24 FEBRUARY 2015

# UNDERGROUND WESTRALIA RESOURCE INCREASES 40% TO 4.6Mt @ 5.8 g/t FOR 850,000oz.

- **Additional, and as yet unclassified high grade Westralia mineralisation intersected up to 1,200m north of the new resource.**
- **Infill drilling to commence – aimed at further extending and increasing the Westralia resource.**
- **Mt Morgans total resource inventory now upgraded to:**

**10.7Mt @ 4.0 g/t for 1.4Moz.**

Dacian Gold Limited ("Dacian" or "the Company") (ASX:DCN) is pleased to announce a Mineral Resource increase for the Westralia gold deposit to 4.6Mt at 5.8g/t Au for 853,000oz above a lower cut-off grade of 3 g/t gold.

The 40% increase from the previously reported resource estimate of 3.2Mt @ 5.9 g/t for 610,000 ounces (see ASX announcement 19 December 2013) was due principally to the inclusion of a portion of the mineralisation identified from Dacian's recent successful drilling campaign that confirmed the Westralia mineralised system as being substantially larger than previously recognised (see ASX announcement 15 October 2014).

The summary of the updated Westralia Mineral Resource is shown below.

**Westralia Deposit February 2015 Mineral Resource Estimate (3g/t Au Lower Cut-off)**

| Classification | Tonnes | Au g/t | Au Oz |
|---|---|---|---|
| Measured | 120,000 | 5.9 | 22,000 |
| Indicated | 1,123,000 | 6.0 | 215,000 |
| Inferred | 3,374,000 | 5.7 | 616,000 |
| **Total** | **4,613,000** | **5.8** | **853,000** |

The 853,000oz Mineral Resource at Westralia is defined over a total vertical interval of 720m, however a 500m interval between 360 and -140m RL exhibits a significant endowment of over 1,600 ounces per vertical metre, at an average grade of 5.9g/t.

This major, high grade resource upgrade confirms the Westralia deposit as having the potential for development as an underground mine.

The Company has also updated the Ramornie estimate to report a 23,000 ounce increase to the total Mineral Resource, which now stands at 0.4Mt @ 4.0 g/t for 57,000 ounces.

The increase of the Mineral Resource for the Westralia and Ramornie deposits brings the total resource inventory for the Mt Morgans project to 10.7Mt at 4.0g/t for 1.43Moz. The Company is pleased the average grade of the 1.43Moz resource base is maintained at the high grade of 4 g/t gold.

## Background & Introduction

As released to the ASX on 15 October 2014, the Company reported several high grade intersections from a widely-spaced reconnaissance diamond drill program testing a geological concept that the Westralia mineralised system may be substantially larger than previously considered. The drilling program, which comprised 14 holes for 9,000m was successful in that it defined the Westralia mineralised system as being at least 3,000m long. Thirteen of the fourteen holes completed in the program were outside the Westralia resource boundary at the time of the drilling. The new resource estimate, the subject of this announcement, includes five of the fourteen holes drilled. Figure 1 below shows the new Westralia resource in relation to the existing open pit and underground mine. More significantly, the figure also shows the location of the following five high grade intersections that show significant mineralisation extends for over 1,200m north of the now new Westralia resource boundary.

| Hole id | Intersection | Distance from new resource boundary |
|---|---|---|
| 14MMRD024 | 2.0m @ 18 g/t | 600m |
| 14MMRD024 | 3.3m @ 2.9 g/t | 600m |
| 14MMRD025 | 2.0m @ 8.6 g/t | 600m |
| 14MMRD026W1 | 4.2m @ 6.8 g/t | 900m |
| 14MMRD027 | 3.9m @ 3.0 g/t | 1,200m |

**Table 1:** Results from wide-spaced diamond drilling completed in October 2014 that lie outside the new 850,000oz Westralia resource boundary.

Each of the five intersections are located in Banded Iron Formation (BIF) and show close geological similarities with the gold mineralisation seen (i) within the BIF-hosted Westralia gold mine and (ii) the increased BIF-hosted Westralia resource. Given the very broad nature of the intersections shown in Table 1 and Figure 1, the mineralisation is unclassified for the new Westralia resource. Dacian's management, however, believe the unclassified mineralisation is reasonably likely to be part of the larger Westralia gold mineralised system. The Company will commence infill-drill testing of the broad spaced intersections, and if mineralisation continuity can be reasonably interpreted, then it will undertake further resource estimation studies to increase the Westralia resource.

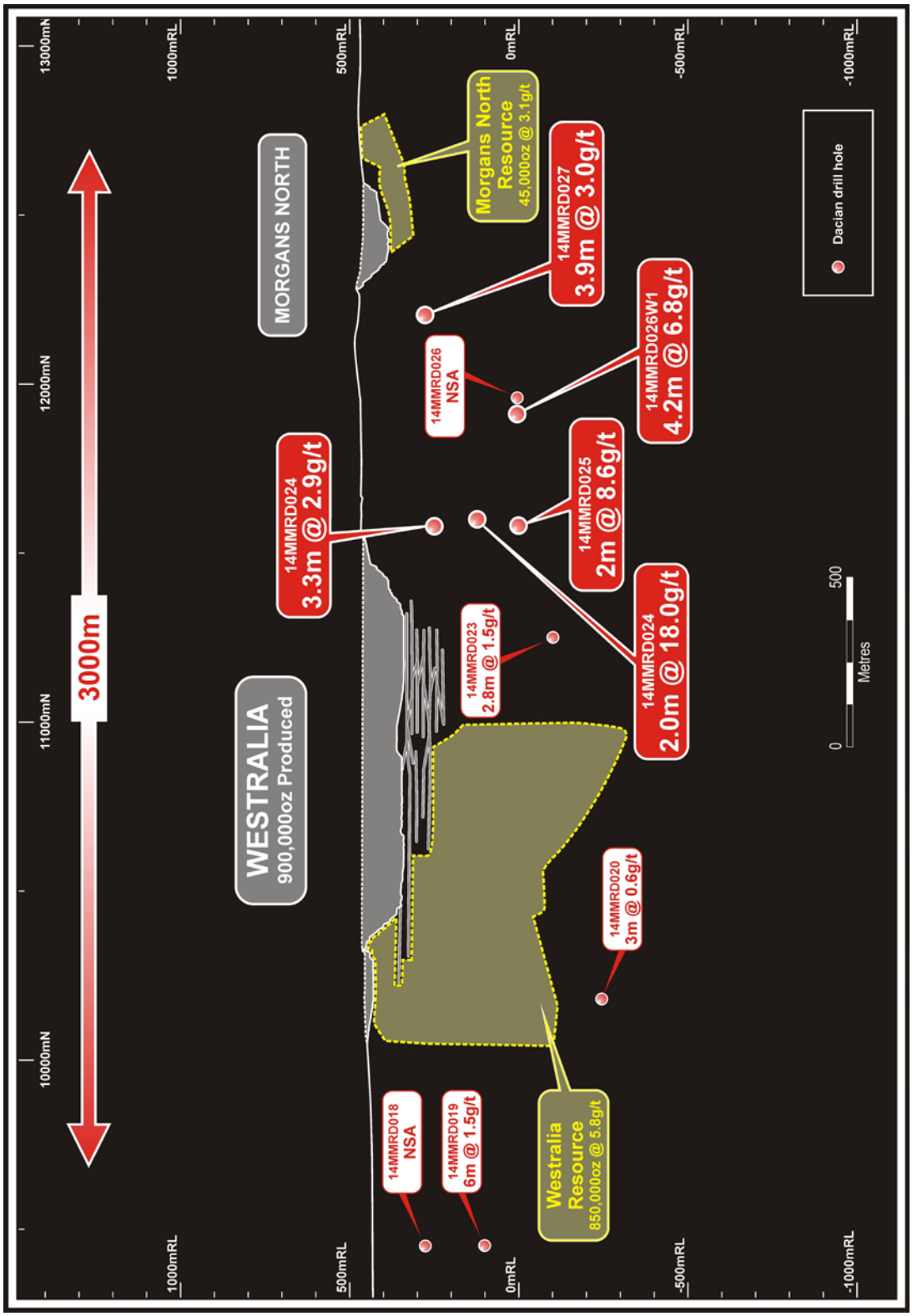


**Figure 1:** Location of five high grade, unclassified, intersections located up to 1,200m north of the new 850,000oz Westralia resource. Dacian will commence infill drilling to test for mineralisation continuity. If confirmed the Company will undertake additional resource estimation studies.

## Westralia Mineral Resource

Appendix I and II contains detailed descriptions of the resource estimation methodology and appropriate disclosures for this new Westralia resource estimate. The Competent Persons Statement is provided on page 9 of this announcement. The following sections provide a summary overview of the Westralia gold deposit, its production history, resource growth development and classification of the new resource.

Westralia Geology and Historical Mining

Gold mineralisation at Westralia occurs within a well-defined, steep east-dipping BIF horizon from which approximately 900koz was produced at an average grade of 4.5g/t up to 1998. Gold is associated with pyrrhotite and pyrite replacement of magnetite within zones of silica and albite alteration of the BIF. Previous mining at the deposit has demonstrated that the gold is free milling with good recoveries achieved from conventional CIL processing.

Open pit mining of the deposit was carried out to a maximum depth of 140m below surface. Underground mining then proceeded in the northern portion of the deposit to a depth of 240m.

Westralia Resource Growth Development

At the time of Dacian's listing on the ASX in November 2012, the Westralia resource was 3.3Mt @ 3.4 g/t for 330Koz. Dacian commenced drilling into Westralia in early 2013 and quickly made the Millionaires discovery (see ASX announcements 13 March 2013, 5 July 2013 and 11 December 2013). A resource upgrade in December 2013 increased the Westralia resource to 3.2Mt @ 5.9 g/t for 610Koz. Figure 2 below charts the resource growth at Westralia over the last two and a half years.

The dimensions of the increased Westralia resource is 1,000m long and with a vertical extent of 720m. As noted above, the majority of the mineralisation lies within a 500m vertical interval from 360RL to -140RL (note surface is 440RL). The resource remains open at depth and to the north, as referred to above. The Company believes there is an excellent opportunity to further increase the size of the Westralia resource with additional drilling.

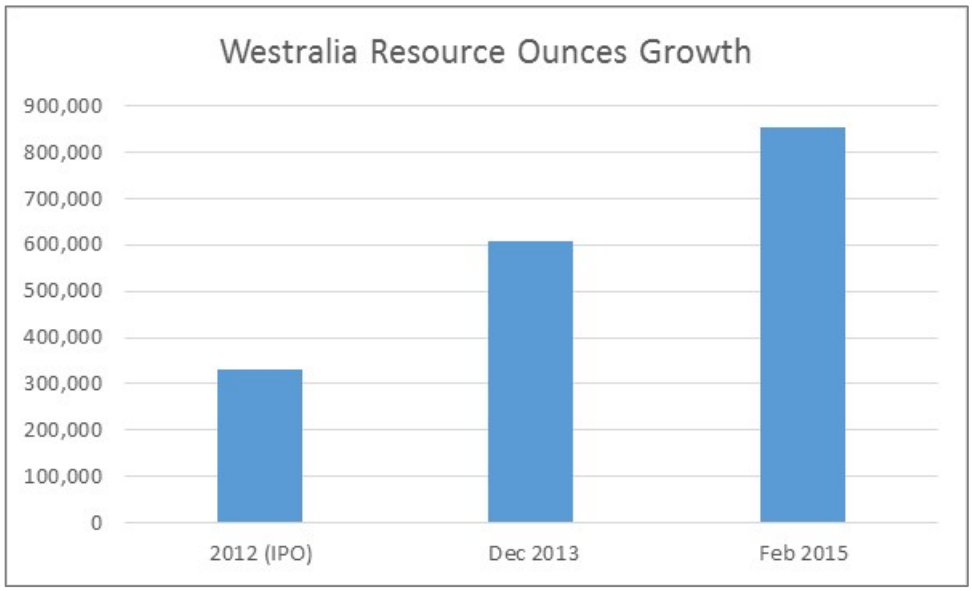


**Figure 2:** Chart depicting resource growth at Westralia over the last two and a half years from 330Koz to the current 850Koz.

Westralia Resource Classification

Table 2 below summarises the Westralia resource classification, and Figure 3 shows the location of each of the classification areas. The majority of the resource is currently classified as an Inferred Mineral Resource which is because the drill intersections pierce points are approximately 80m apart and are at a distance that makes it unlikely to allow reasonable confidence to classify the resource as an Indicated Mineral Resource. It is anticipated that infill drilling of the current hole spacing will, if the results are positive, provide the necessary confidence to improve the resource in order to classify it as an Indicated Mineral Resource.

**Westralia Deposit February 2015 Mineral Resource Estimate (3g/t Au Lower Cut-off)**

| Classification | Tonnes | Au g/t | Au Oz |
|---|---|---|---|
| Measured | 120,000 | 5.9 | 22,000 |
| Indicated | 1,123,000 | 6.0 | 215,000 |
| Inferred | 3,374,000 | 5.7 | 616,000 |
| **Total** | **4,613,000** | **5.8** | **853,000** |

**Table 2:** February 2015 Westralia resource estimate classification.

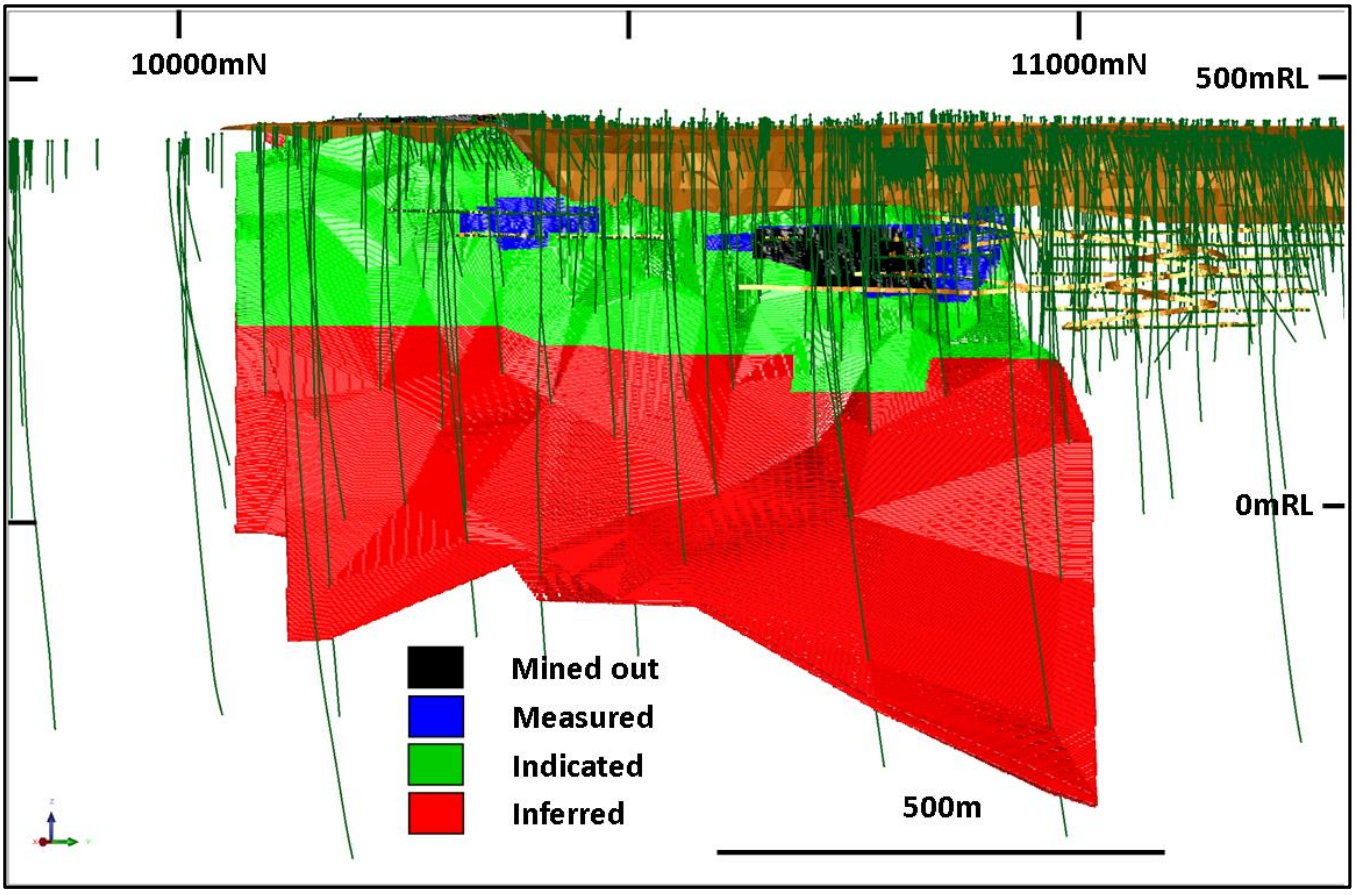


**Figure 3:** Long section of Westralia showing Mineral Resource classification boundaries, mine workings and Dacian drilling intersections. The image represents a south (left) to north (right) long section.

## Ramornie Mineral Resource

Appendix III contains detailed descriptions of the resource estimation methodology and appropriate disclosures for the new Ramornie resource estimate. The Competent Persons Statement is provided on page 9 of this announcement.

The Ramornie gold mine is located 400m north-east of the Westralia deposit. It was mined by open pit in 1997 and produced approximately 30,000 ounces of gold.

In completing the Westralia wide-spaced fourteen hole diamond drill program, as referred to above, the down-dip continuation of the Ramornie mineralisation was intersected and returned 13.9m @ 3.7 g/t gold (see ASX Announcement 9 October 2014). The deeper Ramornie intersection as well as previously completed Dacian drilling (see ASX announcements 5 March 2013) were used to prepare an update to the Mineral Resource estimate for Ramornie (Table 3). The new Ramornie estimate reported a 23,000oz increase to the total Mineral Resource.

Ramornie Deposit February 2015 Mineral Resource Estimate (2g/t Au Lower Cut-off)

| Classification | Tonnes | Au g/t | Au Oz |
|---|---|---|---|
| Indicated | 156,000 | 4.1 | 21,000 |
| Inferred | 285,000 | 3.9 | 36,000 |
| Total | 442,000 | 4.0 | 57,000 |

Table 3: February 2015 Ramornie resource estimate classification

For and on behalf of the Board

Rohan Williams
Executive Chairman

## About Dacian Gold Limited

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

The Mt Morgans Project hosts high grade Mineral Resources of 1.4 million ounces at an average grade of 4.0 g/t gold, including Ore Reserves of 136,000 ounces at an average grade of 6.2 g/t gold. In addition, the Company has identified multiple exploration targets and resource extension opportunities. If proven, they will enable growth of the Mt Morgans' existing Mineral Resource and Ore Reserve base. See Appendix II for full details including Competent Persons statements.

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

Dacian's exploration strategy at Mt Morgans is aimed at delivering on the company's corporate objective of defining at least 600,000 ounces of Ore Reserves at Mt Morgans. Dacian considers mining an Ore Reserve of at least 600,000 ounces of gold is reasonably likely to provide sufficient returns to justify the investment capital required to construct an ore processing facility at the project.

For further information visit: www.daciangold.com.au or please contact:

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Applecross, WA 6153

## Mineral Resources and Ore Reserves

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

### Mt Morgans Gold Project Mineral Resources

| Deposit | Cutoff Grade Au g/t | Measured | | | Indicated | | | Inferred | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Tonnes | Au g/t | Au Oz | Tonnes | Au g/t | Au Oz | Tonnes | Au g/t | Au Oz | Tonnes | Au g/t | Au Oz |
| King Street | 0.5 | | | | | | | 532,000 | 2.0 | 33,000 | 532,000 | 2.0 | 33,000 |
| Jupiter | 1.5 | | | | | | | 811,000 | 2.8 | 73,000 | 811,000 | 2.8 | 73,000 |
| Westralia | 3.0 | 117,000 | 5.9 | 22,000 | 1,123,000 | 6.0 | 215,000 | 3,374,000 | 5.7 | 616,000 | 4,614,000 | 5.8 | 853,000 |
| Craic | 0.5 | | | | 69,000 | 8.2 | 18,000 | 120,000 | 7.1 | 27,000 | 189,000 | 7.5 | 46,000 |
| Transvaal | 0.5 | 1,549,000 | 3.2 | 159,000 | 1,176,000 | 2.7 | 102,000 | 926,000 | 2.2 | 66,000 | 3,650,000 | 2.8 | 327,000 |
| Ramornie | 2.0 | | | | 156,000 | 4.1 | 21,000 | 285,000 | 3.9 | 36,000 | 442,000 | 4.0 | 57,000 |
| Morgans North | 0.5 | | | | 290,000 | 2.6 | 25,000 | 169,000 | 3.8 | 20,000 | 459,000 | 3.1 | 45,000 |
| **Total** | | **1,665,000** | **3.4** | **181,000** | **2,813,000** | **4.2** | **381,000** | **6,218,000** | **4.4** | **872,000** | **10,700,000** | **4.0** | **1,434,000** |

### Mt Morgans Gold Project Ore Reserves

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

## Competent Person Statement

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 and Ore Reserves

The information in this report that relates the Westralia and Ramornie Mineral Resources is based on information compiled by Mr Shaun Searle who is a Member of Australian Institute of Geoscientists and a full time employee of RPM. 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 (other than Westralia and Ramornie which is reported under JORC 2012, refer to this ASX release) 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.

Where the Company refers to the Westralia and Ramornie Mineral Resources in this report (referencing this release 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 resource estimate with that announcement continue to apply and have not materially changed.

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

All information relating to Mineral Resources and Ore Reserves (other than the Westralia and Ramornie Mineral Resource estimate, see current ASX announcement) was prepared and disclosed under the JORC Code 2004. It 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 I***

*Exploration results at Westralia were reported by DCN and released to the ASX during 2013 and 2014. Mr Rohan Williams, Executive Chairman of DCN compiled the information in Section 1 and Section 2 of JORC Table 1 in this Mineral Resource report and is the Competent Person for those sections. RPM has included these sections in their entirety to ensure that all relevant sections of Table 1 are included in this report.*

## Section 1 Sampling Techniques and Data

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Sampling techniques*** | • *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.* | • DCN utilised RC and diamond drilling. Holes were generally angled towards grid west to optimally intersect the targeted mineralised zones.<br>• DCN core was sampled as half core at 1m intervals or to geological contacts.<br>• To ensure representative sampling, half core samples were always taken from the same side of the core.<br>• DCN RC drilling was sampled at 1m intervals via an on-board cone splitter.<br>• Minor 4m composite samples were taken via a scoop and submitted for analysis.<br>• Historical RC samples were collected at 1m, 2m and 4m intervals using riffle splitters.<br>• DCN samples were submitted to a contract laboratory for crushing and pulverising to produce a 40g charge for fire assay. |
| ***Drilling techniques*** | • *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).* | • Diamond drilling was carried out with NQ2 sized equipment with standard tube.<br>• Drill core was orientated using a Reflex orientation tool.<br>• For RC holes, a 5¼" face sampling bit was used. For deeper holes, RC pre-collars were followed with diamond tails. |
| ***Drill sample recovery*** | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | • Recoveries from historical drilling are unknown.<br>• Recoveries from DCN core drilling were measured and recorded in the database and recovery was generally 100% in fresh rock with minor core loss in oxide.<br>• In DCN drilling no relationship exists between sample recovery and grade. |
| ***Logging*** | • *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining* | • All diamond drill holes were logged for recovery, RQD, geology and structure. RC drilling was logged for various geological attributes. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *studies and metallurgical studies.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | • For DCN drilling, diamond core was photographed both wet and dry.<br>• All drill holes were logged in full. |
| ***Sub-sampling techniques and sample preparation*** | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • DCN core was cut in half using an automatic core saw at either 1m intervals or to geological contacts.<br>• To ensure representivity, all core samples were collected from the same side of the core.<br>• Historical RC samples were collected at the rig using riffle splitters. Samples were generally dry.<br>• DCN RC samples were collected via on-board cone splitters. All samples were dry.<br>• For RC drilling, sample quality was maintained by monitoring sample volume and by cleaning splitters on a regular basis.<br>• Field duplicates were taken at 1 in 25 for RC drilling.<br>• Sample preparation was conducted by a contract laboratory. After drying, the sample is subject to a primary crush, then pulverised so that 85% passes 75µm.<br>• For historical drilling detailed information on the QAQC programs used was not available.<br>• Sample sizes are considered appropriate to correctly represent the gold mineralisation based on: the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and assay value ranges for Au. |
| ***Quality of assay data and laboratory tests*** | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*<br>• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.* | • For DCN drilling, the analytical technique used was a 40g fire assay with Pb collection, with an ICP-AAS finish. This is a full digestion technique. Samples were analysed at Bureau Veritas Laboratories in Perth or Kalgoorlie, Western Australia.<br>• For DCN drilling, sieve analysis was carried out by the laboratory to ensure the grind size of 85% passing 75µm was being attained.<br>• For DCN drilling, QAQC procedures involved the use of certified reference materials (1 in 20) and blanks (1 in 50).<br>• Results were assessed as each laboratory batch was received and were acceptable in all cases.<br>• No QAQC data has been reviewed for historical drilling although mine production has largely validated drilling results.<br>• Laboratory QAQC includes the use of internal standards using certified reference material, blanks, splits and replicates.<br>• Certified reference materials |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | demonstrate that sample assay values are accurate.<br>• Umpire laboratory test-work was completed in January 2014 over mineralised intersections with good correlation of results. |
| ***Verification of sampling and assaying*** | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • Significant intersections were visually field verified by company geologists and by Shaun Searle of RPM during the 2013 site visit.<br>• No twin holes were drilled, however infill drilling by DCN has confirmed mineralisation thickness and tenor.<br>• Primary data was collected into either an Excel spread sheet and then imported into a Data Shed database.<br>• Assay values that were below detection limit were adjusted to equal half of the detection limit value. |
| ***Location of data points*** | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • Historical drill hole collar coordinates were tied to a local grid with subsequent conversion to MGA94 Zone 51.<br>• Mine workings support the locations of historical drilling.<br>• All DCN hole collars were surveyed in MGA94 Zone 51 grid using differential GPS.<br>• DCN holes were down-hole surveyed at 5m using a north seeking gyroscopic survey tool.<br>• Topographic surface prepared from detailed ground and mine surveys. |
| ***Data spacing and distribution*** | • *Data spacing for reporting of Exploration Results.*<br>• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*<br>• *Whether sample compositing has been applied.* | • Nominal hole spacing of DCN drilling is approximately 40 to 80m along strike and 40 to 200m down dip.<br>• The mineralised domains have sufficient continuity in both geology and grade to be considered appropriate for the Mineral Resource and Ore Reserve estimation procedures and classification applied under the 2012 JORC Code.<br>• Samples have been composited to 1m lengths using best fit techniques. |
| ***Orientation of data in relation to geological structure*** | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | • Drill holes are angled to 245°, which is approximately perpendicular to the orientation of the well-defined mineralisation.<br>• No orientation based sampling bias has been identified in the data. |
| ***Sample security*** | • *The measures taken to ensure sample security.* | • Chain of custody is managed by DCN. Samples are stored on site until collected for transport to BV Laboratories in Kalgoorlie. DCN personnel have no contact with the samples once they are picked up for transport. Tracking sheets have been set up to track the progress of samples. |
| ***Audits or reviews*** | • *The results of any audits or reviews of sampling techniques and data.* | • Shaun Searle of RPM reviewed drilling and sampling procedures during the 2013 site visit and found that all procedures and practices conform to |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | industry standards.<br>• DCN completed a laboratory audit of BV Laboratories in July 2014 and found that all procedures and practices conform to industry standards. |

## Section 2 Reporting of Exploration Results

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Mineral tenement and land tenure status*** | • *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*<br>• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.* | • The Westralia deposit is located within Mining Lease 39/18, which is wholly owned by DCN and subject to a 1% capped third party production royalty.<br>• The tenements are in good standing with no known impediment to future grant of a mining permit. |
| ***Exploration done by other parties*** | • *Acknowledgment and appraisal of exploration by other parties.* | • At Westralia, open pit and underground mining has occurred since the 1890's. Other companies to have explored the deposit include Whim Creek Consolidated NL, Dominion Mining, Plutonic Resources, Homestake Gold and Barrick Gold Corporation. |
| ***Geology*** | • *Deposit type, geological setting and style of mineralisation.* | • The Westralia gold deposit is an Archean BIF hosted, sulphide replacement mineralisation and is located within the Yilgarn Craton of Western Australia. |
| ***Drill hole information*** | • *A summary of all information material to the under-standing of the exploration results including a tabulation of the following information for all Material drill holes:*<br>  • *easting and northing of the drill hole collar*<br>  • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>  • *dip and azimuth of the hole*<br>  • *down hole length and interception depth*<br>  • *hole length*<br>• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | • Exploration results are not being reported. |
| ***Data aggregation methods*** | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*<br>• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the* | • Exploration results are not being reported.<br>• Not applicable as a Mineral Resource is being reported.<br>• Metal equivalent values have not been used. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | |
| ***Relationship between mineralisation widths and intercept lengths*** | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').* | • Drill holes are angled to 245°, which is approximately perpendicular to the orientation of the well-defined mineralised trend and true width is approximately 60-90% of down hole intersections. |
| ***Diagrams*** | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | • Relevant diagrams have been included within the RPM Mineral Resource report February 2015. |
| ***Balanced Reporting*** | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br>• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | • All DCN hole collars were surveyed in MGA94 Zone 51 grid using differential GPS. DCN holes were down hole surveyed at 5m using a north seeking gyroscopic survey tool.<br>• Exploration results are not being reported. |
| ***Other substantive exploration data*** | • *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | • All interpretations for Westralia mineralisation are consistent with observations made and information gained during previous mining at the project. |
| ***Further work*** | • *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large- scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • Further broad spaced drilling is planned to extend the known mineralisation over 3km of strike length and extensional drilling is planned around the boundaries of the Mineral Resource.<br>• Refer to diagrams in the body of text within the Mineral Resource report. |

# ***Appendix II***

## Section 3 Estimation and Reporting of Mineral Resources

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Database integrity*** | • *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*<br>• *Data validation procedures used.* | • The data base has been systematically audited by a DCN geologist. Original drilling records were compared to the equivalent records in the data base (where original records were available). Any discrepancies were noted and rectified by the data base manager.<br>• All DCN drilling data has been verified as part of a continuous validation procedure. Once a drill hole is imported into the data base a report of the collar, down-hole survey, geology, and assay data is produced. This is then checked by a DCN geologist and any corrections are completed by the data base manager. |
| ***Site visits*** | • *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*<br>• *If no site visits have been undertaken indicate why this is the case.* | • A site visit was conducted by Shaun Searle of RPM during October 2013. Shaun inspected the deposit area, drill core, outcrop, the Jupiter pits and the core logging and sampling facility. During this time, notes and photos were taken. Discussions were held with site personnel regarding drilling and sampling procedures. No major issues were encountered.<br>• A site visit was conducted, therefore not applicable. |
| ***Geological interpretation*** | • *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*<br>• *Nature of the data used and of any assumptions made.*<br>• *The effect, if any, of alternative interpretations on Mineral Resource estimation.*<br>• *The use of geology in guiding and controlling Mineral Resource estimation.*<br>• *The factors affecting continuity both of grade and geology.* | • The confidence in the geological interpretation is considered to be good and is based on previous mining history and visual confirmation in outcrop and within the Westralia open pits.<br>• Geochemistry and geological logging has been used to assist identification of lithology and mineralisation.<br>• The deposit consists of sub-vertical to steeply dipping BIF units within a shear zone. Mineralisation is mostly confined to the BIF units. Infill drilling has supported and refined the model and the current interpretation is considered robust.<br>• Outcrops of mineralisation and host rocks within the open pits confirm the geometry of the mineralisation.<br>• Infill drilling has confirmed geological and grade continuity. |
| ***Dimensions*** | • *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.* | • The Westralia Mineral Resource area extends over a SE-NW strike length of 985m (from 6,816,500mN – 6,817,375mN), has a maximum width of 40m (409,480mE – 409,520mE) and includes the 775m vertical interval from 460mRL to -315mRL. |
| ***Estimation and modelling techniques*** | • *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining,* | • Using parameters derived from modelled variograms, Ordinary Kriging (OK) was used to estimate average block grades in three passes using Surpac software. Linear grade |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*<br>• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*<br>• *The assumptions made regarding recovery of by-products.*<br>• *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).*<br>• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*<br>• *Any assumptions behind modelling of selective mining units.*<br>• *Any assumptions about correlation between variables.*<br>• *Description of how the geological interpretation was used to control the resource estimates.*<br>• *Discussion of basis for using or not using grade cutting or capping.*<br>• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.* | estimation was deemed suitable for the Westralia Mineral Resource due to the geological control on mineralisation. Maximum extrapolation of wireframes from drilling was 50m down-dip. This was half drill hole spacing in this region of the deposit. Maximum extrapolation was generally half drill hole spacing.<br>• Reconciliation could not be conducted due to the absence of a complete set of mining stope shapes for the underground mining completed by Plutonic. To be conservative, an all-encompassing void wireframe was constructed. Mined material from the hanging wall BIF unit within this void wireframe reports 157,000t at 3.9g/t Au for 19,800 ounces at a 2g/t Au cut-off. Material north of 6,817,220mN and above 220mRL was not wireframed or estimated as the deposit is presumed to be mined out or unrecoverable in this area. Therefore, the reported production between November 1994 to January 1998 of 711,940t at 3.7g/t Au for 77,178 ounces cannot be directly reconciled with the current block model, however it is noted that the grades were similar.<br>• No recovery of by-products is anticipated.<br>• Only Au was interpolated into the block model.<br>• The parent block dimensions used were 20m NS by 5m EW by 10m vertical with sub-cells of 2.5m by 0.625m by 1.25m. The model was rotated -30° to align with the general strike of the mineralisation. The parent block size dimensions were selected to provide sufficient resolution to the block model in the across-strike and down-dip direction. The along-strike block size was selected to adequately reflect the combination of close-spaced (less than 2m) face sampling along ore drives spaced at 20m, and exploration drilling on a nominal 40m spacing along strike.<br>• An orientated 'ellipsoid' search was used to select data and adjusted to account for the variations in lode orientations, however all other parameters were taken from the variography derived from Objects 1, 2, 8 and 99. Three passes were used for each domain. First pass had a range of 50 to 60m, with a minimum of 10 samples. For the second pass, the range was extended to 100 to 120m, with a minimum of 6 samples. For the final pass, the range was extended to 300 to 400m, with a minimum of 2 samples. A maximum of 40 samples was used for all 3 passes.<br>• No assumptions were made on selective mining units. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | • Only Au assay data was available, therefore correlation analysis was not possible.<br>• The deposit mineralisation was constrained by wireframes constructed using a 0.5g/t Au cut-off grade. Mineralisation wireframes were generally constrained to the BIF units. The wireframes were applied as hard boundaries in the estimate.<br>• Statistical analysis was carried out on data from 10 lodes. The high coefficient of variation and the scattering of high grade values observed on the histogram for some of the objects suggested that high grade cuts were required if linear grade interpolation was to be carried out. As a result a high grade cut of 70g/t was applied, resulting in a total of 13 samples being cut.<br>• Validation of the model included detailed comparison of composite grades and block grades by strike panel and elevation. Validation plots showed good correlation between the composite grades and the block model grades. |
| ***Moisture*** | • *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.* | • Tonnages and grades were estimated on a dry in situ basis. |
| ***Cut-off parameters*** | • *The basis of the adopted cut-off grade(s) or quality parameters applied.* | • The Mineral Resource has been reported at a 3g/t Au cut-off based on assumptions about economic cut-off grades for underground mining. Reported mining grades at this cut-off are successfully mined using underground methods at other gold deposits in the Yilgarn. |
| ***Mining factors or assumptions*** | • *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.* | • RPM has assumed that the deposit could be mined using underground techniques. Underground mining has previously occurred at Westralia prior to the 1930's and open pit and underground mining occurred during the 1990's. Deposits of the reported Westralia grades are successfully mined using underground techniques elsewhere in the Yilgarn. |
| ***Metallurgical factors or assumptions*** | • *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with* | • Metallurgical testing was carried out on samples from Westralia Underground and Westralia Deeps in 1992. Test work results indicated significant gravity recoverable gold was evident in the tested ore samples, but the Westralia Deeps samples were particularly sensitive to grind size. Gold recoveries of >95% and >90% were achieved with cyanidation leaching at grind sizes <75µm for the Westralia Underground |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *an explanation of the basis of the metallurgical assumptions made.* | and Westralia Deeps samples respectively. In addition, DCN contracted METS to conduct test-work on the Westralia core and found that gravity and cyanidation leaching at a grind size of 75µm resulted in an overall gold recovery of 97.8%.<br>• It is assumed that extraction of gold will be achieved by gravity and cyanide leaching methods, with recoveries greater than 90% based on these results. |
| ***Environmental factors or assumptions*** | • *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.* | • No assumptions have been made regarding environmental factors. Historical mining has occurred at the Westralia deposit. DCN will work to mitigate environmental impacts as a result of any future mining or mineral processing. |
| ***Bulk density*** | • *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*<br>• *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.*<br>• *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.* | • DCN collected 2,920 specific gravity measurements during the 2013-14 drilling program. All samples were in fresh rock. RPM extracted the specific gravity measurements that coincided with the geological logging. Any measurements that transgressed logged intervals were not extracted. In total, 2,735 samples coincided within the geological logging intervals. RPM then subdivided the measurements into BIF and non-BIF lithologies and determined whether the measurements were in waste or mineralisation.<br>• Bulk density is measured. Moisture is accounted for in the measuring process and measurements were separated for lithology and mineralisation.<br>• It is assumed there are minimal void spaces in the rocks at Westralia. The Westralia resource contains minor amounts of oxide and transitional material above the fresh bedrock. Values for these zones were derived from known bulk densities from similar geological terrains. |
| ***Classification*** | • *The basis for the classification of the Mineral Resources into varying confidence categories.*<br>• *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the* | • The Mineral Resource estimate is reported here in compliance with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' by the Joint Ore Reserves Committee (JORC). The resource was classified as Measured, Indicated, and Inferred Mineral Resource based on data |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *data).*<br>• *Whether the result appropriately reflects the Competent Person's view of the deposit.* | quality, sample spacing, and lode continuity. The Measured portion of the deposit was assigned to areas of the deposit defined by extensive open cut and underground grade control drilling (10m strike spacing) and face sampling which confirmed the geological and grade continuity of the mineralisation. The Indicated Mineral Resource was defined within areas of close spaced diamond and RC drilling of less than 50m by 50m, and where the continuity and predictability of the lode positions was good. The Inferred Mineral Resource was assigned to areas of the deposit where drill hole spacing was greater than 50m by 50m and where small isolated pods of mineralisation occur outside the main mineralised zones, and to geologically complex zones.<br>• The input data is comprehensive in its coverage of the mineralisation and does not favour or misrepresent in-situ mineralisation. The definition of mineralised zones is based on high level geological understanding producing a robust model of mineralised domains. This model has been confirmed by infill drilling which supported the interpretation. Validation of the block model shows good correlation of the input data to the estimated grades.<br>• The Mineral Resource estimate appropriately reflects the view of the Competent Person. |
| ***Audits or reviews*** | • *The results of any audits or reviews of Mineral Resource estimates.* | • Internal audits have been completed by RPM which verified the technical inputs, methodology, parameters and results of the estimate. |
| ***Discussion of relative accuracy/ confidence*** | • *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.*<br>• *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.*<br>• *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.* | • The lode geometry and continuity has been adequately interpreted to reflect the applied level of Measured, Indicated and Inferred Mineral Resource. The data quality is good and the drill holes have detailed logs produced by qualified geologists. A recognised laboratory has been used for all analyses.<br>• The Mineral Resource statement relates to global estimates of tonnes and grade.<br>• Reconciliation could not be conducted due to the absence of a complete set of mining stope shapes for the underground mining completed by Plutonic. |

# ***Appendix III***

*Exploration results at Ramornie were reported by DCN and released to the ASX during 2013 and 2014. Mr Rohan Williams, Executive Chairman of DCN compiled the information in Section 1 and Section 2 of JORC Table 1 in this Mineral Resource report and is the Competent Person for those sections. RPM has included these sections in their entirety to ensure that all relevant sections of Table 1 are included in this report.*

## Section 1 Sampling Techniques and Data

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Sampling techniques*** | • *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.* | • Drill holes included in the resource were sampled using Reverse Circulation (RC) and diamond drill (DD) holes on a nominal 25m by 25m grid spacing, with infill drilling to 7.5m by 5m. A total of 389 RC holes, 1 diamond hole and 1 one RC hole with a diamond tail for a total of 1,481m within the wireframes. The full database contained records for 1,407 drill holes for 53,242m of drilling. Holes were generally angled towards grid west to optimally intersect the mineralised zones.<br>• Drill hole collars were picked up and down hole surveyed by survey contractors. RC samples were collected by a riffle splitter or cone splitter. Diamond core was cut in half using a core saw. All samples were collected from the same side of the core. Sampling and QAQC procedures were carried out to industry standards.<br>• RC sampling intervals are determined initially by the supervising project geologist based on the observation of favourable alteration assemblages and structural characteristics. Where favourable geology is observed 1m cone split samples are collected. Typically 1m samples are collected 4m either side of the favourable zone to ensure the entire mineralised zone is captured. The remainder of the hole is sampled using 4m composites using a sample spear. If any of the 4m composites return a grade greater than 0.1g/t Au, the 1m samples for that interval are collected and sent to the lab for analysis. When received by the laboratory, RC samples are sorted and then dried. After the sample has been prepped by the laboratory a 40g split of each sample is then subject to fire assay with Pb collection, analysed using ICP-AES or AAS. |
| ***Drilling techniques*** | • *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).* | • RC drilling comprising 140mm diameter face sampling bit. Diamond drilling carried out with NQ2 sized equipment. |
| ***Drill sample recovery*** | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *Whether a relationship exists between sample recovery and grade and whether sample bias may* | • Recoveries from historical drilling are unknown. Recoveries from DCN drilling recorded in the database with no significant issues noted.<br>• RC samples were visually checked for recovery, moisture and contamination.<br>• No relationship exists between sample recovery and grade for DCN drilling. For historical drilling, |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *have occurred due to preferential loss/gain of fine/coarse material.* | it is unknown if sample recovery and grades are related. |
| ***Logging*** | • *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | • All diamond drill holes were logged for recovery, RQD, geology and structure. RC drilling was logged for various geological attributes.<br>• Logging of diamond core and RC samples recorded lithology, mineralogy, mineralisation, weathering, colour and other features of the samples. Diamond core was photographed.<br>• All drill holes were logged in full. |
| ***Sub-sampling techniques and sample preparation*** | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • Dacian core was cut in half using an automatic core saw at either 1m intervals or to geological contacts.<br>• To ensure representivity, all core samples were collected from the same side of the core.<br>• Historical RC samples were collected at the rig using riffle splitters. Samples were generally dry.<br>• Dacian RC samples were collected via on-board cone splitters. All samples were dry.<br>• For RC drilling, sample quality was maintained by monitoring sample volume and by cleaning splitters on a regular basis.<br>• Field duplicates were taken at 1 in 25 for RC drilling.<br>• Sample preparation was conducted by a contract laboratory. After drying, the sample is subject to a primary crush, then pulverised to that 85% passing 75µm.<br>• For historic drilling detailed information on the QAQC programs used was not available.<br>• Sample sizes are considered appropriate to correctly represent the gold mineralisation based on: the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and assay value ranges for Au. |
| ***Quality of assay data and laboratory tests*** | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*<br>• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.* | • For Dacian drilling, the analytical technique used was a 40g fire assay with Pb collection, with an ICP-AAS finish. This is a full digestion technique. Samples were analysed at Bureau Veritas Laboratories in Kalgoorlie, Western Australia.<br>• For Dacian drilling, sieve analysis was carried out by the laboratory to ensure the grind size of 85% passing 75µm was being attained.<br>• For Dacian drilling, QAQC procedures involved the use of certified reference materials (1 in 20) and blanks (1 in 50). Results were assessed as each laboratory batch was received and were acceptable in all cases<br>• No QAQC data has been reviewed for historic drilling although mine production has largely validated drilling results.<br>• Laboratory QAQC includes the use of internal standards using certified reference material, blanks, splits and replicates.<br>• Certified reference materials demonstrate that sample assay values are accurate.<br>• The Bureau Veritas lab in Kalgoorlie was audited by Dacian in July 2014. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Verification of sampling and assaying*** | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • Significant intersections were visually field verified by company geologists.<br>• RPM has not independently verified significant intersections of mineralisation.<br>• No twin holes were drilled.<br>• Primary data was collected into an Excel spread sheet and then imported into a Data Shed database.<br>• Assay values that were below detection limit were adjusted to equal half of the detection limit value. |
| ***Location of data points*** | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • Historic drill hole collar coordinates were tied to a local grid with subsequent conversion to MGA94 Zone 51.<br>• Mine workings support the locations of historic drilling.<br>• All Dacian hole collars were surveyed in MGA94 Zone 51 grid using differential GPS.<br>• Dacian holes at Ramornie were downhole surveyed by Gyro Australia using a north seeking gyro tool.<br>• Topographic surface prepared from detailed ground and mine surveys. |
| ***Data spacing and distribution*** | • *Data spacing for reporting of Exploration Results.*<br>• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*<br>• *Whether sample compositing has been applied.* | • The nominal drill hole spacing is 25m by 25m with infill drilling to 7.5m by 5m.<br>• The mineralised domains have demonstrated sufficient continuity in both geological and grade continuity to support the definition of Mineral Resource, and the classifications applied under the 2012 JORC Code.<br>• Samples have been composited to 1m lengths using best fit techniques. No residual sample lengths have been excluded. |
| ***Orientation of data in relation to geological structure*** | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | • Drill holes are angled to grid west, which is approximately perpendicular to the orientation of the mineralised trend.<br>• No orientation based sampling bias has been identified in the data. |
| ***Sample security*** | • *The measures taken to ensure sample security.* | • Chain of custody is managed by Dacian. Samples are stored on site until collected for transport to BV Laboratories in Kalgoorlie. Dacian personnel have no contact with the samples once they are picked up for transport. Tracking sheets have been set up to track the progress of samples. |
| ***Audits or reviews*** | • *The results of any audits or reviews of sampling techniques and data.* | • A RungePincockMinarco (RPM) consultant reviewed RC and diamond core sampling techniques in October 2013 and concluded that sampling techniques are satisfactory. |

## Section 2 Reporting of Exploration Results

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **Mineral tenement and land tenure status** | • Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. | • The Ramornie deposits are located within Mining Lease 39/18 and M39/228, which is wholly owned by Dacian and subject to a 1% capped third party production royalty.<br>• The tenements are in good standing with no known impediment to future grant of a mining |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | • The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. | permit. |
| **Exploration done by other parties** | • Acknowledgment and appraisal of exploration by other parties. | • At Ramornie, open pit mining has occurred since the 1990's and again in 2010 by Range River Gold. Other companies to have explored the deposit include Whim Creek Consolidated NL, Dominion Mining, Plutonic Resources, Homestake Gold and Barrick Gold Corporation. |
| **Geology** | • Deposit type, geological setting and style of mineralisation. | • The Ramornie gold deposit is a steeply east dipping shear zone in Archean basalt hosted and is located within the Yilgarn Craton of Western Australia. |
| **Drill hole information** | • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:<br>  • easting and northing of the drill hole collar<br>  • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar<br>  • dip and azimuth of the hole<br>  • down hole length and interception depth<br>  • hole length<br>• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. | • Exploration results are not being reported. Refer to previous Dacian ASX releases for information regarding previous Dacian drilling. |
| **Data aggregation methods** | • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.<br>• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.<br>• The assumptions used for any reporting of metal equivalent values should be clearly stated. | • Exploration results are not being reported.<br>• Not applicable as a Mineral Resource is being reported.<br>• No metal equivalent values have been used. |
| **Relationship between mineralisation widths and intercept lengths** | • These relationships are particularly important in the reporting of Exploration Results.<br>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.<br>• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g.'down hole length, true width not known'). | • At Ramornie, drill holes are angled to the west, which is approximately perpendicular to the orientation of the well-defined mineralised trend and true width is approximately 60-90% of down hole intersections.<br>. |
| **Diagrams** | • Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. | • Relevant diagrams have been included within previous ASX releases. |
| **Balanced Reporting** | • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in | • Exploration results are not being reported. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | Mineral Resource estimation.<br>• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. | |
| **Other substantive exploration data** | • Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. | • All interpretations for Ramornie mineralisation are consistent with observations made and information gained during previous mining at the project. |
| **Further work** | • The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large- scale step-out drilling).<br>• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. | • At Ramornie, no further drilling has been planned for 2015.<br>• Refer to diagrams in the previous ASX releases. |

## Section 3 Estimation and Reporting of Mineral Resources

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Database integrity*** | • *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*<br>• *Data validation procedures used.* | • The data base has been systematically audited by a DCN geologist. Original drilling records were compared to the equivalent records in the data base (where original records were available). Any discrepancies were noted and rectified by the data base manager.<br>• All DCN drilling data has been verified as part as a continuous validation procedure. Once a drill hole is imported into the data base a report of the holes collar, down hole survey, geology, and assay data is produced. This is then checked by a DCN geologist and any corrections are completed by the data base manager. |
| ***Site visits*** | • *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*<br>• *If no site visits have been undertaken indicate why this is the case.* | • Site visits have been conducted by Shaun Searle of RPM, who is acting as the Competent Person. Shaun inspected the deposit area, the core logging and sampling facility. During this time, notes and photos were taken. Discussions were held with site personnel regarding drilling and sampling procedures. No major issues were encountered. |
| ***Geological interpretation*** | • *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*<br>• *Nature of the data used and of any assumptions made.*<br>• *The effect, if any, of alternative interpretations on Mineral Resource estimation.*<br>• *The use of geology in guiding and controlling Mineral Resource estimation.*<br>• *The factors affecting continuity both of grade and geology.* | • The confidence in the geological interpretation is considered to be good and is based on previous mining history.<br>• Geochemistry has been used to assist identification of lithology and mineralisation.<br>• The deposit consists of steeply dipping lodes hosted within a shear zone. Infill drilling has supported and refined the model and the current interpretation is considered robust.<br>• Outcropping of mineralisation and host rocks within the open pit confirm the geometry of the mineralisation.<br>• Infill drilling has confirmed geological and grade continuity. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Dimensions*** | • *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.* | • The Ramornie resource area extends over a strike length of 660m (from 6,817,160mN – 6,817,820mN), has a maximum width of 55m (409,525mE – 409,580mE) and includes the 385m vertical interval from 445mRL to 60mRL. |
| ***Estimation and modelling techniques*** | • *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* | • Using parameters derived from modelled variograms, Ordinary Kriging (OK) was used to estimate average block grades in 3 passes using Surpac. Drill spacing ranges from 5 - 50m. |
| | • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* | • Historical production data was unavailable; therefore reconciliation was not carried out. |
| | • *The assumptions made regarding recovery of by-products.* | • No recovery of by-products is anticipated. |
| | • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* | • Only Au was interpolated into the block model. |
| | • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* | • The parent block dimensions used were 10m NS by 5m EW by 5m vertical with sub-cells of 2.5m by 1.25m by 1.25m. The parent block size was selected on the basis of being approximately 50% of the average drill hole spacing in the deposit.<br>• An orientated 'ellipsoid' search was used to select data and adjusted to account for the variations in lode orientations, however all other parameters were taken from the variography derived from Objects 1, 9 and 16. Three passes were used for each domain. First pass had a range of 10 to 40m, with a minimum of 6 to 10 samples. For the second pass, the range was extended to 20 to 80m, with a minimum of 4 to 6 samples. For the final pass, the range was extended to 40 to 160m, with a minimum of 2 to 4 samples. A maximum of 32 samples was used for all 3 passes. |
| | • *Any assumptions behind modelling of selective mining units.* | • No assumptions were made on selective mining units. |
| | • *Any assumptions about correlation between variables.* | • Only Au assay data was available, therefore correlation analysis was not possible. |
| | • *Description of how the geological interpretation was used to control the resource estimates.* | • The deposit mineralisation was constrained by wireframes constructed using a 0.5g/t Au cut-off grade. The wireframes were applied as hard boundaries in the estimate. |
| | • *Discussion of basis for using or not using grade cutting or capping.* | • Statistical analysis was carried out on data from 21 lodes. The high coefficient of variation and the scattering of high grade values observed on the histogram for some of the objects suggested that high grade cuts were required if linear grade interpolation was to be carried out. As a result high grade cuts between 10g/t to 100g/t were applied, resulting in a total of 11 samples being cut. |
| | • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.* | • Validation of the model included detailed comparison of composite grades and block grades by strike panel and elevation. Validation plots showed good correlation between the composite grades and the block model grades. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Moisture*** | • *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.* | • Tonnages and grades were estimated on a dry in situ basis. No moisture values were reviewed. |
| ***Cut-off parameters*** | • *The basis of the adopted cut-off grade(s) or quality parameters applied.* | • The Mineral Resource has been reported at a 2.0g/t Au cut-off based on assumptions about economic cut-off grades for open pit and underground mining. |
| ***Mining factors or assumptions*** | • *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.* | • RPM has assumed that the deposit could potentially be mined using open pit and possibly underground techniques. Open pit mining has previously occurred at Ramornie. Ore was toll treated at the nearby Granny Smith mill. |
| ***Metallurgical factors or assumptions*** | • *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.* | • No metallurgical investigations have been completed for the Ramornie deposit. It is assumed that extraction of gold will be achieved by gravity and cyanide leaching methods, with recoveries greater than 90% based on deposits in similar terranes. |
| ***Environmental factors or assumptions*** | • *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.* | • No assumptions have been made regarding environmental factors. Historical mining has occurred at the Ramornie deposit. DCN will work to mitigate environmental impacts as a result of any future mining or mineral processing. |
| ***Bulk density*** | • *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*<br>• *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.*<br>• *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.* | • Limited density data was available for the Ramornie Project area. Assumed bulk densities were assigned in the block model. A bulk density value of 2.4t/$m^3$ was assigned to transitional material and a bulk density value of 2.8t/$m^3$ was assigned to fresh material. The assumed density for fresh rock is comparable to the recorded average density of the intersection in hole 14MMRD022 of 2.77t/$m^3$.<br>• Bulk density is assumed and accounts for void spaces, moisture and mineralisation.<br>• Assumed bulk densities were derived from the adjacent Westralia deposit which has an extensive database of density data from production and exploration drilling. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Classification*** | • *The basis for the classification of the Mineral Resources into varying confidence categories.* | • Mineral Resources were classified in accordance with the Australasian Code for the Reporting of Identified Mineral Resources and Ore Reserves (JORC, 2012). The resource was classified on the basis of sample spacing and continuity of the interpreted zones. The Indicated Mineral Resource was defined within areas of reasonably close spaced drilling (less than 20m by 20m) due to the good continuity and predictability of the lode positions. The Inferred Mineral Resource included areas of the resource where sampling was greater than 20m by 20m and small isolated pods of mineralisation outside the main mineralised zones and geologically complex zones. |
| | • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* | • The input data is comprehensive in its coverage of the mineralisation and does not favour or misrepresent in-situ mineralisation. The definition of mineralised zones is based on high level geological understanding producing a robust model of mineralised domains. This model has been confirmed by infill drilling which supported the interpretation. Validation of the block model shows good correlation of the input data to the estimated grades. |
| | • *Whether the result appropriately reflects the Competent Person's view of the deposit.* | • The Mineral Resource estimate appropriately reflects the view of the Competent Person. |
| ***Audits or reviews*** | • *The results of any audits or reviews of Mineral Resource estimates.* | • Internal audits have been completed by RPM which verified the technical inputs, methodology, parameters and results of the estimate. |
| ***Discussion of relative accuracy/ confidence*** | • *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* | • The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code. |
| | • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* | • The Mineral Resource statement relates to global estimates of tonnes and grade. |
| | • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.* | • Historical production data is unavailable for the Ramornie deposit. |