

NOTICE OF ANNUAL GENERAL MEETING

&

EXPLANATORY STATEMENT

To be held

At 10.00am, Monday, 25 November 2013

at

The Offices of AMEC, 6 Ord Street, West Perth WA 6005

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15 October 2013

Dear Fellow Dacian Gold Shareholder

Please find enclosed the Notice of Annual General Meeting for the Shareholders' Meeting to be held at 6 Ord Street, West Perth WA 6005 at 10.00am on Monday, 25 November 2013.

The purpose of the meeting is to conduct the annual business of the Company, being consideration of the annual financial statements, the remuneration report and in addition seek shareholder approval in accordance with the Corporations Act 2001 and the Listing Rules of the ASX to a number of resolutions, which are set out in the attached Notice of Meeting paper.

Your Directors seek your support and look forward to your attendance at the meeting.

Yours sincerely



Rohan Williams
Non-Executive Chairman



DACIAN GOLD LIMITED
ABN 61 154 262 978

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Dacian Gold Limited will be convened at 10.00am on Monday, 25 November 2013 at 6 Ord Street, West Perth WA 6005.

AGENDA

ORDINARY BUSINESS

1. Discussion of Financial Statements and Reports

To discuss the Financial Report, the Directors' Report and Auditor's Report for the year ended 30 June 2013.

2. Adoption of the Remuneration Report

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2013."

3. Re-Election of Director – Mr Barry Patterson

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, Mr Barry Patterson who retires in accordance with the Company's Constitution and being eligible, offers himself for re-election."



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NOTICE OF ANNUAL GENERAL MEETING

GENERAL NOTES

1. With respect to Agenda Item 2, the vote on this item is advisory only and does not bind the Directors of the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

The Chairman of the meeting intends to vote undirected proxies, that are able to be voted, in favour of the adoption of the remuneration report.

2. **Voting Prohibition Statements:** A vote on Agenda Items 2 must not be cast (in any capacity) by or on behalf of any Key Management Personnel (which includes the Directors of the Company), details of whose remuneration are included in the Remuneration Report, or any closely related party of that person (or those persons).

However, a person described above may vote on Agenda Item 2 if the person does so as a proxy appointed by writing, that specifies how the proxy is to vote on the Resolution, and the vote is not cast on behalf of a member of the Key Management Personnel or any closely related party of that person (or persons).

3. **Voting exclusion statements:** There are no specific voting exclusions applicable to the items of business contained in this Notice of Meeting.
4. **Voting by Proxy:** Sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:
 - if proxy holders vote, they must cast all directed proxies as directed; and
 - any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and

- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).



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NOTICE OF ANNUAL GENERAL MEETING

GENERAL NOTES (Continued)

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

5. The Explanatory Statement to Shareholders attached to this Notice of Annual General Meeting is hereby incorporated into and forms part of this Notice of Annual General Meeting.
6. The Directors have determined in accordance with Regulation 7.11.37 of the Corporations Regulations that, for the purposes of voting at the meeting, shares will be taken to be held by the registered holders at 5.00pm on 23 November 2013.

BY ORDER OF THE BOARD

Kevin R Hart
Company secretary

Dated this 15th day of October 2013



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ABN 61 154 262 978

EXPLANATORY STATEMENT

The purpose of the Explanatory Statement is to provide shareholders with information concerning all of the Agenda items in the Notice of Annual General Meeting.

1. Discussion of Financial Statements & Reports

Dacian Gold Limited's financial reports and the directors' declaration and reports and the auditor's report are placed before the meeting thereby giving shareholders the opportunity to discuss those documents and to ask questions. The auditor will be attending the Annual General Meeting and will be available to answer any questions relevant to the conduct of the audit and his report.

2. Adoption of Remuneration Report as an Ordinary Resolution

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

Under the Corporations Act, if at least 25% of the votes cast on the resolution to Agenda Item 2 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's next Annual General Meeting, the Company will be required to put to Shareholders a resolution proposing the calling of general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the general meeting (**Spill Meeting**) within 90 days of the Company's Annual General Meeting. All of the Directors who were in office when the Company's Directors' report was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

This is the first time that the Company's Shareholders have been required to consider and approve the Company's remuneration report. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2013.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

The Board considers that its current practices of setting executive and non-executive remuneration are within normal industry expectations, and provides an effective balance between the need to attract and retain the services of the highly skilled key management personnel that the Company requires. As such the directors recommend that shareholders vote in favour of the resolution to Agenda Item 2.



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EXPLANATORY STATEMENT

2. Adoption of Remuneration Report (Continued)

Definitions

Key Management Personnel has the same meaning as in the accounting standards and includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2013.

3. Re-Election of Director – Mr Barry Patterson
as an Ordinary Resolution

Mr Patterson is a mining engineer with over 50 years of experience in the mining industry and is a co-founder, and Non-Executive Director, of ASX listed GR Engineering Limited. Mr Patterson was also a founding shareholder of leading engineering services provider JR Engineering, which became Roche Mining after being taken over by Downer EDI in 2002. He also co-founded contract mining companies Eltin, Australian Mine Management and National Mine Management.

Mr Patterson has served as a director of a number of public companies across a range of industries. He was formerly the non-executive chairman of Sonic Healthcare Limited for 11 years, during which time the company's market capitalisation increased from \$20 million to \$4 billion. Mr Patterson also served as the non-executive chairman of Silex Systems Limited.

Mr Patterson was appointed as a Director of the Company on 9 January 2012.