

31 January 2018

QUARTERLY ACTIVITIES REPORT TO 31 DECEMBER 2017

***December quarter continues Dacian Gold's transformation
to gold producer in March 2018***

HIGHLIGHTS

- Construction of the new Mt Morgans 2.5Mtpa CIL treatment plant facility passes the 90% completion mark. Project construction remains on time and on budget
- First gold pour at Mt Morgans is scheduled for 8 weeks time
- Ore development now on 5 levels at Beresford with 1,140m of advance completed and 60,000 tonnes of ore on the mine ROM pad
- First underground stope at Beresford fired on 26 January 2018
- Mine development at Beresford and Allanson is 873m ahead of the corresponding Feasibility Study schedule
- McMahon awarded open pit mining contract for Jupiter with first mining commenced 29 December 2017
- Mt Morgans Gas Pipeline and gas-receiving infrastructure completed; and gas supply contract executed ready for gas delivery on 1 February 2018
- Additional strong oxide drilling results confirm Cameron Well is emerging as Dacian's third significant gold discovery at Mt Morgans
- Mr Chris Newman appointed as Dacian Gold's Geology Manager

Dacian Gold's Executive Chairman & CEO, Rohan Williams said "the December quarter was another excellent quarter of progress in all work areas across the Company including project construction, underground mining, commencement of open pit mining and exploration.

"The project remains on time and on budget and we remain very focused on making our gold production target of March 2018, which is now only 8 weeks away.

"Its an exciting time for the Company as we continue our transformation from developer to gold producer. At the same time, we are also beginning to see the benefits of our ongoing exploration efforts with Cameron Well looking like our third discovery."

INTRODUCTION

Dacian Gold's 100%-owned Mt Morgans Gold Project (**MMGP**) is located 25km south-west of Laverton in Western Australia (see Figure 1). The MMGP has been the Company's sole focus since its \$20M exploration IPO on the ASX in November 2012. In less than three years that followed the IPO, Dacian Gold had discovered two +1 million ounce gold deposits at Westralia and Jupiter; and announced a Mineral Resource base of 3 million ounces. During 2016, the Company completed a bankable Feasibility Study which delivered an initial Ore Reserve from the two discoveries of 1.2 million ounces of gold.

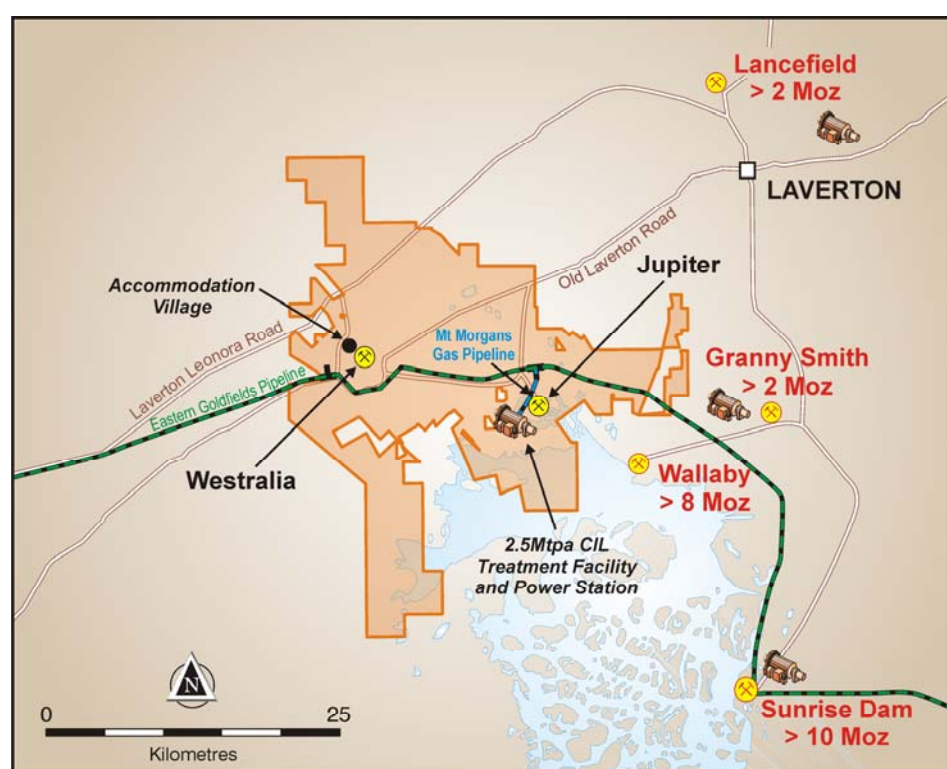


Figure 1: Location map showing Dacian Gold's 100%-owned MMGP tenure (orange), with the Westralia and Jupiter Deposits. Also shown is the location of existing and new infrastructure, including the 2.5Mtpa CIL Treatment Plant, the Mt Morgans Gas Pipeline and the new accommodation village. Note the proximal multi-million ounce gold deposits around the MMGP.

Over the last 12 months, Dacian Gold has completed the following activities at the MMGP:

- Completion of the MMGP Feasibility Study and initial Ore Reserve (see ASX release 21 November 2016) delivering:
 - An initial Ore Reserve of 18.6Mt @ 2.0g/t Au for 1.2Moz at an estimated AISC of A\$1,039/oz which includes:
 - Two new underground mines (Beresford and Allanson) beneath the previously mined Westralia open pit. The initial Ore Reserve of the two mines is 492Koz at an estimated AISC of A\$837/oz over an initial 4-year period; and
 - A large open pit at Jupiter, where the initial Ore Reserve is estimated at 643Koz and the estimated AISC averages A\$1,193/oz over an 8-year period;
 - Infrastructure capital costs of A\$172 million (*now reduced to A\$149M*) including:

- A new 2.5Mtpa CIL treatment plant and tailings storage facility; 400-person accommodation village, construction of mine service facilities at the Westralia and Jupiter Mine Areas; administration complex, power reticulation, establishment of raw water supply; re-establishment of haul and service roads; and phone, data and radio communications;
 - Mine-establishment capital costs at the Beresford and Allanson underground mines; and the Jupiter open pit total A\$48 million;
 - Gold production to commence in Q1 CY2018; and
 - Project payback period of 21 months using a A\$1,600/oz gold price (US\$1,200/oz);
- Executed a A\$150 million senior project debt facility with Westpac, ANZ, and BNP Paribas;
- Completed a A\$136 million share placement with the issue of 65.5 million new shares;
- Commenced works associated with the A\$107.1 million EPC contract for the construction of the new 2.5Mtpa CIL treatment plant and certain other infrastructure capital;
- Commenced underground mining at Beresford;
- Executed a hedge contract for the delivery of 52,000 ounces in FY2020 at an average price of A\$1,782/oz; and
- Confirmed Cameron Well as a new and emerging gold discovery.

The Company is fully-funded and fully-permitted for gold production which is scheduled to commence in March 2018, now less than eight weeks from the time of writing this report.

During the December 2017 quarter, key advancements at Mt Morgans were:

1. Construction of the new 2.5Mtpa CIL treatment plant has surpassed the 90% completion mark;
2. A high-pressure gas pipeline lateral providing gas to the gas-fired power station under construction adjacent to the treatment facility was ahead of schedule at quarter-end, ready for delivery of gas on 1 February 2018;
3. Dacian Gold signed a gas supply contract with Quadrant Energy;
4. Underground mining at Beresford has intersected ore on 5 separate levels and is 873m ahead of the corresponding Feasibility Study mining schedule;
5. Ore development on three levels at Beresford is already in excess of 1km and the first stope was mined on 26 January 2018;
6. The Jupiter open pit mining contract was awarded to McMahon and the first mining at Jupiter commenced on 29 December 2017; and
7. Numerous aircore drilling results from Cameron Well were returned confirming the prospect is emerging as a significant new discovery at Mt Morgans.

KEY COMPANY ADVANCEMENTS DURING THE DECEMBER QUARTER

1. 2.5Mtpa TREATMENT PLANT SURPASSES 90% COMPLETION

Construction of the new 2.5Mtpa treatment plant continued to progress well and remained on time and on budget during the quarter. The Guaranteed Maximum Price EPC contract signed with GR Engineering Services Ltd (**GRES**) to construct the plant provided site access to GRES in late April 2017. At the end of the September 2017 quarter, GRES had attained in excess of 50% completion of the treatment plant, and now, at the end of the December 2017 quarter, it is at above 90% complete.

Key developments made at the treatment plant during the December quarter include:

- CIL tanks structurally completed and painted;
- CIL tank overhead steel structure completed with all seven tank agitators in place;
- Primary crusher completed and energised with site power (diesel gensets);
- Both SAG and Ball mills installed, along with lubrication systems and girth gears on both mills fitted;
- Drive train assembly for both SAG and ball mills progressing well;
- Tailings Storage Facility Cell 1 complete;
- Ore reclaim vault situated beneath coarse ore stockpile completed and stockpile base construction in progress;
- Power station building completed and ready for installation of gas-fired gensets;
- Three 1MW back-up diesel-fired engines were installed and commissioned;
- Motor control rooms for crusher, milling area and CIL tank area all installed;
- Conveyor structures complete and all conveyor belts fitted; and
- Borefield piping and pumping infrastructure completed with 3 bores commissioned.

Electrical installation remains a key focus with pre-commissioning works progressively being undertaken using power supplied from the commissioned (standby) diesel generating sets located at the power station. At present there are over 40 electricians on site completing installation of electric cabling and associated switch gear.

Figures 2 to 4 illustrate site progress on the treatment plant during the December quarter.



Figure 2: Aerial photograph showing the near-complete status of the milling, CIL tankage, power station and goldroom areas of the Mt Morgans 2.5Mtpa treatment plant. Numbers refer to: 1 – Jupiter Mine Service Area; 2 – Plant warehouse and offices; 3 – 3MW standby diesel-fired gensets; 4 – Power house for gas-fired engines; 5 – Gas-receiving infrastructure (see also Figure 6, this report); 6 – Leach and process water dams; 7 – Raw water and process water dams; 8 – Leach and goldroom switchroom; 9 – Goldroom; 10 – CIL tanks and overhead steel structure; 11 – Pre-leach thickener; 12 – Ball mill; 13 – SAG mill and 14 – Cyclone assembly



Figure 3: Coarse-ore stockpile area showing main conveyor and ore reclaim vault. Note construction of the stockpile base on both sides of the reclaim vault. Area depicted in Figure 2 is shown at the rear of this image.



Figure 4: Tailings Storage Facility (TSF) cell number 1 was completed during the December quarter. Note the high-pressure gas pipeline track (and buried pipeline) shown parallel with the TSF embankment along right hand side of photograph.

2. MT MORGANS ENERGY SOLUTION FINALISED WITH GAS SUPPLY AND TRANSPORT CONTRACTS EXECUTED AND INFRASTRUCTURE INSTALLATION NEAR COMPLETE

Significant progress was made during the December quarter in respect of procuring gas supply and installing requisite infrastructure for the power requirements for the Mt Morgans site. APA Group completed installation of a 4km high-pressure gas lateral pipeline from the existing Eastern Goldfields Pipeline (see Figure 5) to the gas-receiving infrastructure constructed at the site of the Mt Morgans powerhouse (see Figure 6), located adjacent to the 2.5Mtpa treatment facility.

Additionally, Dacian Gold entered into a gas supply agreement with Quadrant Energy during the quarter for the provision of sufficient gas volumes to meet the site's power requirements.

All gas receiving infrastructure and pipelines are on track for delivery of first gas to site on 1 February 2018.



Figure 5: Installation of the 4km long high-pressure gas lateral from the Eastern Goldfields Pipeline to the Mt Morgans Power Station was completed during the December quarter.



Figure 6: Gas-receiving infrastructure assembly situated adjacent to the 2.5Mtpa treatment plant ready for gas delivery on 1 February 2018.

3. UNDERGROUND MINING OPERATIONS WELL AHEAD OF SCHEDULE

Excellent progress in the underground mining at Beresford, located beneath the Westralia open pit, continued during the quarter. At quarter-end, project-to-date progress was 873m ahead of corresponding Feasibility Study schedule, compared with it being 541m ahead of schedule at the end of the September quarter.

Key achievements from the underground mining at Beresford during the quarter include:

- Ore is now accessed on 5 levels, being the 2325L, 2314L, 2297L, 2280L and 2263L.
- Ore driving development on the 2297L, 2280L and 2263L for a total of 1,140m has delivered approximately 60,000 tonnes of ore on the surface ROM pad to date.
- The first underground stope was fired on the 2297L on 26 January 2018
- Underground diamond grade control drilling of 225 holes for approximately 26,500m has been completed up the end of the December quarter. Drilling results have confirmed high grade shoot orientations identified during the Feasibility Study.

4. OPEN PIT MINING COMMENCED AT JUPITER AFTER MCMAHON AWARDED MINING CONTRACT

Following an extensive tender and review process, McMahon Contractors Pty Ltd were awarded the open pit mining contract for the Jupiter mine during the quarter. The contract will have an initial term of 60 months with option periods extending for a possible additional 31 months, representing the current scheduled life of the open pit.

On 29th December 2017, the first mining of the Jupiter open pit occurred on top of Heffernans Hill (see Figure 7).

During the quarter, 563 surface RC drill grade control drill holes were completed for a total of over 15,500m of drilling. In addition to the principal north-south striking, east-dipping lodes identified in the Feasibility Study, a series of mineralised veins have been identified, and will be the subject of orebody modelling and ongoing resource estimation updates.



Figure 7: Photograph of the first mining at Jupiter which occurred on 29 December 2017. The area blasted was at Heffernans Hill, now cleared.

5. MORE STRONG INFILL DRILLING RESULTS CONFIRM CAMERON WELL IS AN EMERGING GOLD DISCOVERY

During the quarter, the Company released the results of 542 predominantly aircore drill holes confirming the Cameron Well prospect as an emerging new gold discovery at Mt Morgans (see ASX release dated 8 November 2017). All of the 542 holes released in the December quarter were drilled outside the 1.1km diameter circular Cameron Well Syenite Complex which reported numerous mineralised intersections in the June 2017 quarterly report.

Since Dacian Gold first commenced reconnaissance drilling at Cameron Well in September 2016, it has drilled over 1,380 aircore holes on a mostly 50m spaced grid and has defined a near-surface, gold-in-oxide anomaly measuring 6km² in size. Much of this drilling has taken place in parallel with the \$200 million construction effort in building the Mt Morgans Gold Project described in other sections of this report. Of the 1,380 aircore holes drilled:

- 208 intersected gold at the bottom of the drill hole;
- 173 intersected greater than 2.0 gram.metres in the drill hole
- 72 intersected greater than 5.0 gram.metres in the drill hole
- A major 4km long north-east, south-west mineralised structure is evident through the oxide gold anomaly

The extensive nature of oxide gold mineralisation identified from the 1,380 fifty metre spaced holes suggests Cameron Well may develop into the third significant gold deposit discovered by Dacian Gold at Mt Morgans.

Figure 8 is an aerial photograph of the eastern portion of the broad 6km² oxide gold anomaly showing the 50m spaced drilled lines and drill hole collar locations. Figure 9 shows the full extent of the entire 6km² oxide gold anomaly with several of the intersections reported during the quarter highlighted. Note the area depicted by the photograph in Figure 8 is shown as a dashed blue box on Figure 9, clearly demonstrating the very large size of the Cameron Well gold anomaly.

At the end of the quarter, Dacian Gold had commenced RC drill testing within the Cameron Well Syenite Complex with an aim of generating a maiden resource estimate for Cameron Well.



Figure 8: Aerial photograph showing 50m spaced aircore drill lines and drill hole collars (also 50m spaced) of the eastern portion of the large 6km² oxide gold anomaly at Cameron Well. Please refer to Figure 9 which shows the areal extent of this photograph in relation to the entire Cameron Well anomaly.

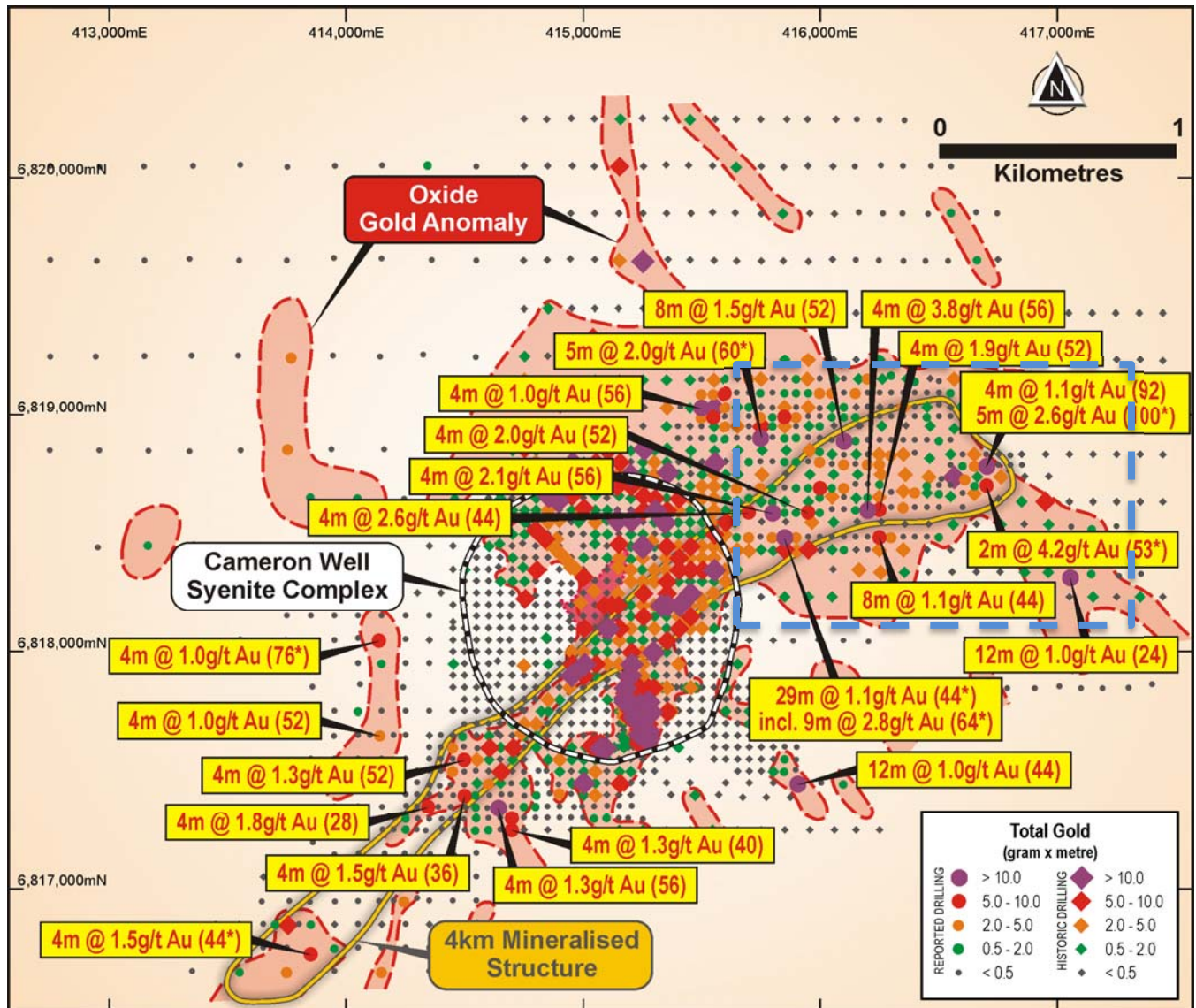


Figure 9: During the quarter, Dacian Gold released the results of 542 infill aircore drill holes – the majority drilled away from the Cameron Well Syenite Complex (black/white circle). Several of the better intersections returned during the quarter are highlighted in red/yellow labels. Note the dashed blue box in the eastern section of the image represents the area shown in the photograph of Figure 8.

CORPORATE

The Company is pleased to announce that it has appointed Mr Chris Newman as its Geology Manager. Mr Newman is a highly experienced geologist having successfully held similar positions in previous roles including 7 years with Avoca Resources Limited and two years at Alacer Gold Corp where he was Chief Geological Officer.

As at 31 December 2017, the Company had cash reserves of \$117.3 million. Expenditure during the December quarter was \$50.5 million, of which 98% was spent on the MMGP project development and exploration.

As at 31 December 2017, the Company had drawn \$129.5 million of its \$150 million project debt facility held by Mt Morgans WA Mining Pty Ltd (a wholly owned subsidiary of Dacian Gold Limited). During the quarter Dacian Gold Limited entered into a new \$10 million working capital facility to fund further regional development activities, outside the project construction. The new working capital facility was provided by the same three banks (Westpac Banking Corporation, Australia and New Zealand Banking Group and BNP Paribas) that are funding the larger project debt facility.

Shares on issue at the end of the September quarter were 205.8 million, an increase of 0.3 million shares from the previous quarter due to the issue of shares following the exercise of 5-year options that expired on 9 October 2017.

The total number of unlisted options and performance rights at quarter-end reduced to 7.7 million.

PLANNED ACTIVITIES FOR THE MARCH QUARTER

The March quarter will see the completion of construction activities for the 2.5Mtpa CIL treatment plant and commencement of commissioning. Dry commissioning activities which commenced in late January 2018 (energising power systems) and will continue through the March quarter. Wet commissioning activities are scheduled to commence in February. First gold is planned to be poured in late March following commencement of ore commissioning.

Commissioning activities are expected to be completed by early in the June quarter following successful completion of performance testing, after which treatment plant throughput will be progressively ramped up toward steady-state production.

Underground mining at Beresford and open pit mining at Jupiter will continue to ramp up during the quarter with ore stockpiled ready for treatment once plant commissioning is complete. Decline development at Allanson will commence during the March quarter, with first ore development scheduled for the June quarter.

Resource estimation drilling at Cameron Well and within the Inferred Mineral Resource at Westralia will continue through the March quarter. Exploration drilling at Cameron Well, below the Westralia Mineral Resource and at Basin Margin will also continue throughout the March quarter.

Projected expenditure levels for the March quarter will remain high and in line with projected expenditure levels, anticipated to be A\$69 million.

For and on behalf of the Board



Rohan Williams
Executive Chairman & CEO

About Dacian Gold Limited

Dacian Gold Limited (ASX: DCN) is now eight weeks away from first gold production at its 200,000ozpa, 100%-owned Mt Morgans Gold Project, located near Laverton in Western Australia. With an initial Ore Reserve of 1.2Moz, a Mineral Resource of 3.3Moz (incl Ore Reserve) and highly prospective exploration tenure, Mt Morgans is set to become Australia's next significant, mid-tier gold producer.

Total capital cost to develop the project is \$A197M with A\$107M dedicated to the construction of a 2.5Mtpa CIL treatment plant being constructed under a guaranteed maximum price EPC contract.

The Board, which comprises Rohan Williams as Executive Chairman and Robert Reynolds, Barry Patterson and Ian Cochrane as non-executive directors, approved the construction of the project in late 2016.

Dacian Gold will also maintain an aggressive exploration spend on the project it believes will continue to yield gold discoveries that will increase mine life and project value.

For further information please visit www.daciangold.com.au to view the Company's presentation or contact:

Rohan Williams Executive Chairman Dacian Gold Limited +61 8 6323 9000	Paul Armstrong Investor Relations Read Corporate +61 8 9388 1474
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APPENDIX 1

Mount Morgans Gold Project Mineral Resources as at 28 July 2016

Deposit	Cut-off Grade	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	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 21 November 2016

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
Beresford UG	2.0	50,000	4.9	8,000	2,383,000	4.2	323,000	2,433,000	4.2	331,000
Allanson UG	2.0	-	-	-	882,000	5.7	162,000	882,000	5.7	162,000
Transvaal UG	1.4	193,000	4.7	29,000	325,000	3.4	36,000	518,000	3.9	65,000
Jupiter OP	0.5	867,000	1.7	48,000	13,884,000	1.3	595,000	14,751,000	1.4	643,000
INITIAL ORE RESERVE		1,110,000	2.4	85,000	17,475,000	2.0	1,115,000	18,585,000	2.0	1,200,000

Competent Person Statement

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.

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

The information in this report that relates the Westralia Deposit Mineral Resource (see ASX Announcement 28 July 2016), Jupiter Deposit Mineral Resource (see ASX Announcement 19 July 2016), Transvaal Deposit Mineral Resource (see ASX announcement 16 September, 2015) and the Ramornie

Deposit Mineral Resource (see ASX announcement 24 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 RungePincockMinarco. 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 – 16 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. 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 2004 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.

Where the Company refers to the Mineral Resources and Ore Reserves in this report (referencing previous releases 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 Mineral Resource estimate and Ore Reserve estimate with that announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not materially changed from the original announcement.

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 King Street and Craic Mineral Resource 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.

Ore Reserves

The information in this report that relates to Ore Reserves for the Westralia Mining Area and Transvaal Mining Area (see ASX announcement 21 November 2016) is based on information compiled or reviewed by Mr Matthew Keenan and Mr Shane McLeay. Messrs Keenan and McLeay have confirmed that they

have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition). They are Competent Persons as defined by the JORC Code 2012 Edition, having more than five years experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which they are accepting responsibility. Messrs Keenan and McLeay are both a Member of The Australasian Institute of Mining and Metallurgy and full time employees of Entech Pty Ltd and consent 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 Ore Reserves for the Jupiter Mining Area (see ASX announcement 21 November 2016) is based on information compiled or reviewed by Mr Ross Cheyne. Mr Cheyne confirmed that he has read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition). He is a Competent Person as defined by the JORC Code 2012 Edition, having more than five years' experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is accepting responsibility. Mr Cheyne is a Fellow of The Australasian Institute of Mining and Metallurgy and a full-time employee of Oreology Consulting Pty Ltd and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

APPENDIX 2 – TENEMENT SCHEDULE (Refer to Appendix 5B, sections 6.1 and 6.2 for changes).

Tenement Type	Tenement	Status	Location	Ownership
E	38/2951	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
E	38/3274	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
E	39/1310	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
E	39/1713	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
E	39/1787	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
E	39/1950	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
E	39/1951	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
E	39/1967	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
E	39/2002	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
E	39/2004	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
E	39/2017	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
E	39/2020	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
E	39/2038	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
E	39/2057	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
L	39/10	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
L	39/244	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
L	39/245	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
L	39/246	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
L	39/57	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	38/395	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	38/396	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	38/548	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	38/595	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	38/848	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/1107	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/1120	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/1122	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/18	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/208	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/228	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/236	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/240	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/248	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/250	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/261	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/264	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/272	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/273	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/282	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/287	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)



Tenement Type	Tenement	Status	Location	Ownership
M	39/291	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/295	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/304	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/305	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/306	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/333	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/36	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/380	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/390	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/391	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/392	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/393	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/394	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/395	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/403	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/441	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/442	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/443	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/444	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/497	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/501	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/502	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/503	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/504	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/513	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/745	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/746	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/747	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/799	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/937	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/938	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/993	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	38/4093	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	38/4094	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	38/4095	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5358	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5359	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5360	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5361	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5362	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5363	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5364	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5365	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)



Tenement Type	Tenement	Status	Location	Ownership
P	39/5366	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5367	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5368	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5369	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5370	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5371	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5372	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5374	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5375	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5377	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5378	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5379	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5380	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5381	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5382	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5383	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5384	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5385	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5386	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5387	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5388	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5389	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5390	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5391	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5392	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5393	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5394	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5426	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5427	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5461	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5469	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5475	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5476	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5477	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5478	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5479	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5491	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5493	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5498	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5823	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5824	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5825	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5826	Application	Mt Morgans WA	Dacian Gold Ltd (100%)



Tenement Type	Tenement	Status	Location	Ownership
P	39/5827	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5828	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5829	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5830	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/5864	Application	Mt Morgans WA	Dacian Gold Ltd (100%)

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Dacian Gold Limited

ABN

61 154 262 978

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(3,753)	(7,122)
	(b) development	(46,088)	(104,552)
	(c) production	-	-
	(d) staff costs	(515)	(1,060)
	(e) administration and corporate costs	(532)	(945)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	373	838
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	97
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(50,515)	(112,744)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	(20)
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(20)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	231	1,511
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	94,500	139,500
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(868)	(1,151)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	93,863	139,860

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	73,912	90,163
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(50,515)	(112,744)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(20)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	93,863	139,860
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	117,260	117,260

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	117,260	73,912
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	117,260	73,912

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
223
-

Remuneration of directors

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

n/a

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	160,000	139,500
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Project debt finance facility with Mt Morgans WA Mining Pty Ltd (a wholly owned subsidiary Dacian Gold Limited) of up to A\$150 million with Westpac Banking Corporation, Australia and New Zealand Banking Group Limited and BNP Paribas. A new \$10 million working capital facility to support an increase in regional development activities for Dacian Gold Limited with Westpac Banking Corporation, Australia and New Zealand Banking Group Limited and BNP Paribas was entered into during the quarter.

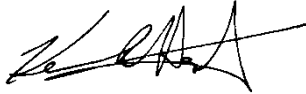
9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	7,755
9.2	Development	60,706
9.3	Production	-
9.4	Staff costs	497
9.5	Administration and corporate costs	571
9.6	Other (provide details if material) ¹	-
9.7	Total estimated cash outflows	69,529

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E39/2057 M39/1122 P39/5865	Application Application Application	0% 0% 0%	0% 0% 0%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Company secretary

Date: 31 January 2018

Print name:

Kevin Hart

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.