

QUARTERLY ACTIVITIES REPORT

TO 31 MARCH 2020



MARCH QUARTER PRODUCTION AND AISC GUIDANCE ACHIEVED AS DACIAN POSITIONS TO EXECUTE THREE YEAR BUSINESS PLAN

Fully underwritten \$98 million capital raise to recapitalise Dacian announced with Institutional proceeds now received

Mt Morgans Gold Operation (MMGO)

- 31,695 ounces produced in March quarter in line with guidance of between 30,000-33,000 ounces (previously released)
- MMGO AISC of \$1,810/oz for the March quarter in line with 2H FY2020 weighted AISC guidance (previously released)
- Suspended underground capital development at Westralia leads to reductions in overall spend
- On track for June quarter production of between 33,000-36,000 ounces at MMGO AISC of between \$1,400-\$1,500/oz
- Pre-stripping activities now commenced at Doublejay to position the Company for a successful FY2021
- COVID-19 Management Plan fully implemented with the MMGO unaffected to date

Exploration

- \$16m exploration program to develop project pipeline underway
- Drilling campaign at the high-grade Phoenix Ridge project in progress with a Mineral Resource update anticipated post completion
- Mt Marven extensional drilling conducted during the quarter

Recapitalisation

- \$98 million institutional placement and entitlement offer announced on 8 April 2020
- Institutional placement and accelerated entitlement proceeds of \$70 million (before costs) received 17 April 2020
- Fully underwritten retail entitlement offer closes 1 May 2020 with proceeds due 7 May 2020
- Dacian's balance sheet now strengthened to underpin its three year business plan

Corporate

- Total cash and unsold gold on hand at 31 March 2020 of \$14.1 million
- Total debt at 31 March 2020 of \$94.7 million - repayment due 30 April 2020 of \$24.7 million to be paid from recapitalisation proceeds
- Post receipt of recapitalisation proceeds and initial debt repayment, Dacian pro-forma balance sheet at 31 March 2020 consists of \$87.4 million in cash (before costs) with total debt of \$70 million
- Total forward hedge position as at 31 March 2020 was 115,455 ounces at an average of A\$1,978/oz

ASX RELEASE 30 April 2020

**Issued Capital as at
31 March 2020**
228.4m shares outstanding

**52 Week Share Price
Range to 31 March 2020**
\$2.43 - \$1.40

**Market Capitalisation as at
31 March 2020**
\$320m (@\$1.40)

BOARD

Ian Cochrane
Non-Executive Chairman

Leigh Junk
Managing Director

Barry Patterson
Non-Executive Director

Robert Reynolds
Non-Executive Director

SUBSTANTIAL SHAREHOLDERS as at 31 March 2020

Invesco (5.0%)
Van Eck Global (5.0%)
The Vanguard Group (3.9%)
Franklin Templeton Inv. (3.6%)

REGISTERED OFFICE
Level 2, 1 Preston Street
Como WA 6152
Australia

Dacian Gold Ltd (**Dacian Gold** or **the Company**) (ASX: DCN) is pleased to provide its operating and financial results for the quarter ending 31 March 2020.

OPERATIONS

The Company's rolling Total Recordable Injury Frequency Rate (**TRIFR**) was 21.6 at the end of the quarter (versus 19.4 previously), influenced by two low-level medically treated injuries and four restricted duties incidents that occurred during the quarter.

The Mt Morgans Gold Operation (**MMGO**) produced 31,695 ounces during the March quarter at an MMGO AISC of \$1,810/oz. Year-to-date production totals 106,932 ounces, positioning the Company favourably to meet its full-year production guidance of between 138,000-144,000 ounces.

The AISC for MMGO is expected to trend lower in the June quarter versus the March quarter as mining activities are focused predominantly in ore within the Heffernans open pit, as well as further reductions in underground expenditure that began late in the March quarter. The Company's June quarter MMGO AISC guidance is for between \$1,400-\$1,500/oz.

The combined MMGO AISC for both the March and June quarters is expected to be within 2H FY2020 guidance of between \$1,550-\$1,650/oz.

During the quarter, ore continued to be mined from previously developed stopes at the Westralia underground and from the Heffernans sub-pit at Jupiter with the milled grade profile consistent quarter-on-quarter.

The processing plant maintained its operating consistency since commissioning with 708,425 ore tonnes milled.

The Company's response to COVID-19 continues to be rigourously implemented with a number of protective measures in place in accordance with the Company's detailed COVID-19 Management Plan (see ASX announcement 6 April 2020). To date, the MMGO continues to operate unaffected with only site essential personnel working on site with the remainder working remotely.

During the quarter, the Company announced updated Mineral Resources and Ore Reserves, as well as an accompanying three year outlook for the MMGO (see ASX announcement 27 February 2020).

The Company's three year outlook over the period FY2021 – FY2023 delivers average annual production of 110,000 ounces at an AISC of \$1,350/oz.

2.5 MTPA CIL PROCESSING PLANT

A total of 708,425 ore tonnes was processed during the quarter at an average feed grade of 1.5 g/t gold (see Figure 1) for 34,131 contained ounces.

The processing plant has consistently operated above design throughput rates, with throughput lower than the previous quarter due to planned downtime.

A total of 31,695 ounces was produced for the March quarter, representing a plant recovery of 92.8%.

Key Statistics	Unit	MQ
Processing		
Ore Milled	kt	708
Processed Grade	g/t	1.5
Contained Gold	oz	34,131
Gold Recoveries	%	92.8%
Processing Cost	\$/t	17.3
G&A Cost	\$/t	3.3
Gold Produced	oz	31,695
Gold Sold	oz	36,933
Gold-on-Hand	oz	2,406
Average Sell Price	A\$/oz	1,982
MMGO AISC (oz produced)	A\$/oz	1,810

Figure 1: Key Processing Statistics for the March Quarter at MMGO

OPEN PIT – JUPITER MINE AREA

The Jupiter open pit mined 475,380t @ 1.0 g/t gold for 14,849 contained ounces during the March quarter (see Figure 2).

Mining was focussed in the Heffernans sub-pit during the quarter, with a total of 1.6 million BCM of material moved.

Contained metal mined was improved on the previous quarter as a result of a significant increase in ore tonnes mined while maintaining an equivalent grade profile quarter-on-quarter.

Key Statistics	Unit	MQ
Open Pit		
Ore Mined	kt	475
Mined Ore Grade	g/t	1.0
Contained Gold Mined	oz	14,849
Waste Mined	kbcm	1,380
Open Pit Mining Cost	\$/t moved	4.3

Figure 2: Key Open Pit Statistics for the March Quarter at MMGO

Mining will continue at Heffernans during the June quarter and pre-stripping will commence in Doublejay, in line with the Company's updated three year outlook which has ore production contribution from Doublejay beginning in FY2021.

A total of 19,512m of RC grade control drilling was completed during the quarter, an increase quarter-on-quarter as preparatory activities commenced also at Mt Marven.

Increased open pit unit costs versus the previous quarter were as expected and reflect longer haulage distances at Heffernans as well as the above mentioned drilling activities at Mt Marven. Unit costs are anticipated to trend lower as contribution from Doublejay begins in the June quarter, in line with guidance.

UNDERGROUND – WESTRALIA MINE AREA

The Westralia underground mined 200,775t @ 2.9 g/t gold for 18,409 contained ounces during the March quarter (see Figure 3), with contained metal improving in comparison to the previous quarter as a result of higher average grade mined.

Ore was produced from stoping and development activities from both the Beresford and Allanson mine areas, with stoping contributing almost 70% of the mined ore tonnes.

In line with the Company's updated three year outlook, capital development was suspended late in the quarter. Operating development (predominantly ore driving) continued during the quarter and will be completed in the June quarter.

A total of 31,737m of grade control diamond drilling was completed during the quarter. All grade control drilling required to support planned stope ore production until the end of CY2020 will be complete early in the June quarter.

Key Statistics	Unit	MQ
Underground		
Stope Ore Mined	kt	137
Development Ore Mined	kt	64
Total Ore Mined	kt	201
Mined Ore Grade	g/t	2.9
Contained Gold Mined	oz	18,409
Metres Developed - Capital	m	753
Metres Developed - Operating	m	1,444
Total Development	m	2,197
Underground Mining Cost	\$/t ore mined	118

Figure 3: Key Underground Statistics for the March Quarter at MMGO

EXPLORATION

PHOENIX RIDGE

A 40m x 40m spaced diamond drilling campaign across the Phoenix Ridge deposit (see Figure 4 below) continues to move forward, progressing towards an updated Mineral Resource estimate post completion of the infill program. Clearing and site preparations for RC drilling to test the surface projection of the Phoenix Ridge mineralisation (see Figure 5), is complete. RC drilling is scheduled to commence in the June quarter.

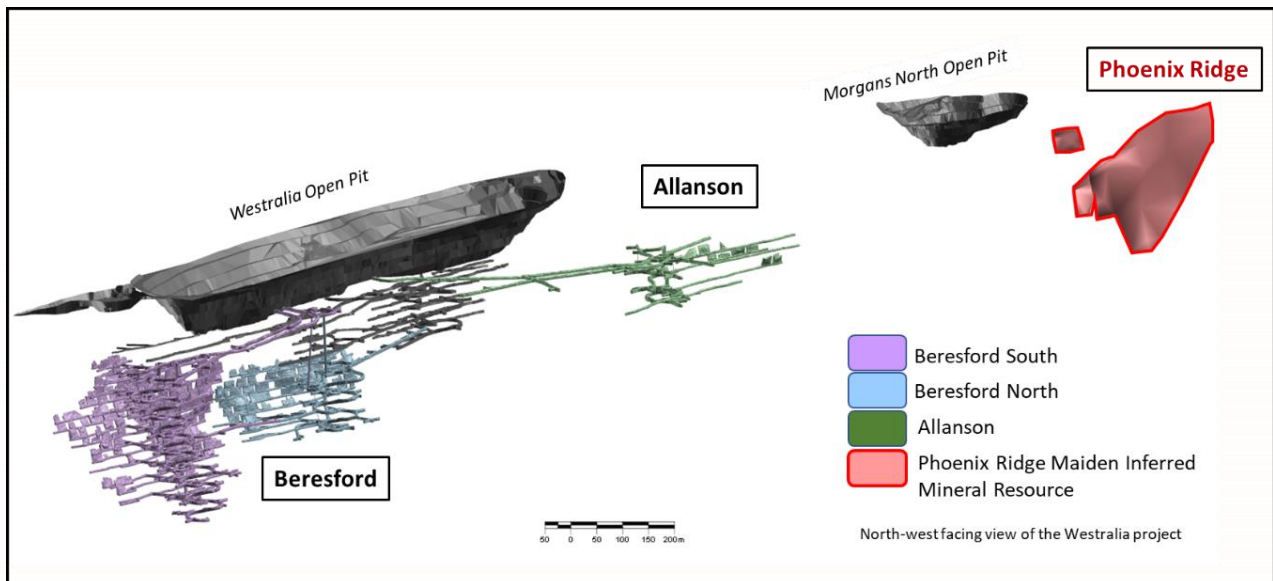


Figure 4: Location of the Phoenix Ridge deposit north (to the right) of the Beresford and Allanson gold mines that comprise the Westralia Mine Area.

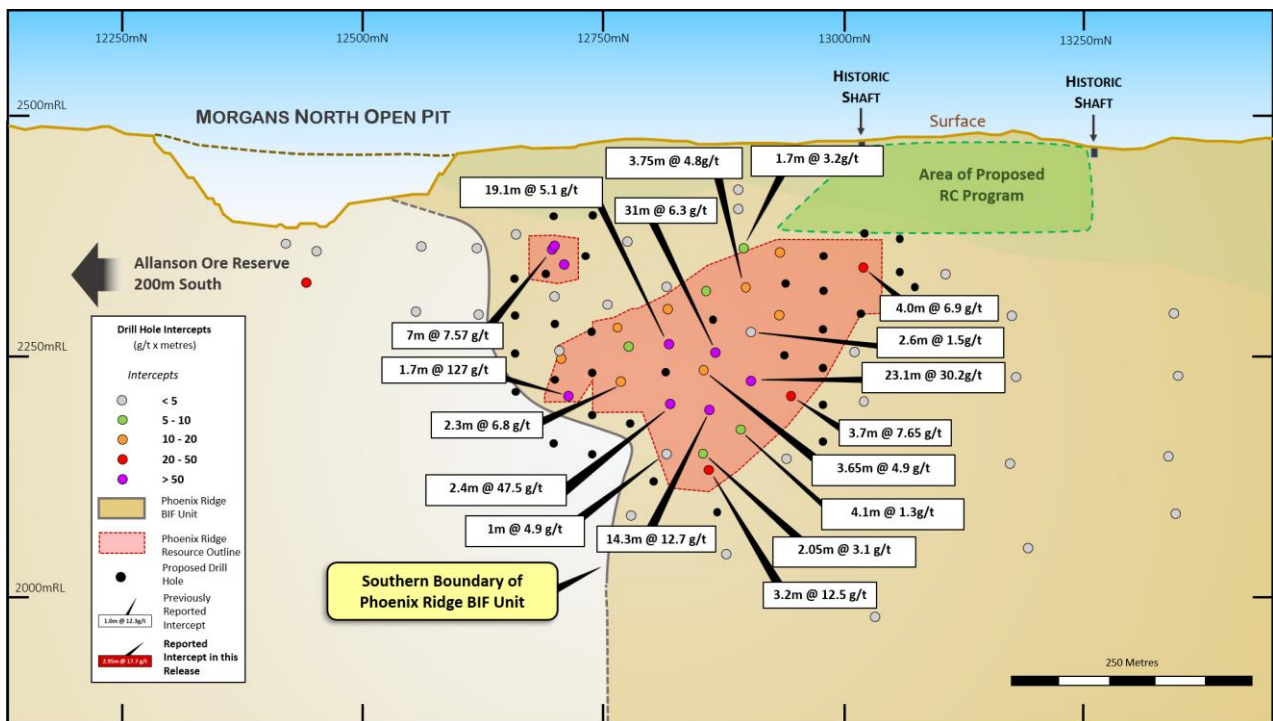


Figure 5: Longitudinal section showing the 40m x 40m infill drilling results of the 125,000oz @ 8.1g/t gold Phoenix Ridge Inferred Mineral Resource (red shade): previously released intersections as white labels (see ASX releases 20 June 2019 and 5 August 2019). Proposed infill holes that are part of the ongoing drilling program are shown as black dots.

MT MARVEN

Five extensional diamond holes below Mt Marven were drilled during the quarter with corresponding assays pending and set to be released in the June quarter.

In addition to diamond drilling, a program of RC sterilisation drilling was also completed during the March quarter in preparation for the commencement of mining activities early in FY2021.

SCHEDULED EXPLORATION ACTIVITIES

Following the successful recapitalisation, a \$16M exploration budget and drilling schedule was approved by the Company's board. Dacian intends to test a number of advanced exploration targets (see ASX announcement 27 February 2020) during FY2021 including:

- Phoenix Ridge
- Cameron Well
- Mt McKenzie
- McKenzie Well
- Southern BIF
- Transvaal
- Other exploration targets

The Company aims to rapidly develop a pipeline of these advanced exploration projects through RC drilling and targeted diamond drilling to delineate which projects can add the most near-term potential. Figure 7 below shows the location of these advanced exploration targets including the BIF hosted Mt McKenzie, McKenzie Well, Southern BIF prospects and Maxwells.

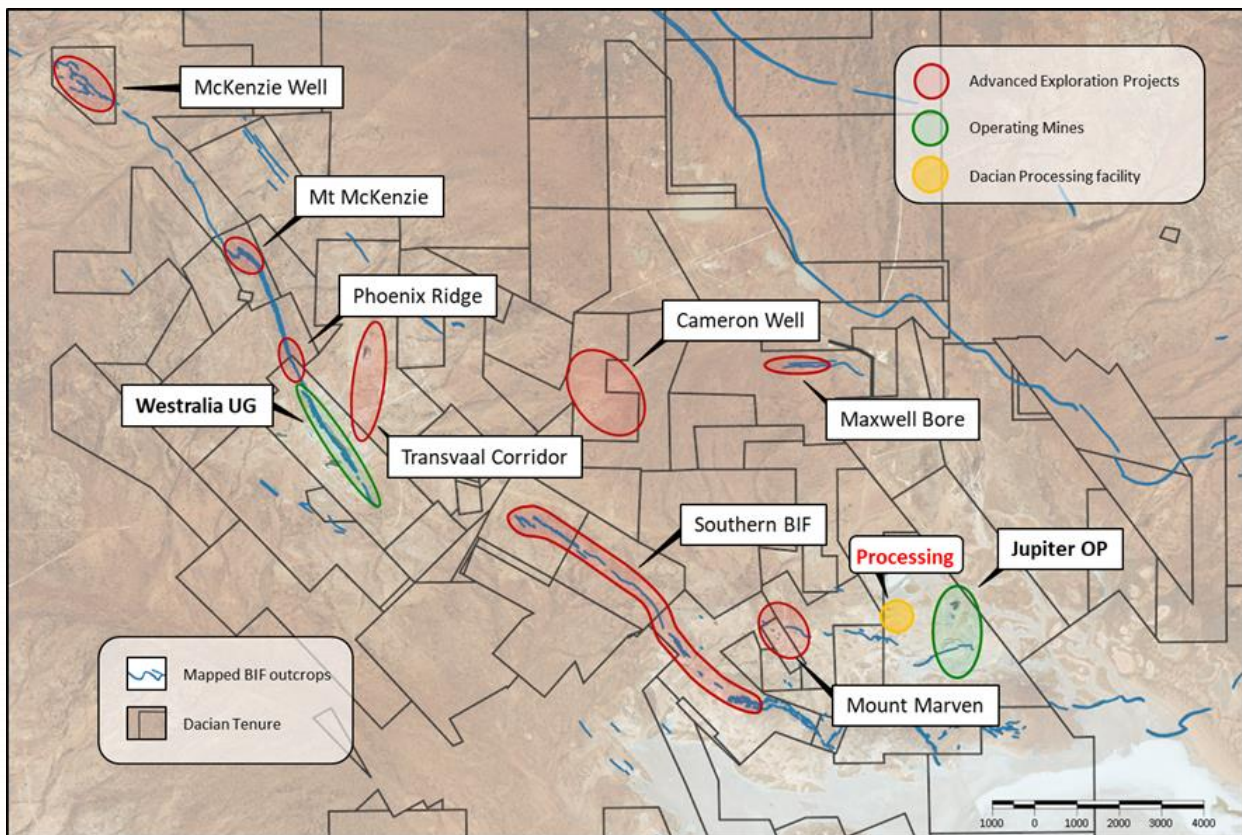


Figure 6: Plan showing advanced exploration targets across the MMGO land package relative to the Westralia operation, Jupiter operation and the processing facility.

RECAPITALISATION

During the March quarter, the Company announced its intention to recapitalise the Company to address its overall liquidity and level of debt following the resetting of the MMGO as stated in its updated three year outlook.

On 8 April 2020, the Company announced an institutional placement and 1 for 1 accelerated non-renounceable entitlement offer to raise up to \$98 million. At completion of the institutional book build, the offer was subsequently fully underwritten.

Proceeds from the institutional placement and accelerated entitlement offer totalling \$70 million (before costs) were received 17 April 2020.

The retail entitlement offer is due to close on 1 May 2020 with proceeds totalling \$28 million (before costs) to be received 7 May 2020.

The proceeds from the Company's recapitalisation will underpin the Company's three year business plan objectives with the targeted use of funds as shown in Figure 7.

Uses of Funds	A\$m
Partial Repayment of Project Debt Facility	\$50
Pre-Stripping Activities at Doublejay	\$15
Exploration Activities	\$15
General Working Capital and Offer Costs	\$18
Total	\$98

Figure 7: Recapitalisation Use of Funds

CORPORATE

At 31 March 2020, the Company had total cash and unsold gold on hand of A\$14.1 million (\$9.8 million cash and \$4.3 million in unsold gold), a decrease from A\$25.1 million (normalised) at the end of the December quarter. Total debt as at 31 March 2020 was \$94.7 million.

Total cash reduced quarter-on-quarter as a result of continued investment in Heffernans open pit waste stripping, while capital expenditure at the Westralia underground was not suspended until late in the quarter. Interest and associated put option costs were also paid during the quarter.

Gold sales of 36,933 ounces for the quarter continued to be delivered into legacy hedge commitments at an average sale price of \$1,982/oz.

The Company expects to have materially completed delivery into these lower priced hedges by the end of the June quarter, at which point quarterly hedge commitments are expected to roll off.

Gold production will be increasingly exposed to spot prices and higher priced hedges beginning in FY2021.

Gold-on-hand at the end of the March quarter was 2,406 ounces.

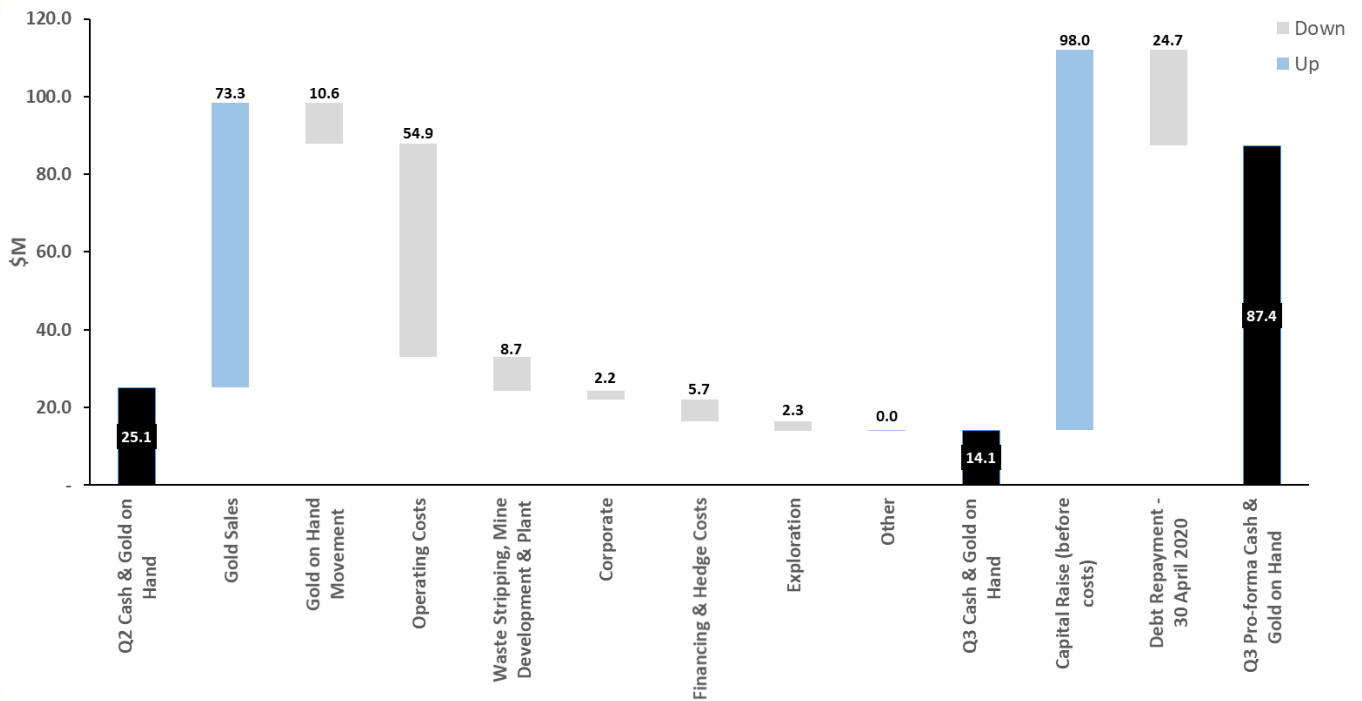


Figure 8: March Quarter Cash Movements and Pro-Forma Adjustments for April Capital Raise

Post recapitalisation, pro-forma total cash and unsold gold on hand using 31 March 2020 balances is expected to be approximately \$87.4 million with total debt of \$70 million (down from \$94.7 million at 31 March 2020) following a \$24.7 million scheduled repayment on 30 April 2020.

During the quarter, the Company initiated and completed a modification of its project debt facility repayment schedule to better align repayments with the Company's three year outlook. The Company's current intention post recapitalisation is to refinance the facility to a corporate-style facility with more flexible terms and longer tenure.

Repayment Schedule	Amount Due (\$M)
30-Apr-20	\$24.7
30-Jun-20	\$3.9
30-Sep-20	\$14.5
31-Dec-20	\$11.3
31-Mar-21	\$2.0
30-Jun-21	\$4.0
30-Sep-21	\$1.9
31-Dec-21	\$18.2
31-Mar-22	\$14.2
Total	\$94.7

Figure 9: Project Facility Fixed Minimum Repayment Schedule through to March 2022

Figure 10 summarises the Company's total hedge commitments and outstanding put options as at 31 March 2020.

The Company's hedging obligations total 115,455 ounces at an average price of \$1,978/oz. The Company has no plans to add new hedges to its current program.

The Company's current put option regime totals 67,608 ounces with the options set to expire per the schedule in Figure 10 if not exercised.

Hedge Position 31 March 2020	JQ 2020	SQ 2020	DQ 2020	MQ 2021	JQ 2021	Total
Forward Sales (oz)	36,917	17,050	19,119	20,205	22,164	115,455
Hedged Gold Price (A\$/oz)	\$1,768	\$1,942	\$2,102	\$2,112	\$2,126	\$1,978
Put Options (oz)	3,600	27,477	15,210	10,818	10,503	67,608
Floor strike price net of option cost (A\$/oz)	\$2,081	\$2,064	\$2,049	\$2,034	\$2,018	\$2,050

Figure 10: Summary of total hedge and put option commitments as at 31 March 2020

PAYMENTS TO RELATED PARTIES

Included in the Appendix 5B section 6.1 are amounts paid to the Directors of the Company during the March quarter totalling \$662,000. This amount includes a \$372,500 termination payment to Mr Rohan Williams (former Director and CEO) with the balance comprising Director and Managing Director fees and salary.

This ASX announcement was approved and authorised for release by the Board of Dacian Gold Limited.

For further information please contact:

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COMPETENT PERSON STATEMENT EXPLORATION

The information in this report that relates to Exploration Results is based on information compiled by Mr Christopher Oorschot who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Oorschot holds options in and is a full-time employee of Dacian Gold Ltd. Mr Oorschot 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 Oorschot 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.

The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant ASX releases and the form and context of the announcements has not materially changed.

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.

APPENDIX 1 – TENEMENT SCHEDULE

Tenement Type	Tenement	Status	Location	Ownership
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%)
P	38/4486	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
E	38/2951	Granted	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	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	38/3211	Granted	Mt Morgans WA	Dacian Gold Ltd (90%) & Jindalee Resources Limited (10%)
E	38/3272	Granted	Mt Morgans WA	Dacian Gold Ltd (90%) & Jindalee Resources Limited (10%)
M	39/1135	Application	Mt Morgans WA	Dacian Gold Ltd (90%) & Jindalee Resources Limited (10%)
L	39/0057	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
L	39/0244	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
L	39/0246	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
L	39/0286	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
M	38/0395	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	38/0396	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	38/0548	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	38/0595	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	38/0848	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0018	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0036	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0208	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0228	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0236	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0240	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0248	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0250	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0261	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0264	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)

Tenement Type	Tenement	Status	Location	Ownership
M	39/0272	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0273	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0282	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0287	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0291	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0295	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0304	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0305	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0306	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0333	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0380	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0390	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0391	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0392	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0393	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0394	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0395	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0403	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0441	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0442	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0443	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0444	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0497	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0501	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0502	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0503	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0504	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0513	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0745	Granted	Mt Morgans WA	Mt Morgans WA Mining Pty Ltd (100%)
M	39/0746	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0747	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0799	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0937	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0938	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/0993	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%)

Tenement Type	Tenement	Status	Location	Ownership
M	39/1129	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/1133	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
M	39/1137	Granted	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	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/6060	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/6121	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/6122	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
P	39/6123	Application	Mt Morgans WA	Dacian Gold Ltd (100%)
P	38/4466	Granted	Mt Morgans WA	Dacian Gold Ltd (100%)

Changes of interests in mining tenements for quarter ending 31 March 2020

	Tenement Reference	Nature of Interest	Interest at beginning of qtr	Interest at end of qtr
Interests in mining tenements relinquished, reduced or lapsed	E39/2038*	Tenement expired	100%	0%
Interests in mining tenements acquired or increased.	E38/3211	Tenement transfer	0%	90%
	E38/3272	Tenement transfer	0%	90%
	M39/1135	Tenement transfer	0%	90%

* Tenement expired on grant of M39/1137

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Dacian Gold Limited

ABN

61 154 262 978

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	58,406	205,316
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(2,254)	(6,242)
	(b) development	-	-
	(c) production ¹	(72,798)	(169,417)
	(d) staff costs	(854)	(2,919)
	(e) administration and corporate costs	(1,333)	(2,523)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	43	237
1.5	Interest and other costs of finance paid ²	(5,700)	(8,726)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(24,490)	15,726

¹ Includes delayed trade creditor payments totalling \$17.9 million paid on 6 January 2020 which were due for payment on 31 December 2019.

² Includes interest, bank fees and hedge put option costs.

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment ³	(8,720)	(40,768)
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) 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	(8,720)	(40,768)

³ Includes capitalised expenditure for mine development, waste stripping, plant and equipment.

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(10,800)
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	-	(10,800)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	43,011	45,643
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(24,490)	15,726
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8,720)	(40,768)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(10,800)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	
4.6	Cash and cash equivalents at end of period	9,801	9,801

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	9,801	28,079
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – unsold gold on hand ⁴	-	14,932
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,801	43,011

⁴ Previous quarter cash equivalents included unsold gold on hand at 31 December 2019 totalling 7,564 ounces valued at \$14.9 million.

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	662
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A’000	Amount drawn at quarter end \$A’000
7.1	Loan facilities	94,700	94,700
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	94,700	94,700
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
7.1	Loan facilities comprise a Syndicated Project Debt Facility fully drawn to \$94.7 million with Australia and New Zealand Banking Group Limited, BNP Paribas and Westpac Banking Corporation. The facility was used to fund the initial construction and development of the Mt Morgans Gold Project. Interest rate on the facility during the quarter was 4.9% per annum. Repayments are scheduled in quarterly tranches with the final fixed repayment due on 31 March 2022. Security is provided by a fixed and floating charge over the assets of Dacian Gold’s operating subsidiary, Mt Morgans WA Mining Pty Ltd and a featherweight security charge over the assets of Dacian Gold Limited capped to a maximum value of \$5,000.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(24,490)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(24,490)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	9,801
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	9,801
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.4
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Net cash generated from operations is anticipated to improve during the quarter ended June 2020 as mining in the Heffernans open pit transitions from waste dominated activities to ore production. In addition, Westralia underground mine plan changes and expenditure reductions announced to the ASX on 27 February 2020 will result in increased cash flow margins for that operation from March 2020.	

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2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: On 8 April 2020 the Company announced an equity capital raise comprising an institutional placement and entitlement offer for up to \$98.0 million in funding to recapitalise the Company. On the 9 April 2020 the Company announced the completion of the placement and institutional entitlement offer totalling \$70.0 million. On the 17 April 2020 the Company received the funding from the institutional placement and entitlement offer. The Company expects to complete the retail entitlement offer component totalling \$28.0 million over the period to 7 May 2020.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, for the reasons stated at item 1 and 2 above. Refer to ASX announcements made on 27 February 2020 that detail the Company's production outlook.

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.

Date: 30 April 2020

Authorised by: The Board of Dacian Gold Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.