

QUARTERLY ACTIVITIES REPORT TO 31 DECEMBER 2018

MT MORGANS FIRMLY IN THE PRODUCER RANKS FOLLOWING CONTINUED QUARTER-ON-QUARTER EXECUTION

*Commercial Production declared on 1 January, 2019 as mining reached key
production levels at both Westralia and Jupiter*

*Further step-changes in production expected during 2HFY19 whilst Company
targets numerous Ore Reserve growth initiatives*

Mt Morgans Gold Operations (MMGO)

- 41,229 ounces mined during the December quarter with 40,775 ounces processed delivering production of 37,934 ounces (93% recovery), in line with Company expectations
- Gold production up 30% from the September quarter:
 - Westralia up 36% on September quarter on contained gold mined
 - Jupiter up 34% on September quarter on contained gold mined
- Ore production at Westralia and Jupiter reached Feasibility Study levels during the December quarter, allowing the Company to declare Commercial Production as forecast
- Further step-changes in production and operational performance expected in 2HFY19, targeting full-year production of between 180,000-210,000 ounces

Ore Reserves

- Total Ore Reserves increased 16% to 1.4 million ounces
- Westralia Ore Reserves increased by 17% to 575,000 ounces
- Jupiter Ore Reserve maintained at 611,000 ounces
- Maiden oxide Ore Reserve at Cameron Well of 45,000 ounces
- Current Ore Reserve defines a 7 year production profile at 200,000 ounce per annum

Exploration

- Significant exploration programs underway across Westralia and Cameron Well with initial activities focused on a potential 4th decline at Westralia
- Numerous initiatives underway to continue to grow Ore Reserves and Mineral Resources

Corporate

- **Cash and cash equivalents at December 31 totaled A\$85.6 million; debt unchanged at A\$133.5 million**
- **Company hedge book increased to 158,249 ounces at A\$1,756/oz through to end of FY2021**

Dacian Executive Chairman Rohan Williams said the Company had delivered excellent operational results during the quarter. “The ramp-up at Mt Morgans is proceeding to plan, with the achievement of key production levels from both open pit and underground mining during the quarter allowing us to declare Commercial Production on 1 January 2019,” he said.

“Importantly, we saw a significant improvement in almost every production measure across the operation. This augurs well for continued improvement over the remainder of FY19 and ensures we remain on track targeting an FY19 production level of 180,000 – 210,000 ounces.

“In parallel with the production ramp-up, we are continuing to enjoy strong exploration success, as reflected in the 16% increase in Ore Reserves during the quarter to 1.4 million ounces. We have plenty of scope to continue converting existing Mineral Resources to Ore Reserves and we have identified numerous new exploration and discovery opportunities.

“Given this outstanding exploration upside, we are confident of achieving a +10 year mine life at a production rate of +200,000 ounces a year.”

OPERATIONS

MMGO DECLARES COMMERCIAL PRODUCTION ON 1 JANUARY, 2019 FOLLOWING FURTHER KEY PRODUCTIVITY AND EFFICIENCY IMPROVEMENTS ACHIEVED IN THE DECEMBER QUARTER

The Mt Morgans Gold Operation (**MMGO**) produced 37,934 ounces during the December quarter, meeting Company expectations, and representing a 30% increase in production when compared to the September quarter production of 29,316 ounces.

41,229 ounces of gold was mined during the quarter with 40,775 of contained gold processed through the treatment plant for 37,934 ounces produced (see Table 1).

Across numerous key performance benchmarks, the MMGO continues to demonstrate important progress towards sustaining steady-state production levels. A summary of all key operating statistics is shown in Table 1.

On 1 January, 2019, the Company declared Commercial Production, in line with previously stated guidance of targeting Commercial Production at the MMGO by the end of CY2018.

The declaration of Commercial Production continues the Company’s strong track record of

successfully meeting its stated objectives established over the course of the Feasibility Study, project construction and subsequent commissioning of the MMGO.

Dacian is targeting FY2019 production of 180,000-210,000 ounces with the 2HFY19 underpinned by progressively increasing production of higher grade ore from both the Jupiter open pit (focusing on the Cornwall Shear Zone) and Westralia underground (commencement of mining operations at the Allanson decline).

| Q/Q FY19 | Unit | June Quarter | Sept Quarter | Dec Quarter |
|------------------------------|-----------|---------------|---------------|---------------|
| Underground | | | | |
| Metres Developed - Capital | m | 1,484 | 1,678 | 1,355 |
| Metres Developed - Operating | m | 1,373 | 1,689 | 1,945 |
| Stope Ore Mined | kt | 63 | 101 | 113 |
| Development Ore Mined | kt | 61 | 76 | 82 |
| Ore Mining Rate | tpd | 1,400 | 1,924 | 2,137 |
| Mined Ore Grade | g/t | 4.2 | 3.3 | 4.2 |
| Contained Gold | oz | 16,602 | 18,999 | 25,925 |
| Open Pit | | | | |
| Ore Mined | kt | 404 | 443 | 537 |
| Waste Mined | kbcm | 1,967 | 1,887 | 2,107 |
| Ore Mining Rate | tpd | 4,500 | 4,896 | 5,838 |
| Mined Ore Grade | g/t | 0.9 | 0.8 | 0.9 |
| Contained Gold | oz | 11,060 | 11,419 | 15,304 |
| Processing | | | | |
| Ore Milled | kt | 601 | 681 | 630 |
| Mill Throughput | tpd | 6,600 | 7,402 | 6,842 |
| Processed Grade | g/t | 1.9 | 1.4 | 2.0 |
| Contained Gold | oz | 37,574 | 30,879 | 40,775 |
| Gold Recoveries | % | 90.9% | 94.9% | 93.0% |
| Gold Produced | oz | 34,155 | 29,316 | 37,934 |
| Gold Sold | oz | 26,394 | 29,249 | 34,055 |
| Gold-on-Hand | oz | 5,795 | 5,445 | 9,913 |
| Average Sell Price | A\$/oz | 1,723 | 1,734 | 1,733 |

Table 1: Summary of Key Operating Statistics for the December Quarter at MMGO

UNDERGROUND – WESTRALIA MINE AREA

The Westralia underground performed well during the December quarter producing 195,000t @ 4.2g/t gold for 25,925 ounces, a 36% increase when compared to the September quarter.

The majority of the mined ore production was from the Beresford South and Beresford North declines. The Allanson decline intersected first ore in early December (see ASX release of 10 December 2018) and will contribute to the improving production profile at Westralia over the coming months, underpinning the Company's increasing production profile during FY2019 and beyond.

Mined grade from Westralia underground during the quarter was 4.2g/t gold marking an improvement from the corresponding mined production grade in the September quarter of 3.3g/t gold. The December quarter production grade compares well with the Ore Reserve grade at Westralia of 4.1g/t gold.

The grade improvement during the December quarter is the consequence of a maturing and increasingly flexible underground operation. Accessing of ore now from three separate declines, continued development across additional levels at each of the declines, and a normalising stoping-to-development ratio, bodes well for continued grade performance in line with expectations.

Average daily production rates of 2,100 tonnes per day (**tpd**) were achieved during the quarter with stoping production comprising 58% of all ore tonnes mined and ore development contributing 42%, slightly less than the Feasibility Study design levels of two-thirds stoping and one-third development.

Production rates increased during the month of December and exceeded Feasibility Study design levels that, together with production from the Jupiter open pit also exceeding Feasibility Study design levels (see below), led to the Company declaring Commercial Production on 1 January 2019.

The Company is encouraged that it has achieved Commercial Production from the Westralia underground mine with the vast majority of ore mined being from two declines (Beresford South and Beresford North), whereas the Feasibility Study assumed Commercial Production would not be achieved until mining of ore was from all three declines, including Allanson.

Figure 1 below is a summary of key underground production performance statistics at Westralia since the beginning of mining activities with the upward trend towards steady-state levels evident across the majority of the key performance indicators.

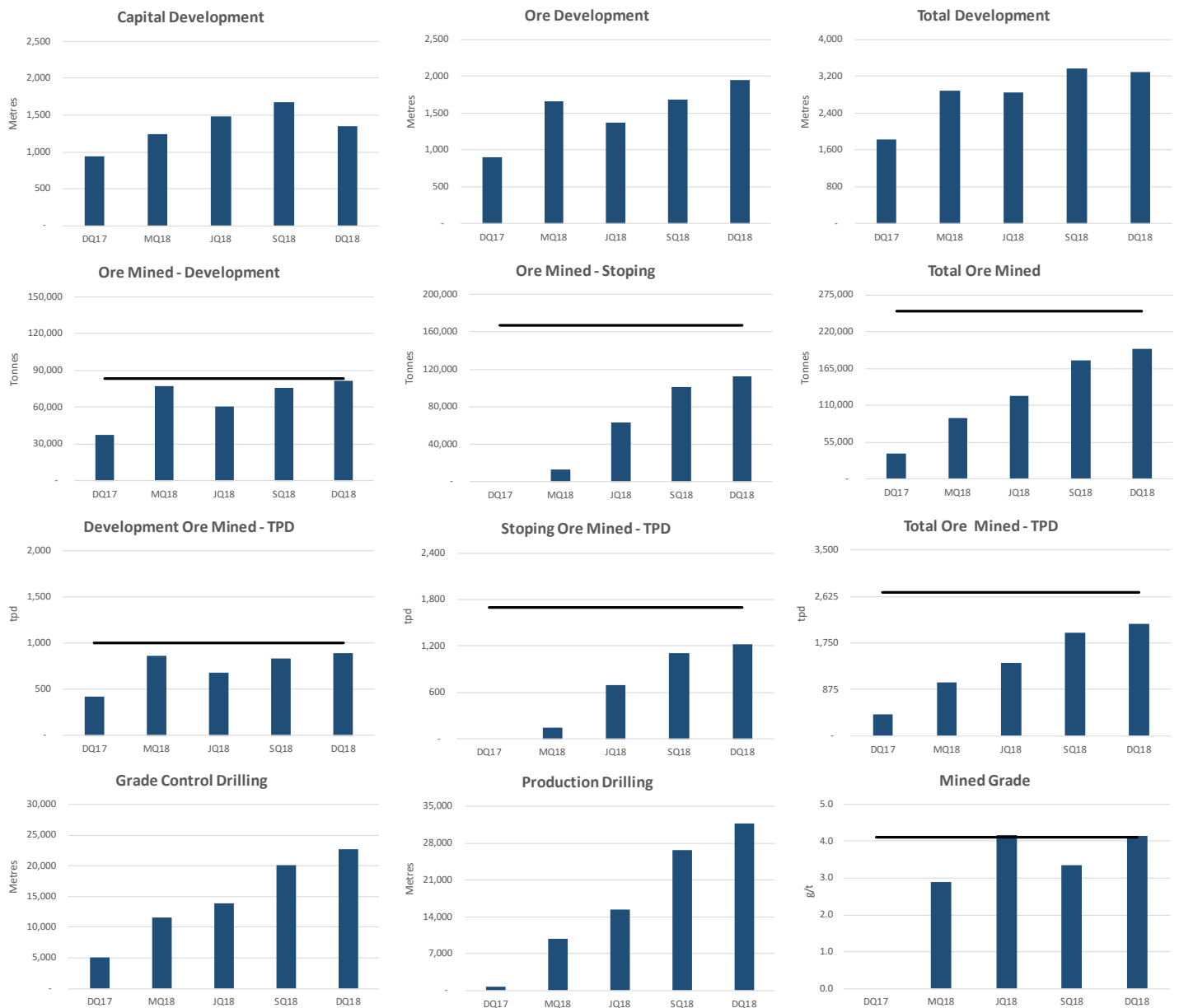


Figure 1: Summary of Key Underground Operating Statistics at Westralia for the December quarter. Note the consistent improving trend across the majority of the individual performance measures. The average Feasibility Study productivity levels (i.e. steady state) are shown as horizontal black lines on the charts.

At Beresford South, ore has now been accessed on 11 levels with production from 34 stopes scheduled for the March quarter; and at Beresford North, ore is now accessed on five levels with 33 stopes scheduled to be mined in the March quarter. At Allanson, three levels are expected to be developed with production expected from 14 stopes in the 2HFY19 following the commencement of ore development activities this quarter.

Overall, underground mining conditions continue to meet expectations with over 68 stopes now completed exhibiting an overall average unplanned net dilution of 1% (by volume).

A total advance of 3,300m of underground development was achieved during the December quarter together with the completion of 22,748m of diamond grade control drilling.

OPEN PIT – JUPITER MINE AREA

The Jupiter open pit mined 15,304 ounces of gold during the December quarter, up 34% on the corresponding production level during the September quarter (see Table 1).

Combined high grade and low grade open pit ore mining rates averaged 5,838 tpd in the December quarter versus 4,896 tpd for the September quarter, marking a 19% improvement on the previous quarter (see Table 1). The strong performance continues several consistent quarters of operational momentum from the Jupiter open pit and the Company expects this consistency to continue through FY2019.

The quarterly average of 5,838 tpd of ore mined during the December quarter exceeds the Feasibility Study design levels from the Jupiter open pit. Combining this key performance measure with the production levels observed at the Westralia underground mine during the month of December (see above), led the Company to declare that the MMGO had attained Commercial Production at the end of the December quarter. Figure 2 below summarises the key operating statistics at Jupiter during the December quarter.

Total material movement at Jupiter was approximately 2.3 million BCM during the quarter with mining now occurring across the Heffernans, Doublejay and Ganymede deposits. Initial stripping activities lowered further during the quarter as the open pit advances towards the thick and higher grade Cornwall Shear Zone (CSZ).

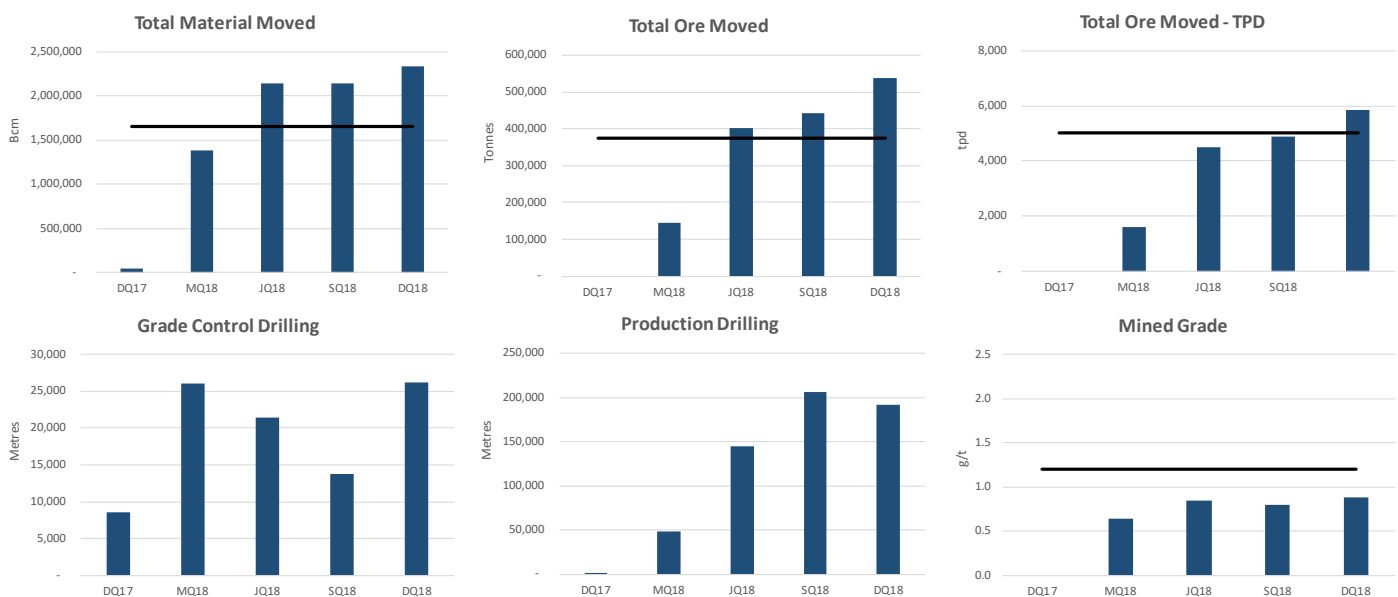


Figure 2: Summary of key open pit operating statistics at Jupiter for the December quarter. Note the average life of mine Feasibility Study (i.e. steady state) productivity levels are shown as horizontal black lines on the charts.

As anticipated, preparation for access to the CSZ later in the March quarter continued with the mine moving through near-surface lower grade material, which contributed to a quarterly production grade of 0.9 g/t gold (consistent with the September quarter) versus the corresponding Ore Reserve grade of 1.2 g/t gold. It is expected that as mining progresses deeper toward the higher grade CSZ, the relative proportion of high grade ore mined to total ore mined will increase, delivering an average mined grade commensurate with the Ore Reserve grade, as identified in the Feasibility Study.

Figure 3 below is a photograph showing the extent of open pit mining operations that have been completed to date at Heffernans, centrally located within the larger Jupiter open pit. The first blast at Heffernans occurred in December 2017 into what was, at the time, a 25m high hill.



Figure 3: Photograph of mining activities at Heffernans, part of the Jupiter open pit. Note first mining at Heffernans occurred in December 2017 when the deposit was situated within a 25m high hill.

Figure 4 shows the near-surface expression of the mineralised CSZ located within basalt. As the CSZ continues at depth it will intersect syenite (the pink rock exposed in the floor of the pit in Figure 3), where ore thicknesses and ore grade both increase. It is the commencement of mining thicker, higher grade ore from the CSZ in the March and June quarters that contribute to the increasing production profile from the MMGO.

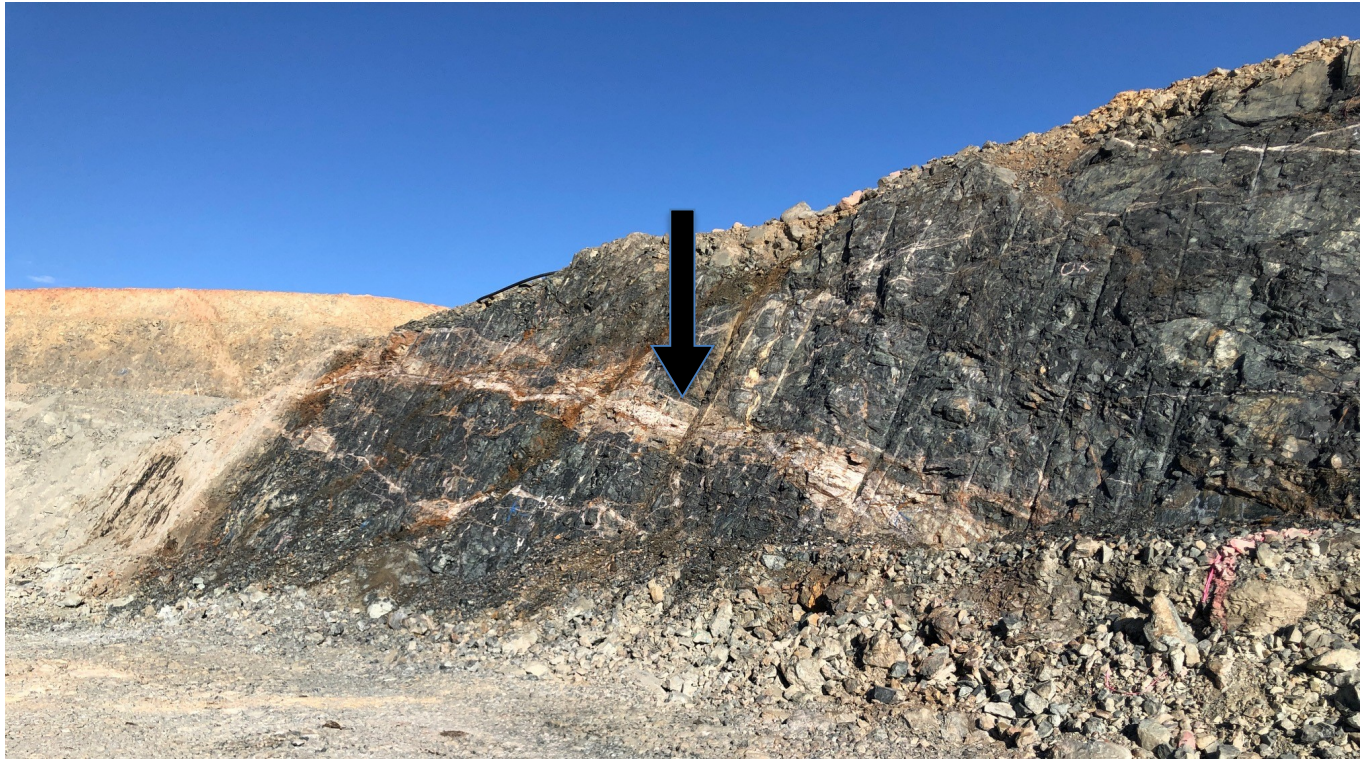


Figure 4: Near-surface expression of the shallow-dipping and mineralised CSZ (arrowed) observed in basalt, up-dip from where it intersects syenite where thicker and higher grade ore production will commence later in the March quarter.

2.5 MTPA CIL TREATMENT PLANT

During the December quarter, the average daily mill throughput rate was 6,918 tpd, which is above the designed 2.5Mtpa rate of the MMGO processing plant. In total 630,000 tonnes of ore was treated during the quarter with an average grade of 2.0g/t gold, 43% above the corresponding treated grade for the September quarter (see Table 1).

Contained gold in the treated ore was 40,775 ounces for the quarter, gold recovery was 93% which resulted in gold production for the December quarter of 37,934 ounces.

To date, actual mine-to-mill reconciliation for the open pit and underground ore feed blend compared to corresponding grade control models is performing very well at 98%.

As shown in Figure 5 below, key operating measures continue to perform well against, or exceed expectations for steady-state operations as outlined in the Mt Morgans 2016 Feasibility Study (see ASX release 21 November 2016).

The MMGO treatment plant has been operating well since its commissioning and the Company expects continued positive performance across key benchmarks during the remainder of FY2019, as mining operations at Jupiter and Westralia sustain current momentum.



Figure 5: Summary of the key operating performance measures of the MMGO processing plant from first gold in late March 2018. Note performance levels for the majority of the measures are at or above Feasibility design levels (i.e. steady state) depicted by the horizontal black lines on the charts]

ORE RESERVES & EXPLORATION

MMGO ORE RESERVE INCREASED 16% DURING THE DECEMBER QUARTER, UNDERPINNING THE COMPANY'S GOAL OF ESTABLISHING A +200,000 OUNCE PER ANNUM PRODUCTION RATE WITH A +10-YEAR LIFE

TARGETED EXPLORATION PROGRAM COMMENCED AT WESTRALIA AND CAMERON WELL PAVING THE WAY FOR POTENTIAL ADDITIONAL MINERAL RESOURCES

During the quarter, the Company released updated Ore Reserves for the MMGO, with total Ore Reserves now standing at 1.39 million ounces (see ASX release 18 December 2018), (see Table 2, this report).

The updated statement included a 17% increase in reserves at Westralia to 575,000 ounces and an initial maiden Ore Reserve at Cameron Well of 45,000 ounces.

The Ore Reserve estimate positions the Company to be a 200,000 ounce per year producer for at least 7 years and with further extension and conversion of Mineral Resources to Ore Reserves a key Company focus, Dacian Gold believes its target of becoming a +200,000 ounce per annum producer for +10 years is a realistic and achievable target.

| Mt Morgans Gold Operation Ore Reserves as at 1 July 2018 | | | | | | | | | | |
|--|-------------------------|------------------|------------|----------------|-------------------|------------|------------------|-------------------|------------|------------------|
| 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 | 1.2 / 2.1* | 749,000 | 4.3 | 104,000 | 2,355,000 | 3.5 | 265,000 | 3,104,000 | 3.7 | 369,000 |
| Allanson UG | 1.2 / 2.1* | - | - | - | 1,175,000 | 5.0 | 188,000 | 1,175,000 | 5.0 | 188,000 |
| Westralia UG Low Grade | 0.5 / 1.8* | - | - | - | 458,000 | 1.2 | 18,000 | 458,000 | 1.2 | 18,000 |
| 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 | 2,213,000 | 1.2 | 88,000 | 13,049,000 | 1.3 | 523,000 | 15,262,000 | 1.2 | 611,000 |
| Cameron Well OP | 0.4 | - | - | - | 1,300,000 | 1.1 | 45,000 | 1,300,000 | 1.1 | 45,000 |
| Jupiter Low Grade Stockpile | 0.5 | 3,494,000 | 0.5 | 58,000 | - | - | - | 3,494,000 | 0.5 | 58,000 |
| Low Grade Stockpiles | 0.5 | - | - | - | 1,276,000 | 0.7 | 30,000 | 1,276,000 | 0.7 | 30,000 |
| Mine Stockpiles | 0.5 | 151,000 | 0.9 | 4,000 | - | - | - | 151,000 | 0.9 | 4,000 |
| ORE RESERVE | - | 6,799,000 | 1.3 | 284,000 | 19,938,000 | 1.7 | 1,105,000 | 26,737,000 | 1.6 | 1,389,000 |

* Development and Stopping cut-off grades. Rounding errors will occur.

Table 2: Mt Morgans Gold Operation Ore Reserves as at 1 July 2018. Note rounding errors may occur

UPDATED ORE RESERVES AT WESTRALIA

At Westralia, the updated Ore Reserve estimate marks a 17% increase from the previous estimate and utilises information obtained from detailed geological documentation of the Westralia orebody following an additional 64,000m of surface diamond drilling and 51,000m of underground diamond drilling used for grade control undertaken since the maiden Ore Reserve at Westralia was announced as part of the Mt Morgans Feasibility Study (see ASX release 21 November 2016).

The improved Mineral Resource estimation methodologies and application of mining modifying factors based on experience gained from the commencement of mining through to the period of the updated Ore Reserve have been applied to the new updated Ore Reserve estimate of:

High-Grade: 4.3 million tonnes @ 4.1 g/t gold for 557,000 ounces

Low-Grade: 0.5 million tonnes @ 1.2 g/t gold for 18,000 ounces

Significantly, the new Ore Reserve estimate increases production out to FY2025, almost a 3-year increase from the original Ore Reserve life completed at the time of the MMGO Feasibility Study.

Figure 6 below is a longitudinal section view of the new Ore Reserve estimate for the Westralia Mine which is developing into one of Australia's largest new underground gold mines, measuring over 2.1km of near-continuously mineralised banded iron formation (BIF).

Planned mining of the Ore Reserve (blue areas in Figure 6) will see over 41km of ore development and over 1,000 stopes mined over the next 7 years through to FY2025.

The new Ore Reserve estimate does not include the 528,000 ounce Inferred Mineral Resource estimate shown as green areas in Figure 6.

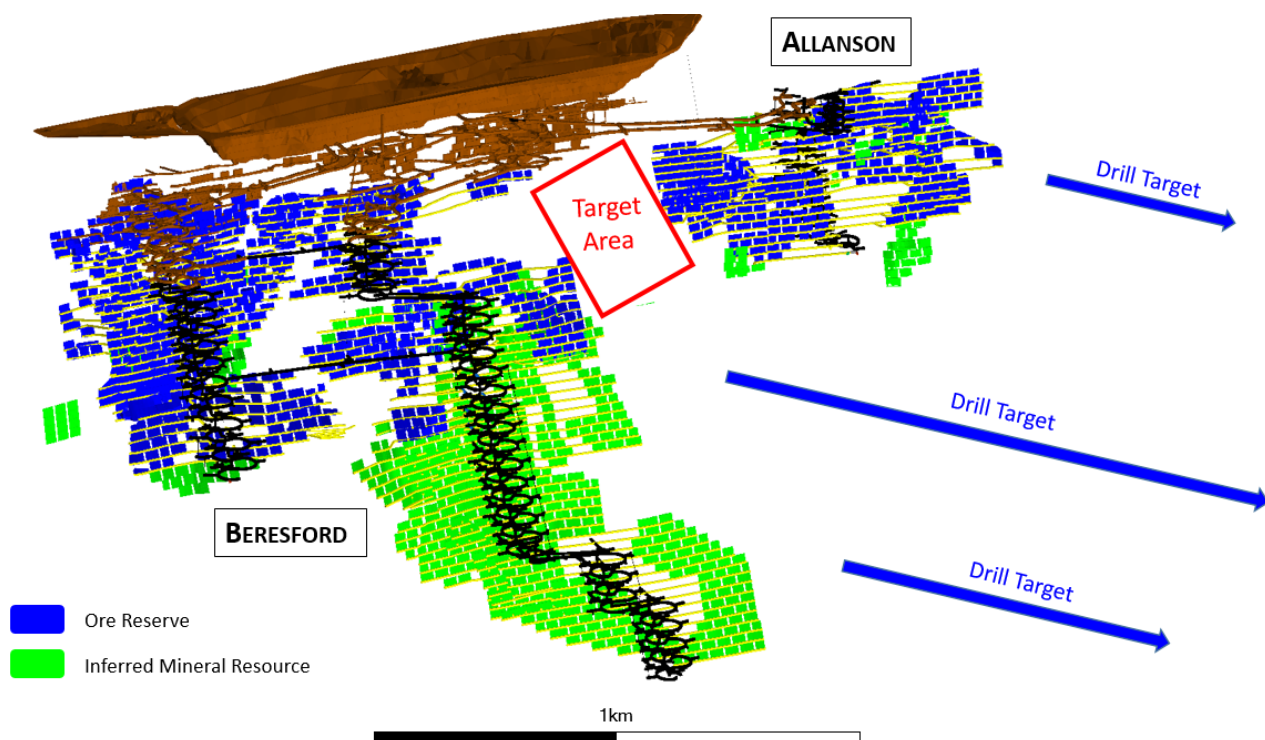


Figure 6: Longitudinal section of the updated Ore Reserve at Westralia shown as blue mining shapes over a distance of over 2.1km. Beresford Ore Reserve is supported by the two declines at the left (south) of the image and the Allanson Ore Reserve is shown at the right (north) of the image. Green areas are Inferred Mineral Resource and are not included in the updated Ore Reserve estimate for Westralia. Note the “Target Area” (red box) is an area of current exploration activities that is testing for ore located between Beresford North and Allanson, that if present, may require development of a 4th decline at Westralia. Other targets labelled as “Drill Targets” with blue arrows are testing for the continuation of high grade trends identified from mining and drilling at Westralia.

The Company is currently assessing numerous exploration and optimisation avenues to increase Ore Reserves and Mineral Resources at Westralia, including:

- Infill drilling and converting Westralia’s Inferred Mineral Resources, that currently stand at 528,000 ounces, into Indicated Mineral Resources that allows for potentially increasing Ore Reserves from existing Mineral Resources. Such infill drilling has successfully established Indicated Mineral Resources at Beresford South which have contributed to the increased Ore Reserve announced during the quarter for Westralia.
- Ongoing aggressive diamond drilling exploration programs testing for the continuation of known high grade trends of mineralised BIF observed in the Ore Reserve into areas of BIF not previously drill tested (see ASX release 6 August 2018) as depicted above in Figure 6.
- Investigating ore-sorting techniques specifically applied to ore mined from development headings. The Westralia orebody varies in thickness but typically averages 2m thick. Ore at

Westralia is developed by mining 4m wide drives, which imparts significant dilution on mining certain areas of the ore body. Over the now-increased seven years of planned mining of the Westralia Ore Reserve, approximately 25% of all ore tonnes and 20% of all contained ounces is mined from the 4m wide ore development drives noted above as totaling 41km for the new Ore Reserve update. It is well-understood that the physical characteristics of the mineralised BIF ore at Westralia are significantly different to that of the physical characteristics of the surrounding waste rock, which provides for an excellent potential application of ore-sorting technology to the ore mined from development headings. If Dacian is able to separate unmineralised waste from the ore mined from the development headings so that it was not trucked and processed at the treatment plant, it would:

- Save costs that would otherwise be attributed to treating waste material from ore development headings;
- Deliver a higher grade Ore Reserve and mined production at Westralia; and
- Provide additional treatment capacity for other ores made available by not processing waste from the ore development.
- Further optimisation of mine design and mining techniques including:
 - Reducing the requirements for leaving high-grade ground-supporting pillars within the stoping sequence by incorporating cemented rock fill (“CRF”) into areas where those pillars (containing significant value) are able to be mined, and
 - Continuing to assess bulk-stoping opportunities where parallel lodes are able to be mined more economically as a larger bulk-stope than two separate parallel stopes separated by a pillar.

EXPLORATION AT WESTRALIA

The Company will spend \$14 million on exploration at Westralia as part of a 60,000m drill program over the next 12-18 months. The Company’s current activities are focused on assessing the potential to add a 4th decline in an area north of Beresford North and south of Allanson (see red box area in Figure 6 above) where new drilling is showing potential for mineralisation to be present in an area not previously drill-tested.

Ongoing drilling will confirm whether a 4th decline at Westralia is warranted, which if shown to be the case, would provide Westralia with additional mine flexibility to accelerate production and Mineral Resource growth.

There is also excellent potential to increase the Mineral Resource base at Westralia by drill testing the along-plunge extensions of known high grade mineralisation seen at Westralia in mining and in drilling into areas of undrilled BIF stratigraphy marked as blue arrows and “Drill Target” in Figure 6 above.

MAIDEN ORE RESERVE AT CAMERON WELL

Cameron Well was announced as a significant new gold discovery at Mt Morgans in 2017 (see ASX release 6 August 2018). The new discovery comprised a large 6km² area of near-surface oxide gold mineralisation defined by aircore drilling.

An area comprising approximately 25% of the oxide gold mineralisation was subsequently drilled utilising RC drilling aimed at delineating a maiden oxide Mineral Resource. On 6 August 2018, Dacian Gold released its maiden Mineral Resource estimate for Cameron Well of 245,000 ounces. 117,000 ounces, or 48% of the maiden Mineral Resource estimate of Cameron Well was classified Indicated, with the remainder classified as Inferred.

During the December quarter, the Company announced a maiden Ore Reserve at Cameron Well (see ASX release 18 December 2018):

1.3Mt @ 1.1 g/t gold for 45,000 ounces

The initial Cameron Well Ore Reserve optimises ore production from the 117,000 ounce Indicated Mineral Resource mining predominantly oxidised material (96% of the Ore Reserve is oxide-transitional) across five closely-associated open pits (see Figure 7).

Initial mine planning activities are underway with the Company intending to apply for applicable mining permits in 2019.

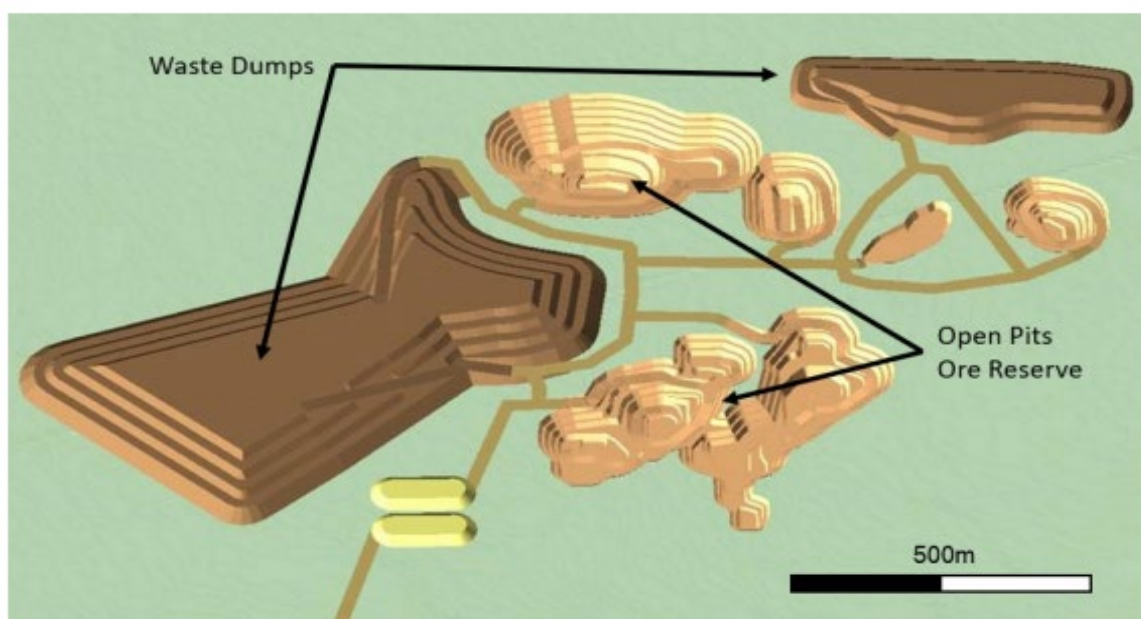


Figure 7: Schematic layout and mine design of the maiden 45,000 ounce Cameron Well Ore Reserve comprising an initial five closely-associated open pits. Ongoing infill drilling of nearby Inferred Mineral Resource will provide additional data to be incorporated in ongoing mine optimisations and design studies.

EXPLORATION AT CAMERON WELL

There is significant opportunity for the Company to grow the Mineral Resource and Ore Reserve at Cameron Well.

The Company plans to undertake a 70,000m, \$14 million drill program over the next 12-18 months to further define the depth and lateral extents at the Cameron Well Project and is confident it will delineate additional Mineral Resource to be used for increasing the Ore Reserve at Cameron Well.

Key work streams to be investigated over the next 12-18 months to grow the Mineral Resource at Cameron Well include both exploration and optimisation programs:

- RC drilling to define additional oxide Mineral Resource associated with the 75% of the 6km² oxide gold anomaly that is undrilled;
- Determine the full extent of the oxide Mineral Resource at Cameron Well;
- Continue to drill test along-strike and down-dip of the bedrock intersections that have identified four primary mineralised structures beneath that part of the oxide anomaly that has been RC and diamond drill tested during resource-definition drilling;
- Identify new primary bedrock structures in those areas that have not yet been the subject of resource-definition drilling (75% of the 6km² oxide gold anomaly); and
- Target primary bedrock mineralisation to materially grow the Mineral Resource at Cameron Well to be used for open pit and potentially underground Ore Reserve studies.

ORE RESERVE UPDATE AT JUPITER

During the quarter, the Company released an updated Ore Reserve at Jupiter (see ASX release 18 December 2018), which now stands at:

15.4Mt @ 1.2 g/t gold for 611,000 ounces

The updated Ore Reserve estimate benefits from a more detailed geological and mining understanding based on:

- 14,000m of surface RC infill drilling and 64,000m of RC grade control drilling undertaken since the completion of the Mt Morgans Feasibility Study (see ASX release 21 November 2016);
- An improved Mineral Resource estimation methodologies; and
- The application of mining modifying factors based on experience gained from the commencement of mining through to the updated Ore Reserve estimate.

The current Ore Reserve life for Jupiter extends production through to FY2025.

CORPORATE AND FINANCE

STRENGTHENING BALANCE SHEET AHEAD OF INCREASING PRODUCTION THROUGH FY2019

At December 31, 2018 the Company had cash and equivalents totalling A\$85.6 million (\$67.6 million cash and \$18.0 million in unsold gold) compared to A\$82.1 million at the end of the September quarter.

The Company's total debt position at the end of the December quarter is \$133.5 million with \$123.5 million drawn from its \$150 million project debt facility. The Company has also fully drawn its \$10 million working capital facility held by the parent company.

Gold sales for the quarter totalled 34,055 ounces at an average sale price of \$1,733/oz for total revenue of \$59 million. Unsold gold at the end of the quarter was 9,913 ounces.

The Company intends to provide additional financial information in its March quarter results now Commercial Production has been achieved at the MMGO.

With the timing of gold sales and production increases in the March and June quarters, the Company estimates that overall cash flows will continue to increase positively through 2HFY19.

The Company's current hedge commitments over the next three years total 158,249 ounces at an average gold price of A\$1,756 per ounce. The Company's hedging programs are on a discretionary basis.

Shares on issue as at the date of this report are 225.4 million with an additional 5.6 million options outstanding and 722,000 Performance Rights.

For and on behalf of the Board



Rohan Williams
Executive Chairman & CEO

ABOUT DACIAN GOLD LIMITED

Dacian Gold Limited (ASX: DCN) has cemented its position as a significant new mid-tier Australian gold producer with the declaration of Commercial Production at its +200,000ozpa, 100%-owned Mt Morgans Gold Operation (MMGO), located near Laverton in Western Australia, on 1 January 2019.

With an initial Ore Reserve of 1.4Moz, a Mineral Resource of 3.5Moz (including Ore Reserves) and highly prospective exploration tenure, Mt Morgans is the largest new gold mine to come on stream in Australia in the past six years.

Combining a targeted AISC of approximately A\$1,000/oz at MMGO, a focus on expanding operating margins and generating free cash flow will further strengthen the Company's balance sheet while pursuing numerous organic growth options at the MMGO.

The Company's goal for the MMGO is that it becomes a +200,000 ounce per annum gold mine for +10 years targeting an AISC of A\$1,000 per ounce.

The Board comprises Rohan Williams as Executive Chairman & CEO; and Robert Reynolds, Barry Patterson and Ian Cochrane as non-executive directors.

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

| | |
|--|--|
| Phil Russo Investor Relations Dacian Gold Limited +61 8 6323 9000 phil.russo@daciangold.com.au | Paul Armstrong Media Relations Read Corporate +61 8 9388 1474 |
|--|--|

APPENDIX 1

2018 MINERAL RESOURCES & ORE RESERVES STATEMENT (DCN: 100%)

Table 1: Mt Morgans Gold Operation Mineral Resources as at 31 July 2018

(Refer ASX release dated 6 August 2018)

Mt Morgans Gold Operation Mineral Resources as at 31 July 2018

| Deposit | Cut-off Grade 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 |
| Westralia | 2.0 | 1,304,000 | 5.3 | 222,000 | 4,662,000 | 5.1 | 767,000 | 4,018,000 | 4.1 | 528,000 | 9,985,000 | 4.7 | 1,518,000 |
| Jupiter | 0.5 | 2,363,000 | 1.3 | 101,000 | 21,979,000 | 1.3 | 954,000 | 5,353,000 | 1.1 | 188,000 | 29,695,000 | 1.3 | 1,242,000 |
| Jupiter UG | 1.5 | - | - | - | - | - | - | 525,000 | 2.0 | 34,000 | 525,000 | 2.0 | 34,000 |
| Jupiter LG Stockpile | 0.5 | 3,494,000 | 0.5 | 58,000 | - | - | - | - | - | - | 3,494,000 | 0.5 | 58,000 |
| Cameron Well | 0.4 | - | - | - | 3,465,000 | 1.1 | 117,000 | 2,808,000 | 1.4 | 127,000 | 6,273,000 | 1.2 | 245,000 |
| 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 | - | - | - | 160,000 | 4.1 | 21,000 | 422,000 | 4.0 | 55,000 | 582,000 | 4.1 | 76,000 |
| Maxwells | 0.5 | - | - | - | 413,000 | 1.2 | 16,000 | 309,000 | 0.9 | 9,000 | 722,000 | 1.1 | 25,000 |
| Craic* | 2.0 | - | - | - | 69,000 | 8.2 | 18,000 | 120,000 | 7.1 | 27,000 | 189,000 | 7.5 | 46,000 |
| King St* | 0.5 | - | - | - | - | - | - | 532,000 | 2.0 | 33,000 | 532,000 | 2.0 | 33,000 |
| Low Grade Stockpiles | 0.5 | - | - | - | 1,276,000 | 0.7 | 30,000 | - | - | - | 1,276,000 | 0.7 | 30,000 |
| Mine Stockpiles | 0.5 | 151,000 | 0.9 | 4,000 | - | - | - | - | - | - | 151,000 | 0.9 | 4,000 |
| Total | | 7,678,000 | 1.8 | 453,000 | 32,428,000 | 1.9 | 1,992,000 | 14,570,000 | 2.3 | 1,075,000 | 54,676,000 | 2.0 | 3,520,000 |

* JORC 2004 Resource. Rounding errors will occur.

Other than Cameron Well, all Mineral Resource estimates are as of 30 June 2018. Cameron Well Mineral Resource estimate is of 31 July 2018

Table 2: Mt Morgans Gold Operation Ore Reserves as at 1 July 2018

(Refer ASX release dated 18 December 2018)

Mt Morgans Gold Operation Ore Reserves as at 1 July 2018

| 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 | 1.2 / 2.1* | 749,000 | 4.3 | 104,000 | 2,355,000 | 3.5 | 265,000 | 3,104,000 | 3.7 | 369,000 |
| Allanson UG | 1.2 / 2.1* | - | - | - | 1,175,000 | 5.0 | 188,000 | 1,175,000 | 5.0 | 188,000 |
| Westralia UG Low Grade | 0.5 / 1.8* | - | - | - | 458,000 | 1.2 | 18,000 | 458,000 | 1.2 | 18,000 |
| 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 | 2,213,000 | 1.2 | 88,000 | 13,049,000 | 1.3 | 523,000 | 15,262,000 | 1.2 | 611,000 |
| Cameron Well OP | 0.4 | - | - | - | 1,300,000 | 1.1 | 45,000 | 1,300,000 | 1.1 | 45,000 |
| Jupiter Low Grade Stockpile | 0.5 | 3,494,000 | 0.5 | 58,000 | - | - | - | 3,494,000 | 0.5 | 58,000 |
| Low Grade Stockpiles | 0.5 | - | - | - | 1,276,000 | 0.7 | 30,000 | 1,276,000 | 0.7 | 30,000 |
| Mine Stockpiles | 0.5 | 151,000 | 0.9 | 4,000 | - | - | - | 151,000 | 0.9 | 4,000 |
| ORE RESERVE | - | 6,799,000 | 1.3 | 284,000 | 19,938,000 | 1.7 | 1,105,000 | 26,737,000 | 1.6 | 1,389,000 |

* Development and Stopping cut-off grades. Rounding errors will occur.

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 to Mineral Resources for Westralia, Jupiter, Cameron Well, Ramornie, Mine and Low Grade Stockpiles (See ASX release 6 August 2018), and Transvaal (see ASX release 16 September 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 Ashmore Advisory. 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 to Mineral Resources for Craic and King Street 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.

Ore Reserves

The information in this report that relates to Ore Reserves for the Westralia Mining Area is based on information compiled or reviewed by Mr James Howard. Mr Howard has 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). Mr Howard 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 they are accepting responsibility. Mr Howard is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of Dacian Gold Limited and 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 Ore Reserves for the 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 and Cameron Well Area is based on information compiled or reviewed by Mr Mathew Lovelock. Mr Lovelock has 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 Lovelock is a member of The Australasian Institute of Mining and Metallurgy and a full-time employee of Dacian Gold Limited and 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.

APPENDIX 2 – TENEMENT SCHEDULE (with respect to tenement changes in the quarter, refer to Appendix 5B, sections 6.1 and 6.2).

| Tenement Type | Tenement | Status | Location | Ownership |
|---------------|----------|-------------|---------------|-------------------------------------|
| E | 38/2951 | Granted | Mt Morgans WA | Dacian Gold Ltd (100%) |
| E | 38/3211 | Granted | Mt Morgans WA | Dacian Gold Ltd (90%) |
| E | 38/3272 | Application | Mt Morgans WA | Dacian Gold Ltd (90%) |
| 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 | Granted | Mt Morgans WA | Dacian Gold Ltd (100%) |
| E | 39/1950 | Granted | 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 | Granted | Mt Morgans WA | Dacian Gold Ltd (100%) |
| E | 39/2004 | Granted | Mt Morgans WA | Dacian Gold Ltd (100%) |
| E | 39/2017 | Granted | Mt Morgans WA | Dacian Gold Ltd (100%) |
| E | 39/2020 | Granted | Mt Morgans WA | Dacian Gold Ltd (100%) |
| E | 39/2038 | Granted | Mt Morgans WA | Dacian Gold Ltd (100%) |
| L | 39/244 | 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 | Granted | Mt Morgans WA | Dacian Gold Ltd (100%) |
| M | 39/1122 | Granted | Mt Morgans WA | Dacian Gold Ltd (100%) |
| M | 39/1129 | Granted | 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%) |
| M | 39/291 | Granted | Mt Morgans WA | Dacian Gold Ltd (100%) |
| M | 39/295 | Granted | Mt Morgans WA | Dacian Gold Ltd (100%) |



| Tenement Type | Tenement | Status | Location | Ownership |
|---------------|----------|-------------|---------------|-------------------------------------|
| 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 | 38/4466 | Application | Mt Morgans WA | Dacian Gold Ltd (100%) |
| P | 39/5377 | Granted | Mt Morgans WA | Dacian Gold Ltd (100%) |
| P | 39/5469 | Granted | Mt Morgans WA | Dacian Gold Ltd (100%) |
| P | 39/5498 | Granted | Mt Morgans WA | Dacian Gold Ltd (100%) |
| P | 39/5823 | Granted | Mt Morgans WA | Dacian Gold Ltd (100%) |
| P | 39/5825 | Granted | Mt Morgans WA | Dacian Gold Ltd (100%) |
| P | 39/5826 | Granted | Mt Morgans WA | Dacian Gold Ltd (100%) |
| 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 | 39/5865 | Application | Mt Morgans WA | Dacian Gold Ltd (100%) |
| P | 39/6060 | 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 2018

| 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 | (2,610) | (5,212) |
| (b) development ¹ | 7,473 | 3,956 |
| (c) production | - | - |
| (d) staff costs | (787) | (1,638) |
| (e) administration and corporate costs | (601) | (1,369) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 277 | 609 |
| 1.5 Interest and other costs of finance paid | (1,496) | (3,271) |
| 1.6 Income taxes paid | - | - |
| 1.7 Research and development refunds | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | 2,256 | (6,925) |

¹ Includes construction costs, capitalised production costs and associated gold revenue

| | | |
|--|---|----------|
| 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 ² | - | (11,500) |
| 2.2 Proceeds from the disposal of: | | |
| (a) property, plant and equipment | - | - |

+ See chapter 19 for defined terms

1 September 2016

| 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 | - | (11,500) |

2 Termination of Jupiter life of mine royalty obligation

| | | | |
|-------------|---|--------------|---------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of shares | - | 48,329 |
| 3.2 | Proceeds from issue of convertible notes | - | - |
| 3.3 | Proceeds from exercise of share options | 1,382 | 1,497 |
| 3.4 | Transaction costs related to issues of shares, convertible notes or options | (112) | (1,948) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | (16,500) |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | 1,270 | 31,378 |

| | | | |
|------------|--|---------------|---------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 82,098 | 72,671 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | 2,256 | (6,925) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | (11,500) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 1,270 | 31,378 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 85,624 | 85,624 |

| 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 | 67,622 | 73,105 |
| 5.2 Call deposits | - | - |
| 5.3 Bank overdrafts | - | - |
| 5.4 Other (provide details) ³ | 18,002 | 8,993 |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 85,624 | 82,098 |

³ Unsold gold on hand at the end of the quarter totalling 9,914 oz

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 | 133,500 | 133,500 |
| 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 fully drawn to A\$133.5 million with Westpac Banking Corporation, Australia and New Zealand Banking Group Limited and BNP Paribas. A\$123.5 million was used to fund the development of the Mt Morgans Gold Project, with the balance A\$10 million used to provide working capital funding to the parent company Dacian Gold Limited to support an increase in regional development activities.

| 9. Estimated cash outflows for next quarter | \$A'000 |
|--|----------------|
| 9.1 Exploration and evaluation | 4,521 |
| 9.2 Development ⁵ | 18,534 |
| 9.3 Production ⁵ | 42,424 |
| 9.4 Staff costs | 844 |
| 9.5 Administration and corporate costs | 821 |
| 9.6 Other (provide details if material) ⁴ | 12,088 |
| 9.7 Total estimated cash outflows⁵ | 79,233 |

⁴ Debt repayment and interest costs

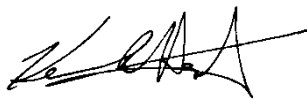
⁵ Cash outflows do not include forecast gold revenues

| 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 | L39/245 E39/2057 P38/4451 P39/5824 | Surrendered Withdrawal Withdrawal Withdrawal | 100% 0% 0% 0% | 0% 0% 0% 0% |
| 10.2 | Interests in mining tenements and petroleum tenements acquired or increased | E39/2038 E38/3211 E38/3272 | Granted Purchase Purchase | 0% 0% 0% | 100% 90% 90% |

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: 30 January 2019

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.