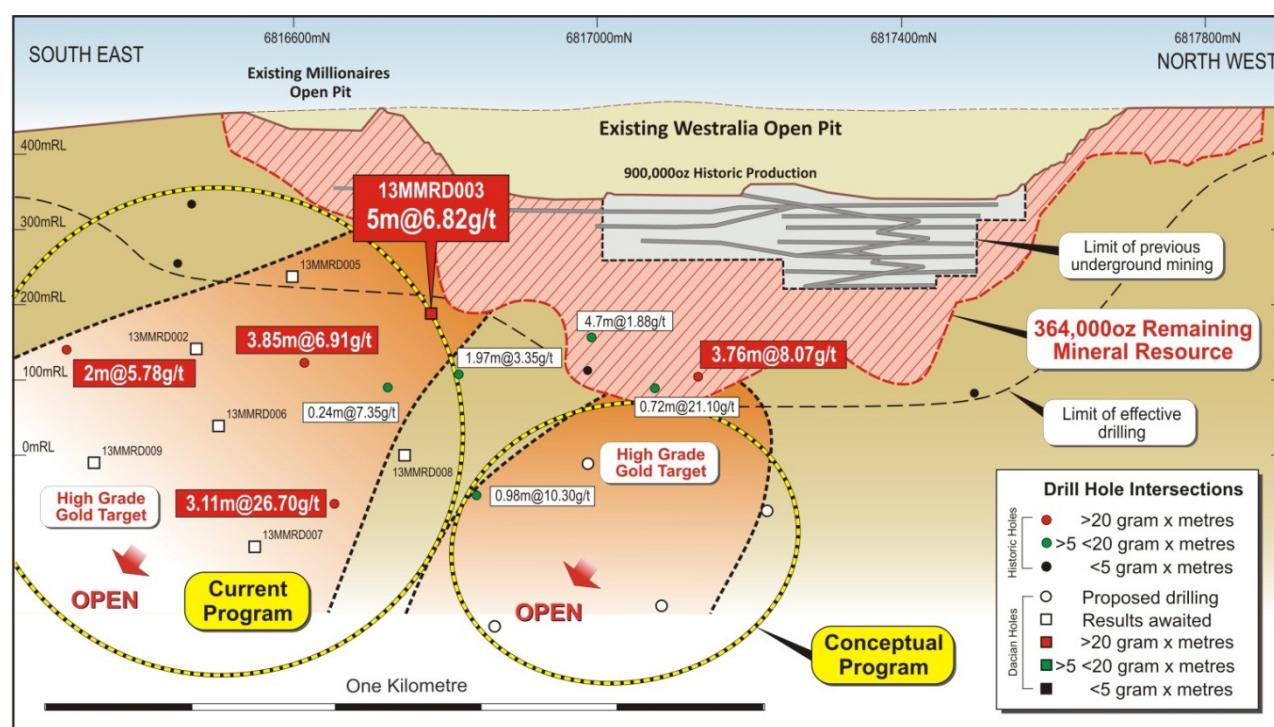
## Westralia

Gold mineralisation at Westralia occurs within a well-defined banded iron formation (BIF) horizon. Sparse drilling beneath the southern end of the Westralia pit carried out during 1990's had returned high grade gold intersections over an extent of approximately 1,000m along strike and 600m down dip (see Figure 2). Dacian has commenced testing this large target area with an initial series of 7 diamond holes at approximately 200m centres (shown on Figure 2). Results from the first hole completed returned the following high grade intersection:

- 5m @ 6.8g/t Au from 193m in 13MMRD003

This intersection lies approximately 30m below the existing 364,000oz Mineral Resource.

Three other holes completed at the time of this report had intersected the targeted BIF horizon at the expected location and results are awaited.



**Figure 2: Westralia Long Section Showing Historical Intersections and Dacian Drill Holes**

## Ramornie and Ramornie North

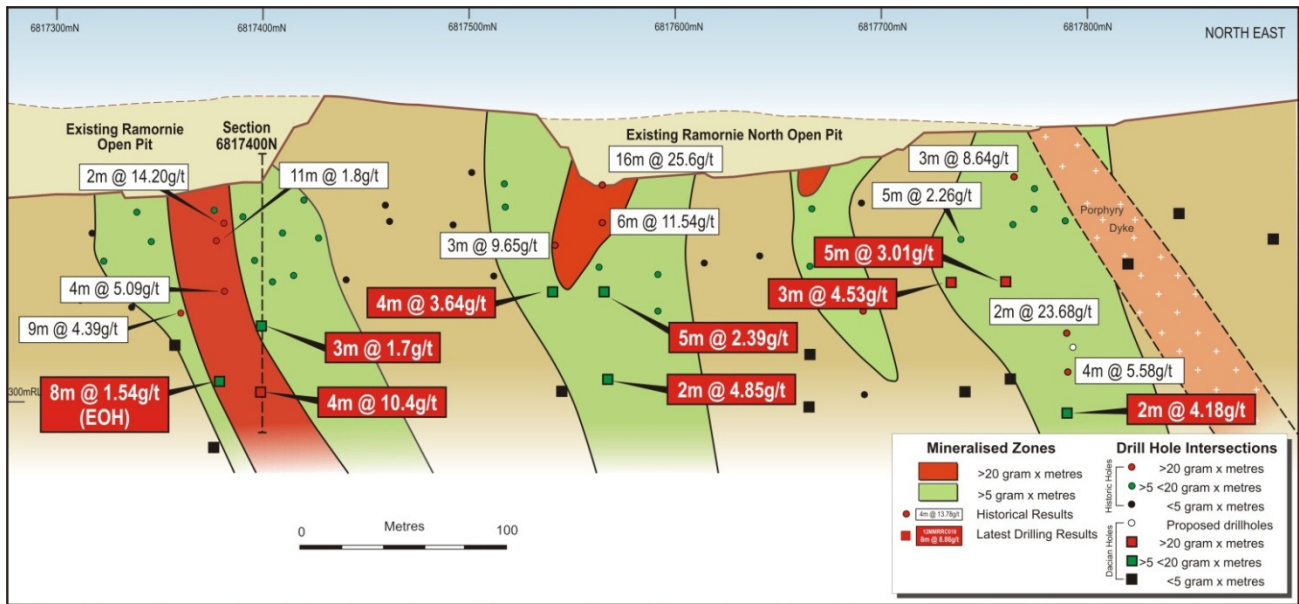
Gold mineralisation in the Ramornie area occurs within a zone of biotite-pyrite alteration associated with shearing in a basalt host rock. The alteration zone is developed for several kilometres and includes the Ramornie North gold deposit and the +0.5Moz Transvaal deposit, located approximately 2km north of Ramornie. There are currently no Mineral Resources defined at Ramornie and Ramornie North.

Dacian has completed an initial program of RC drilling over a 500m strike extent testing for depth-extensions of the high grade shoots defined in the shallow Ramornie and Ramornie North open pits (less than 50m deep, see Figure 3). Better intersections from the recent drilling include:

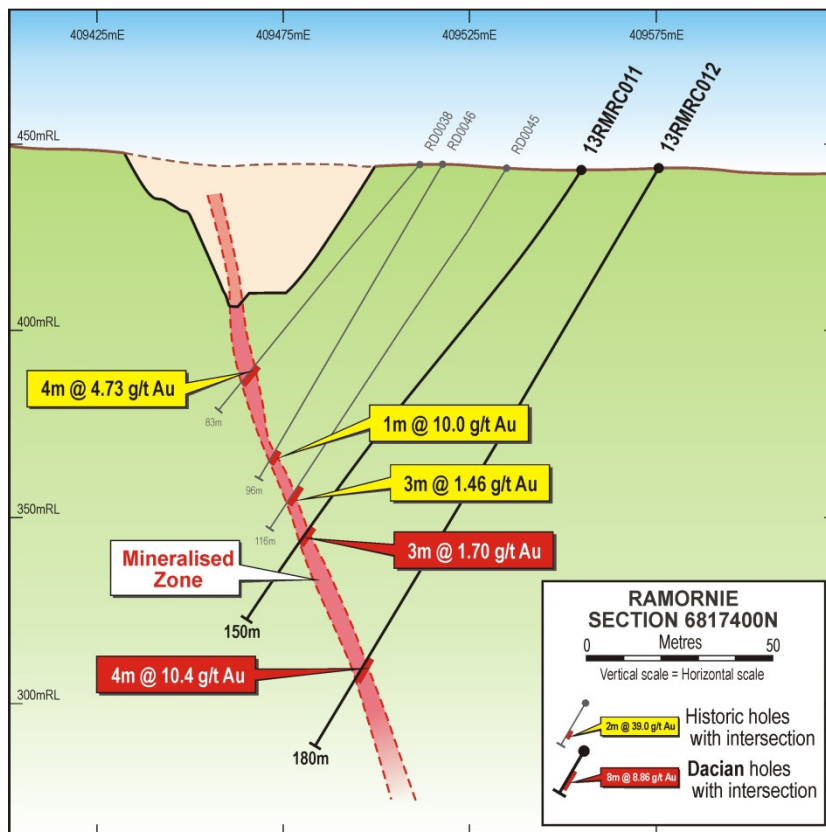
- 13RMRC012 4m @ 10.4g/t Au from 152m
- 13RMRC001 3m @ 4.5g/t Au from 96m
- 13RMRC003 2m @ 4.1g/t Au from 164m
- 13RMRC010 8m @ 1.5g/t Au from 148m (eoh)
- 13RMRC011 3m @ 1.7g/t Au from 121m

The mineralised structure at Ramornie and Ramornie North displays excellent continuity and remains open down plunge in a number of areas. Further holes are planned to test the extent of high grade lode development around the 4m at 10.4g/t in 13RMRC003 (Figure 4) which remains open down dip and along strike to the north.

Dacian is currently undertaking resource estimation studies at the Ramornie and Ramornie North prospects, aiming for an end of Quarter 1 market release. Figure 3 shows Dacian intersections and several intersections completed by a previous operator developed along the +500m strike of mineralisation defined by Ramornie and Ramornie North that will be incorporated into the resource estimate.



**Figure 3: Ramornie / Ramornie North Long Section Showing Significant Intersections**



**Figure 4: Ramornie Cross Section 6,817,400N**



## Transvaal

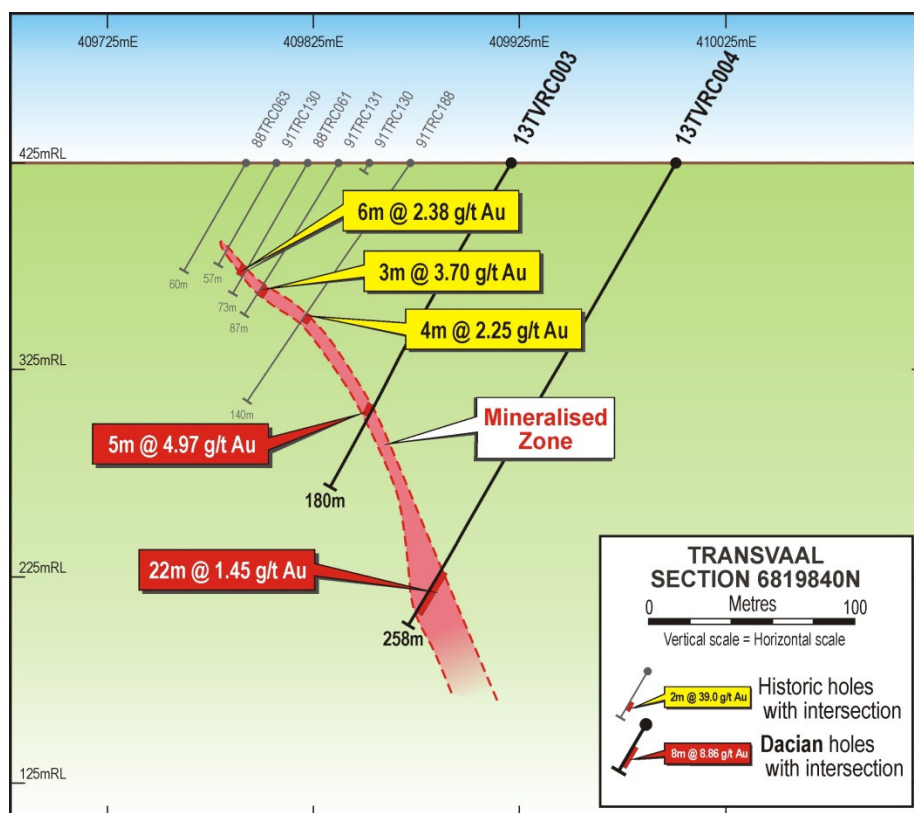
The high-grade Transvaal deposit comprises several sub-parallel mineralised shear zones within basalt, and lies at the northern end of the north-south oriented biotite-pyrite alteration zone that also hosts the Ramornie and Ramornie North deposits. Transvaal has a production history of approximately 170,000 ounces by both open pit and underground mining methods; and together with its remaining Mineral Resource of 327,000oz, confirms the Transvaal deposit as a significantly endowed gold deposit exhibiting approximately 2,000 ounces per vertical metre.

An initial program of RC and diamond holes has been designed to provide first pass testing at 80m by 80m drill centres of the northern extension of the Transvaal deposit in an area not previously drilled. Results have been received from the initial holes of the program including:

- 13TVRC003 5m @ 5.0g/t Au from 135m
- 13TVRC004 22m @ 1.5g/t Au from 228m

The 13TVRC03 intersection of 5m @ 5.0g/t is shown in cross section in Figure 5 and is located approximately 150m along strike from existing 295mRL level development in the Transvaal underground mine. Also shown in Figure 5 is the broader 13TVRC004 intersection of 22m @ 1.5g/t. Additional drilling will test below the mineralisation shown in Figure 5 which remains open at depth and to the north.

Diamond drilling is now proceeding to test the depth extent of the richer, central zone of the Transvaal deposit. Five diamond holes will test the projected higher ounce per vertical metre lode position a minimum of 80m below the current resource boundary over a 400m strike extent.



**Figure 5: Transvaal Cross Section 6,819,840N**

## Exploration Work Programs and Strategy

Dacian's exploration strategy comprises two key priorities, operated in parallel, with the aim of either independently, or in combination, 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 Mt Morgans.

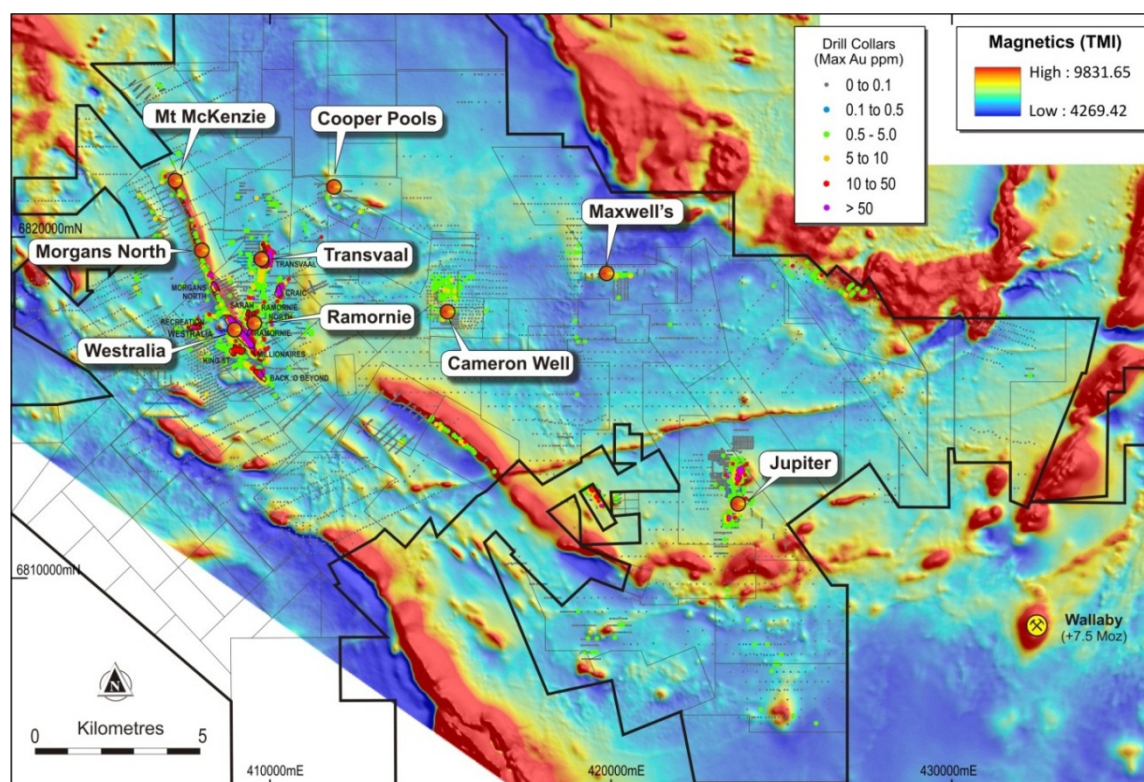
The two exploration priorities can be described as:

- **Resource-extension Drilling priority.** Here, exploration is focused on testing strike and depth extents of known high grade resources and will comprise RC and diamond drilling. The results described in this announcement relating to Westralia and Transvaal are examples of this exploration priority.
- **Regional Exploration priority.** Here, exploration is focused on defining new resources and involves earlier stage exploration activities such as geophysical or geochemical surveys; reconnaissance RAB / aircore drilling; and RC or diamond drilling as required.

The Resource-extension Drilling and the Regional Exploration priorities will be operated in parallel. The initial program of Resource-extension Drilling is partly completed and follow up

work on this exploration priority will continue throughout 2013. Dacian will provide updates to the Mt Morgans Mineral Resources resulting from this work program throughout the year.

Planning for the Regional Exploration priority has commenced and key areas for immediate attention are the Jupiter and Cameron Well prospects (Figure 6) where high grade mineralisation associated with syenite intrusive complexes has previously been intersected in drilling completed by previous explorers. It is apparent the mineralisation style an alteration observed at the Jupiter and Cameron Well prospects is similar to that seen at the 7Moz Wallaby deposit located 7km to the east of the project area.



**Figure 6: Regional Exploration Areas Showing Jupiter and Cameron Well Prospects**

For further information, please contact:

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## 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 842,000 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 (formally non-executive Chairman of Avoca Resources Ltd) and Barry Patterson (co-founder and non-executive Chairman of GR Engineering Ltd) as non-executive directors.

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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 as at 31 October 2012

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
<b>Total</b>		<b>2,194,000</b>	<b>3.4</b>	<b>239,000</b>	<b>2,629,000</b>	<b>2.9</b>	<b>249,000</b>	<b>3,689,000</b>	<b>3.0</b>	<b>354,000</b>	<b>8,513,000</b>	<b>3.1</b>	<b>842,000</b>

### Mt Morgans Gold Project Ore Reserves as at 31 October 2012

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
<b>Total</b>		<b>380,000</b>	<b>6.2</b>	<b>76,000</b>	<b>299,000</b>	<b>6.3</b>	<b>61,000</b>	<b>679,000</b>	<b>6.2</b>	<b>136,000</b>

## 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 2013**

Collar Location and Orientation									Intersection > 0.5g/t Au			
Prospect	Hole	Type	X	Y	Z	Total Depth	Dip	Azimuth	From (m)	To (m)	Length (m)	Au (g/t)
Morgans North	13MMRC001	RC	408,350	6,818,765	443	162	-60	245	124	125	1	0.63
Westralia	13MMRD002	RCD	409,905	6,816,540	443	469	-60	245	Core samples awaited			
Westralia	13MMRD003	RCD	409,627	6,816,749	443	297	-60	248	193	198	5	6.82
Ramornie	13RMRC001	RC	409,632	6,817,740	443	114	-55	270	96	99	3	4.53
Ramornie	13RMRC002	RC	409,632	6,817,740	443	176	-60	270	154	156	2	1.71
Ramornie	13RMRC003	RC	409,665	6,817,790	443	200	-60	270	164	166	2	4.09
Ramornie	13RMRC004	RC	409,605	6,817,820	443	132	-60	270	No assays >0.5g/t Au			
Ramornie	13RMRC005	RC	409,580	6,817,840	443	168	-60	270	120	121	1	1.31
Ramornie	13MRMD006	RCD	409,590	6,817,890	438	90	-60	270	Core samples awaited			
Ramornie	13RMRC007	RC	409,590	6,817,890	443	90	-60	270	No assays >0.5g/t Au			
Ramornie	13RMRC008	RC	409,590	6,817,990	443	90	-60	270	72	73	1	0.64
Ramornie	13RMRC010	RC	409,526	6,817,380	443	156	-60	270	148	156	8	1.54
Ramornie	13RMRC011	RC	409,555	6,817,400	443	150	-55	270	121	124	3	1.70
Ramornie	13RMRC012	RC	409,575	6,817,400	443	180	-60	270	152	156	4	10.40
Transvaal	13TVRD001	RCD	410,060	6,819,760	424	336	-60	270	285	295	10	0.93
Transvaal	13TVRC002	RC	409,925	6,819,760	424	180	-60	270	124	126	2	2.71
									157	158	1	8.60
Transvaal	13TVRC003	RC	409,920	6,819,840	424	180	-60	270	135	140	5	4.97
Transvaal	13TVRC004	RC	410,000	6,819,840	424	258	-60	270	228	250	22	1.43
Transvaal	13TVRC005	RC	406,840	6,819,920	424	134	-60	270	No assays >0.5g/t Au			
Transvaal	13TVRC006	RC	409,920	6,819,920	424	246	-60	270	156	164	8	0.82
Transvaal	13TVRC007	RC	409,840	6,820,000	424	174	-60	270	No assays >0.5g/t Au			

RC samples were collected at 1m intervals using a riffle splitter (other than 12MMRC015 which was sampled in 4m composites). 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 >0.5g/t Au and can include up to 4m of internal dilution. All samples were analysed at the Bureau Veritas Perth laboratory using a 40g fire assay. All holes have been surveyed using hand held GPS.

True thickness of intersections is interpreted to represent 80-100% of down-hole intersections.