

## **OUTSTANDING HIGH-GRADE RESULTS FROM OUTSIDE ORE RESERVE AT BERESFORD UNDERGROUND MINE HIGHLIGHT POTENTIAL FOR MORE EARLY PRODUCTION SOURCES**

*Strong in-fill drilling results from upper levels strengthen Westralia Ore Reserve*

### **HIGHLIGHTS**

- **High-grade intersections returned from the recently completed 24-hole, 5,730m in-fill/grade control surface drilling program focusing on the upper six levels of the planned Beresford Underground mine, part of the Westralia Mine Area, include:**
  - **16.5m @ 10.9g/t Au from 265.6m**
  - **4.4m @ 11.2g/t Au from 204.0m**
  - **3.0m @ 10.7g/t Au from 130.0m**
  - **3.3m @ 9.3g/t Au from 237.7m**
  - **0.9m @ 19.5g/t Au from 203.7m**
- **High-grade intersections from outside the planned upper levels of the Beresford Underground mine/Ore Reserve, between 100-200m below surface, include:**
  - **7.0m @ 31.0g/t Au from 174.0m**
  - **1.7m @ 56.5g/t Au from 189.0m**
  - **1.9m @ 46.8g/t Au from 288.0m**
  - **2.9m @ 9.4g/t Au from 198.0m**
- **These high grade zones outside the existing upper levels of the Beresford Ore Reserve (e.g. 7m @ 31.0g/t Au) show the potential for additional early production sources**
- **Drilling confirms previous geological interpretations while also highlighting the opportunity to consider bulk mining in certain areas where combined intersections from parallel BIF units produce thicker intercepts (e.g. 16.7m at 7.0g/t Au)**

Dacian Gold Ltd (**Dacian Gold** or **the Company**) (ASX: DCN) is pleased to announce that recent surface drilling at the Beresford underground mine at its 100%-owned Mount Morgans Gold Project in WA has returned a series of high-grade intersections from the upper levels of the mine, further strengthening the 492,000oz Ore Reserve at the Westralia Mine Area.

The results, which include an outstanding visible gold intercept of 7.0m at 31.0g/t Au including 1.5m at 135.2g/t, have also highlighted the potential for more sources of early production at Beresford.

Beresford forms part of the initial 492,000oz Ore Reserve at Westralia, where the underground mining will be a key contribution to Dacian's plan to start gold production at Mt Morgans in March next year.

Dacian Gold's Executive Chairman Rohan Williams said the results from recent surface drilling at Beresford demonstrated the significant gold endowment of the Westralia Mine Area.

"By closing up the drill spacing in the upper levels of the Beresford mine we have not only strengthened the existing Ore Reserve, but also intersected some high-grade positions outside the Ore Reserve which have excellent potential to become additional sources of early production.

"The results include some spectacular intersections from the Contact BIF – one of four sub-parallel BIF units confirmed by the drilling – which include the highest levels of visible gold we have ever seen at Mt Morgans. This shows that we are in a very large and highly-endowed gold system at Westralia.

"We currently have aggressive drilling programs underway across Mt Morgans as part of our strategy to in-fill the known Ore Reserves, upgrade Mineral Resources and identify additional mineralisation.

"At the same time, we are making excellent progress on the project development front. This multi-pronged approach will ensure we remain on track to start production in March next year while also maximising our chances to unlock the vast remaining exploration potential at Mt Morgans."

## **OBJECTIVE OF THE IN-FILL DRILLING PROGRAM**

Dacian Gold has completed a 24-hole, 5,730m surface diamond drilling program into the upper six levels, or top 100m, of the Beresford Underground Gold Mine Ore Reserve. Beresford is one of two new high-grade underground gold mines being developed at the Westralia Mine Area, part of Dacian Gold's 100%-owned Mt Morgans Gold Project (MMGP) near Laverton in Western Australia.

The new drilling in-fills the approximately 50m x 50m spaced diamond drilling that defined the Indicated Mineral Resource used for the Beresford Ore Reserve estimate to a drill spacing of approximately 25m x 25m.

The results of the in-fill drilling will be used to refine the underground mine design and sequencing at Beresford for the initial underground production, scheduled in the second half of CY2017. The results will also be used to determine the locations of planned underground drill platforms to be used to complete grade control drilling programs ahead of the planned production.

Figure 1 below shows the location of the drilled holes with reference to the initial Beresford Ore Reserve and the Westralia Mineral Resource. As can be seen in Figure 1, the in-fill drilling reported in this announcement covers an area between 100m and 200m below the surface, over a strike length of approximately 450m.

The current dimensions of the Beresford Underground Ore Reserve are 350m in a vertical or dip direction and 1,000m in the horizontal or strike direction; however, the Company believes there is excellent potential to increase the vertical extent of the Ore Reserve as shown in the MMGP Pre-Feasibility Study (see ASX release 21 November 2016).

Also shown in Figure 1 is the location of the 18 surface diamond drill holes currently underway that are designed to in-fill the upper portions of the Allanson Ore Reserve ahead of the planned Allanson mine development. Allanson lies approximately 1km north of the Beresford Underground Ore Reserve.



**Figure 1:** Longitudinal section of the Westralia Deposit showing the location of the Beresford Ore Reserve with planned development and the recently completed 24 hole, 5,730m in-fill diamond drilling program reported in this announcement (purple box). Also shown is the 18-hole in-fill program currently underway targeting the Allanson Underground Ore Reserve (purple dots).

## SIGNIFICANT DRILLING RESULTS

Numerous high grade results were returned from the 24 diamond drill holes drilled into the upper portions of the Beresford Underground Ore Reserve. The in-fill drilling has confirmed the previous geological interpretation at Beresford that includes:

- The presence of four sub-parallel, steeply east-dipping banded iron formation (BIF) units, each of which is seen to contain gold mineralisation. The four BIFs from east (hangingwall) to west are the Hangingwall BIF, Central BIF, Lower BIF and Contact BIF (refer also Table 1);
- Typically the better intersections lie on the Hangingwall BIF and the Central BIF units, which contain the majority of the gold mineralisation that comprise the Mineral Resource at Beresford;
- Occasionally, high grade intersections are recorded in both the Hangingwall and Central BIF which, when combined (including unmineralised material between the two BIFs), produce a broad high grade intersection that can be considered for bulk mining;
- There are two high grade shoot directions being: steep south and flat north; and

- It is possible to locate high grade shoots away from the existing Ore Reserve

Significant new intersections from the in-fill drilling the upper levels of the Beresford Ore Reserve are reported below in Table 1 and all drill results are listed in Table 2. Appendix I and Appendix II detail all requisite disclosures and consents.

Drill hole	Intersection	From	Host BIF Unit
16MMRD0164W1	<b>16.5m @ 10.9g/t Au</b> including <b>7.0m @ 19.7g/t</b>	265.6m	Hangingwall BIF
		267.0m	Hangingwall BIF
16MMRD0165W1	1.8m @ 7.0g/t Au	198.0m	Hangingwall BIF
17MMDD0329	6.4m @ 3.3g/t Au	233.0m	Lower BIF / Contact BIF
17MMDD0335	5.0m @ 2.1g/t Au and <b><u>7.0m @ 31g/t Au</u></b> including <b>1.5m @ 135.2g/t Au</b>	157.0m	Lower BIF
		174.0m	Contact BIF (outside Ore Reserve)
		176.7m	Contact BIF
17MMRD0336	3.1m @ 4.0 g/t	207.9m	Hangingwall BIF
17MMDD0337	<b>16.7m @ 7.0g/t Au</b> including 4.8m @ 3.7g/t Au and <b><u>1.7m @ 56.5g/t Au</u></b>	174.0m	Combining Hangingwall and Central BIFs
		178.9m	Hangingwall BIF
		189.0m	Central BIF (outside Ore Reserve)
17MMDD0339	<b>3.0m @ 10.7g/t Au</b>	130.0m	Hangingwall BIF
17MMDD0340	8.9m @ 2.1g/t Au	177.5m	Central / Lower BIFs
17MMDD0341	<b>0.9m @ 19.5g/t Au</b>	203.7m	Contact BIF
17MMDD0343	23.7m @ 3.2g/t Au including <b><u>12.0m @ 2.2g/t Au</u></b> and <b>4.4m @ 11.2g/t Au</b>	204.0m	Combining Hangingwall and Central BIFs
		204.0m	Hangingwall BIF (outside Ore Reserve)
		223.4m	Central BIF
17MMDD0344	3.2m @ 4.4g/t Au and <b><u>3.1m @ 4.1g/t Au</u></b>	178.5m	Hangingwall BIF
		206.0m	Lower BIF (outside Ore Reserve)
17MMDD0345	5.4m @ 4.6g/t Au and <b><u>2.5m @ 6.2g/t Au</u></b> and <b>2.9m @ 9.4g/t Au</b>	167.0m	Hangingwall BIF
		181.0m	Central BIF (outside Ore Reserve)
		198.0m	Lower BIF (outside Ore Reserve)
17MMDD0349	3.3m @ 9.3g/t Au	237.7m	Contact BIF
17MMDD0353	12.1m @ 3.4g/t Au and <b><u>1.9m @ 46.8g/t Au</u></b>	235.3m	Hangingwall BIF
		288.0m	Contact BIF (outside Ore Reserve)

**Table 1:** Significant drill intersections from the 24-hole surface diamond drilling infill program within the top 100m, or 6 levels of the Beresford Underground Mine. Note the underlined intersections are from outside the existing Ore Reserve. Also shown are combined intersections. Both the new intersections outside the Ore Reserve and the combined intersections provide the Company with an opportunity to assess the potential for additional early production sources through ongoing mining studies.

A key observation from Table 1 is that several of the better intersections occur from outside the existing Ore Reserve. Such intersections include:

- 7.0m @ 31.0g/t Au in Contact BIF
- 1.7m @ 56.5g/t Au in Central BIF
- 1.9m @ 46.8g/t Au in Contact BIF
- 2.9m @ 9.4g/t Au in Lower BIF

Given that all of the drilling reported in this announcement is from the top 100m, or six levels, of the planned Beresford Ore Reserve, the very high grade nature of several intersections outside the Ore Reserve provides the Company with an opportunity to identify potential new and additional production sources in the early stages of mining at Beresford.

The 7.0m @ 31.0g/t Au intersection from the Contact BIF outside the Ore Reserve contained the highest levels of visible gold yet intersected in any drilling by Dacian Gold at the MMGP, and is shown as a photo of the drill core in Figure 2 below.



**Figure 2:** Coarse visible gold from the Contact BIF in drill hole 17MMDD0335 returned 7.0m @ 31g/t Au including 1.5m @ 135.2g/t Au. Core width is 50mm. The intersection is from outside the current Ore Reserve at Beresford and provides a possible additional early production source once mining commences in the second half of CY2017.

Drill holes 17MMDD0337 and 17MMDD0343 are reported in Table 1 as combined intersections and, in both cases, the combined intersection includes a high-grade result outside the existing Ore Reserve. While new geotechnical studies are required to determine whether the combined intersections can indeed be mined as a wide stope, the shallow nature of the intersections (less than 200m below surface) provides the Company with an opportunity for potential new, early production additions to that defined in the Ore Reserve.

## **NEXT STEPS AT WESTRALIA**

- Complete the 18 hole Allanson in-fill surface diamond drilling/grade control ahead of mine development.
- Update the Beresford mine plan and schedule to incorporate the new drilling results.
- Continue with Beresford in-fill surface diamond drilling/grade control ahead of mine development below the 250m RL.
- Initiate underground diamond drilling in Q3 CY2017 at Beresford.

**Table 2: Mt Morgans Exploration Drilling Results - Beresford**

Collar Location and Orientation								Intersection > 1 ppm * m Au				
Hole	Type	X	Y	Z	Total Depth	Dip	Azimuth	From (m)	To (m)	Length (m)	Au (ppm)	
16MMRD0164W1	RCD	409,618	6,816,873	459	333	-60	238	<b>265.60</b>	<b>282.10</b>	<b>16.50</b>	<b>10.9</b>	
								including	<b>267.00</b>	<b>274.00</b>	<b>7.00</b>	<b>19.7</b>
									292.40	293.50	1.10	1.4
16MMRD0165W1	RCD	409,579	6,816,844	455	266	-59	239	<b>198.00</b>	<b>199.80</b>	<b>1.80</b>	<b>7.0</b>	
									219.45	220.50	1.05	1.8
17MMDD0328	DD	409,727	6,816,546	444	186	-62	238	147.00	147.50	0.50	2.0	
									157.15	159.15	2.00	1.4
									174.70	175.90	1.20	1.9
17MMDD0329	DD	409,760	6,816,587	453	243	-59	248	<b>233.00</b>	<b>239.40</b>	<b>6.40</b>	<b>3.3</b>	
								including	<b>233.00</b>	<b>235.30</b>	<b>2.30</b>	<b>7.2</b>
17MMDD0330	DD	409,674	6,816,589	445	183	-63	239	125.75	126.30	0.55	1.4	
17MMDD0331	DD	409,736	6,816,616	453	243	-57	242	191.15	191.95	0.80	1.5	
									203.55	203.80	0.25	7.1
17MMRD0332	RCD	409,696	6,816,613	448	235	-50	238	183.40	184.00	0.60	5.5	
									230.00	230.75	0.75	4.6
17MMDD0333	DD	409,656	6,816,621	446	201	-62	239	112.60	115.70	3.10	1.7	
									157.40	159.00	1.60	2.7
17MMDD0334	DD	409,676	6,816,639	446	221	-62	239	176.85	179.85	3.00	1.2	
									214.10	214.60	0.50	3.2
17MMDD0335	DD	409,632	6,816,635	448	183	-62	245	154.00	154.45	0.45	3.9	
									<b>157.00</b>	<b>162.00</b>	<b>5.00</b>	<b>2.1</b>
									<b>174.00</b>	<b>181.00</b>	<b>7.00</b>	<b>31.0</b>
								including	<b>176.70</b>	<b>178.15</b>	<b>1.45</b>	<b>135.2</b>
17MMRD0336	RCD	409,701	6,816,667	452	261	-60	236	<b>207.90</b>	<b>211.00</b>	<b>3.10</b>	<b>4.0</b>	
									220.00	221.00	1.00	7.0
17MMDD0337	DD	409,670	6,816,676	451	231	-57	238	<b>174.00</b>	<b>190.70</b>	<b>16.70</b>	<b>7.0</b>	
								including	<b>178.85</b>	<b>183.60</b>	<b>4.75</b>	<b>3.7</b>
								and	<b>189.00</b>	<b>190.70</b>	<b>1.70</b>	<b>56.5</b>
17MMDD0338	DD	409,621	6,816,678	448	171	-54	235	106.15	111.35	5.20	1.4	
									144.25	146.90	2.65	2.7
17MMDD0339	DD	409,621	6,816,678	448	192	-62	241	117.00	118.00	1.00	1.1	
									<b>129.95</b>	<b>132.95</b>	<b>3.00</b>	<b>10.7</b>
									136.40	137.25	0.85	1.9
									145.55	147.00	1.45	4.0
									169.00	170.00	1.00	1.2
		<b>186.70</b>	<b>187.00</b>	<b>0.30</b>	<b>13.0</b>							





**Table 2: Mt Morgans Exploration Drilling Results – Beresford - continued**

Hole	Type	X	Y	Z	Total Depth	Dip	Azimuth	From (m)	To (m)	Length (m)	Au (ppm)
17MMDD0349	DD	409,540	6,816,891	455	319	-56	238	194.00	196.30	2.30	1.2
								220.15	220.90	0.75	6.0
								<b>237.70</b>	<b>241.00</b>	<b>3.30</b>	<b>9.3</b>
								244.00	245.00	1.00	1.5
								<b>290.00</b>	<b>291.00</b>	<b>1.00</b>	<b>12.2</b>
312.00	313.00	1.00	1.7								
17MMDD0353	DD	409,618	6,816,817	454	309	-62	242	<b>235.30</b>	<b>247.35</b>	<b>12.05</b>	<b>3.4</b>
								252.40	253.00	0.60	1.2
								261.50	264.30	2.80	1.0
								272.30	273.00	0.70	11.2
								<b>288.00</b>	<b>289.85</b>	<b>1.85</b>	<b>46.8</b>

For and on behalf of the Board



**Rohan Williams**  
Executive Chairman

## About Dacian Gold Limited

Dacian Gold Ltd listed on the ASX on 14 November 2012 after raising \$20M in its IPO to fund a 3 year exploration program at the Mt Morgans project it had acquired near Laverton, in Western Australia. During the three years of intensive exploration, Dacian Gold discovered two plus one million ounce gold deposits at Westralia and Jupiter; and following the completion of a Scoping Study in September 2015, completed a \$25 million equity raising to complete a 90,000m resource-infill drill out and to fund a definitive Feasibility Study.

In November 2016, Dacian Gold released the results of the Feasibility Study which showed the Mt Morgans Gold Project to have an Initial Ore Reserve of 1.2 million ounces with an AISC of A\$1,039/oz over an initial 8-year period.

The capital cost to build the project, including a new 2.5 Mtpa CIL treatment facility, is A\$197M which includes A\$149M as the revised site-based infrastructure capital costs, and A\$48M for mine establishment costs at the underground Westralia Mine Area and the open pit at Jupiter. At the same time as releasing the Feasibility Study, the Company released an expansion Pre-Feasibility Study which showed that the MMGP had the potential for 1.7 million ounces at an AISC of A\$970-975/oz.

The Board, which includes Rohan Williams as Executive Chairman and Robert Reynolds, Barry Patterson and Ian Cochrane as non-executive directors, approved the construction of the project which is targeting gold production in the first quarter of CY2018.

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

For further information please visit [www.daciangold.com.au](http://www.daciangold.com.au) to view the Company's presentation or contact:

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## APPENDIX I

Mount Morgans Gold Project Mineral Resources as at 28 July 2016

Deposit	Cut-off Grade	Measured			Indicated			Inferred			Total Mineral Resource		
		Au g/t	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t
King Street*	0.5	-	-	-	-	-	-	532,000	2.0	33,000	532,000	2.0	33,000
Jupiter	0.5	994,000	1.7	54,000	22,889,000	1.4	1,006,000	5,739,000	1.1	197,000	29,623,000	1.3	1,257,000
Jupiter UG	1.5	-	-	-	-	-	-	530,000	2.0	34,000	530,000	2.0	34,000
Jupiter LG Stockpile	0.5	3,494,000	0.5	58,000	-	-	-	-	-	-	3,494,000	0.5	58,000
Westralia	2.0	409,000	5.0	65,000	4,769,000	5.5	840,000	3,449,000	6.5	715,000	8,626,000	5.8	1,621,000
Craic*	0.5	-	-	-	69,000	8.2	18,000	120,000	7.1	27,000	189,000	7.5	46,000
Transvaal	2.0	367,000	5.8	68,000	404,000	5.3	69,000	482,000	4.7	73,000	1,253,000	5.2	210,000
Ramornie	2.0	-	-	-	156,000	4.1	21,000	285,000	3.9	36,000	442,000	4.0	57,000
<b>Total</b>		<b>5,263,000</b>	<b>1.5</b>	<b>246,000</b>	<b>28,287,000</b>	<b>2.1</b>	<b>1,954,000</b>	<b>11,138,000</b>	<b>3.1</b>	<b>1,115,000</b>	<b>44,688,000</b>	<b>2.3</b>	<b>3,315,000</b>

\* JORC 2004

Mt Morgans Gold Project Ore Reserves as at 21 November 2016

Deposit	Cut-off Grade	Proved			Probable			Total		
		Au g/t	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t
Beresford UG	2.0	50,000	4.9	8,000	2,383,000	4.2	323,000	2,433,000	4.2	331,000
Allanson UG	2.0	-	-	-	882,000	5.7	162,000	882,000	5.7	162,000
Transvaal UG	1.4	193,000	4.7	29,000	325,000	3.4	36,000	518,000	3.9	65,000
Jupiter OP	0.5	867,000	1.7	48,000	13,884,000	1.3	595,000	14,751,000	1.4	643,000
<b>INITIAL ORE RESERVE</b>		<b>1,110,000</b>	<b>2.4</b>	<b>85,000</b>	<b>17,475,000</b>	<b>2.0</b>	<b>1,115,000</b>	<b>18,585,000</b>	<b>2.0</b>	<b>1,200,000</b>

### Competent Person Statement

In relation to Mineral Resources and Ore Reserves, the Company confirms that all material assumptions and technical parameters that underpin the relevant market announcement continue to apply and have not materially changed.

### Exploration

The information in this report that relates to Exploration Results is based on information compiled by Mr Rohan Williams who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Williams holds shares and options in, and is a director and full time employee of, Dacian Gold Ltd. Mr Williams has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Williams consents to the inclusion in the report of the matters based on the information compiled by him, in the form and context in which it appears.

### Mineral Resources

The information in this report that relates the Westralia Deposit Mineral Resource (see ASX announcement 28 July 2016), Jupiter Deposit Mineral Resource (see ASX announcement 19 July 2016), Transvaal Deposit Mineral Resource (see ASX announcement 16 September, 2015) and the Ramornie Deposit Mineral Resource (see ASX announcement 24 February, 2015) is based on information compiled by Mr Shaun Searle who is a Member of Australian Institute of Geoscientists and a full-time employee

of RungePincockMinarco. Mr Searle has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Searle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates the Jupiter Low Grade Stockpile (see ASX announcement – 16 September, 2015) and is based on information compiled by Mr Rohan Williams who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Williams holds shares and options in, and is a director and full time employee of, Dacian Gold Ltd. Mr Williams has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Williams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources (other than Westralia, Jupiter, Jupiter Low Grade Stockpile, Transvaal, and Ramornie which are reported under JORC 2012) is based on information compiled by Mr Rohan Williams, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Williams holds shares and options in, and is a director and full time employee of, Dacian Gold Ltd. Mr Williams has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Williams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Where the Company refers to the Mineral Resources and Ore Reserves in this report (referencing previous releases made to the ASX), it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the Mineral Resource estimate and Ore Reserve estimate with that announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not materially changed from the original announcement.

All information relating to Mineral Resources and Ore Reserves (other than the King Street and Craic) were prepared and disclosed under the JORC Code 2012. The JORC Code 2004 King Street and Craic Mineral Resource has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last updated.

### Ore Reserves

The information in this report that relates to Ore Reserves for the Westralia Mining Area and Transvaal Mining Area (see ASX announcement 21 November 2016) is based on information compiled or reviewed by Mr Matthew Keenan and Mr Shane McLeay. Messrs Keenan and McLeay have confirmed that they have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition). They are

Competent Persons as defined by the JORC Code 2012 Edition, having more than five years experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which they are accepting responsibility. Messrs Keenan and McLeay are both a Member of The Australasian Institute of Mining and Metallurgy and full time employees of Entech Pty Ltd and consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

## APPENDIX II – JORC TABLE 1

The following Table and Sections are provided to ensure compliance with the JORC Code (2012) edition requirements for the reporting of exploration results on the Mt Morgans Gold Project which includes both Westralia and Jupiter.

### Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Dacian utilised RC and diamond drilling. Holes were generally angled towards grid west to optimally intersect the targeted mineralised zones.</li> <li>• Dacian core was sampled as half core at 1m intervals or to geological contacts</li> <li>• To ensure representative sampling, half core samples were always taken from the same side of the core.</li> <li>• At Jupiter, the full length of each hole was sampled and at Westralia, the core was selectively sampled.</li> <li>• Dacian RC drilling was sampled at 1m intervals via an on-board cone splitter.</li> <li>• Minor 4m composite samples were taken via a scoop and submitted for analysis.</li> <li>• Historical RC samples were collected at 1m, 2m and 4m intervals using riffle splitters.</li> <li>• Dacian samples were submitted to a contract laboratory for crushing and pulverising to produce a 50g charge for fire assay.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>• <i>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).</i></li> </ul>	<ul style="list-style-type: none"> <li>• Diamond drilling was carried out with NQ2 sized equipment with standard tube.</li> <li>• Drill core was orientated using a Reflex orientation tool.</li> <li>• For RC holes, a 5¼" face sampling bit was used</li> <li>• For deeper holes, RC pre-collars were followed with diamond tails.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <i>Whether a relationship exists between sample</i></li> </ul>	<ul style="list-style-type: none"> <li>• Recoveries from historical drilling are unknown.</li> <li>• Recoveries from Dacian core drilling were measured and recorded in the database and recovery was generally 100% in fresh rock with minor core loss in oxide.</li> </ul>



Criteria	JORC Code explanation	Commentary
	<i>recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	<ul style="list-style-type: none"> <li>In Dacian drilling no relationship exists between sample recovery and grade.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li><i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<ul style="list-style-type: none"> <li>All diamond drill holes were logged for recovery, RQD, geology and structure. RC drilling was logged for various geological attributes.</li> <li>For Dacian drilling, diamond core was photographed both wet and dry.</li> <li>All drill holes were logged in full.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li><i>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.</i></li> <li><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>Dacian core was cut in half using an automatic core saw at either 1m intervals or to geological contacts.</li> <li>To ensure representivity, all core samples were collected from the same side of the core.</li> <li>Historical RC samples were collected at the rig using riffle splitters. Samples were generally dry.</li> <li>Dacian RC samples were collected via on-board cone splitters. Most samples were dry.</li> <li>For RC drilling, sample quality was maintained by monitoring sample volume and by cleaning splitters on a regular basis.</li> <li>Field duplicates were taken at 1 in 25 for RC drilling.</li> <li>Sample preparation was conducted by a contract laboratory. After drying, the sample is subject to a primary crush, then pulverised to that 90% passing 75µm.</li> <li>For historic drilling detailed information on the QAQC programs used was not available.</li> <li>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.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li><i>For geophysical tools, spectrometers, handheld</i></li> </ul>	<ul style="list-style-type: none"> <li>For Dacian drilling, the analytical technique used was a 50g Lead collection fire assay and analysed by Atomic Absorption Spectrometry. This is a full digestion technique. Samples were analysed at Bureau Veritas in Canning Vale and Kalgoorlie,</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <ul style="list-style-type: none"> <li><i>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.</i></li> </ul>	<p>Western Australia.</p> <ul style="list-style-type: none"> <li>For Dacian drilling, sieve analysis was carried out by the laboratory to ensure the grind size of 90% passing 75µm was being attained.</li> <li>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</li> <li>No QAQC data has been reviewed for historic drilling although mine production has largely validated drilling results.</li> <li>Laboratory QAQC includes the use of internal standards using certified reference material, blanks, splits and replicates.</li> <li>Certified reference materials demonstrate that sample assay values are accurate.</li> <li>At both Jupiter and Westralia, umpire laboratory testwork was completed in May 2016 over mineralised intersections with good correlation of results.</li> <li>Commercial laboratories used by Dacian have been audited.</li> </ul>
<b>Verification of sampling &amp; assaying</b>	<ul style="list-style-type: none"> <li><i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li><i>The use of twinned holes.</i></li> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li><i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>At Jupiter and Westralia, significant intersections were visually field verified by company geologists.</li> <li>At Jupiter and Westralia, all significant intersections from the early 2016 resource infill drill program were repeated with 200 – 1000g Leachwell cyanide assay followed by a fire on the residue to determine total gold. This testwork gave good repeatability of results</li> <li>No twin holes were drilled.</li> <li>Primary data was collected into either an Excel spread sheet and then imported into a Data Shed database.</li> <li>Assay values that were below detection limit were adjusted to equal half of the detection limit value.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>Specification of the grid system used.</i></li> </ul>	<ul style="list-style-type: none"> <li>Historic drill hole collar coordinates were tied to a local grid with subsequent conversion to MGA94 Zone 51.</li> <li>Mine workings support the locations of historic drilling.</li> <li>All Dacian hole collars were surveyed in MGA94 Zone 51 grid using differential GPS.</li> </ul>





Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li><i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>Dacian holes at Jupiter were downhole surveyed either with multi-shot EMS, Reflex multi-shot tool north seeking gyro tool.</li> <li>Dacian holes at Westralia were downhole surveyed using a north seeking gyro tool.</li> <li>Topographic surface prepared from detailed ground and mine surveys.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> <li><i>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.</i></li> <li><i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>At Jupiter, the nominal hole spacing of Dacian drilling is approximately 40 –80m.</li> <li>At Westralia, the Dacian drilling has a nominal spacing of approximately 40–80m along strike and 40–200m down dip and 25 by 25m for Ore Reserve infill drilling.</li> <li>The drilling subject to this announcement has not been used to prepare Mineral Resource estimates for either deposit at this stage.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>At Westralia, drill holes are angled to 245°, which is approximately perpendicular to the orientation of the well-defined mineralisation.</li> <li>At Jupiter, most holes are angled to the west so that intersections are orthogonal to the expected trend of mineralisation.</li> <li>No orientation based sampling bias has been identified in the data.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li><i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>Chain of custody is managed by Dacian. Samples are stored on site until collected for transport to Bureau Veritas Laboratories in Kalgoorlie or Canning Vale. 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.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>A RungePincockMinarco (RPM) consultant reviewed RC and diamond core sampling techniques in January 2016 and concluded that sampling techniques are satisfactory.</li> </ul>



## Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The Westralia deposit is located within Mining Lease 39/18 and is owned by Mt Morgans WA Mining Pty Ltd, a wholly owned subsidiary of Dacian Gold Ltd.</li> <li>The Jupiter deposit is located within Mining Lease 39/236, is owned by Mt Morgans WA Mining Pty Ltd, a wholly owned subsidiary of Dacian Gold Ltd. and has a tonnage based royalty.</li> <li>The tenements are in good standing and have a current mining proposal, granted in December 2016.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>At Jupiter, open pit mining occurred in the 1990's. Previous companies to have explored the deposit include Croesus Mining, Dominion Mining and Barrick Gold Corporation.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The Westralia gold deposit is Archaean BIF hosted sulphide replacement mineralisation and is located within the Yilgarn Craton of Western Australia.</li> <li>The Jupiter prospect is interpreted to comprise structurally controlled mesothermal gold mineralisation related to syenite intrusions within altered basalt.</li> </ul>
<b>Drill hole information</b>	<ul style="list-style-type: none"> <li>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: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is</li> </ul>	<ul style="list-style-type: none"> <li>For drilling not previously reported, the locations and mineralised intersections for all holes completed are summarised in the tables of this ASX release.</li> <li>Refer to previous Dacian ASX releases for information regarding previous Dacian drilling.</li> <li>Reporting of intersection widths in Figures and summary tables are rounded to the nearest 0.1m.</li> </ul>



Criteria	JORC Code explanation	Commentary
	<p><i>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.</i></p>	
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>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.</i></li> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>Exploration results are reported as length weighted averages of the individual sample intervals. Zones of particularly high grade gold mineralisation have been separately reported in the tables in the body of this ASX release.</li> <li>No high grade cuts have been applied to the reporting of exploration results.</li> <li>At Westralia, intersections have been reported using a 0.5g/t lower cut-off, and can include up to 4m of internal dilution.</li> <li>At Jupiter, intersections have been reported using a 0.2g/t lower cut-off, and can include up to 4m of internal dilution.</li> <li>No metal equivalent values have been used.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>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').</i></li> </ul>	<ul style="list-style-type: none"> <li>At Westralia, 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.</li> <li>At Jupiter, most holes are angled to the west so that intersections are orthogonal to the expected trend of mineralisation. It is interpreted that true width is approximately 60–100% of down hole intersections.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>Relevant diagrams have been included within the main body of text.</li> </ul>
<b>Balanced Reporting</b>	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>All exploration results have been reported.</li> </ul>



Criteria	JORC Code explanation	Commentary
<b><i>Other substantive exploration data</i></b>	<ul style="list-style-type: none"> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>All interpretations for both Westralia and Jupiter mineralisation are consistent with observations made and information gained during previous mining at the project.</li> </ul>
<b><i>Further work</i></b>	<ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large- scale step-out drilling).</i></li> <li><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>At Jupiter, further broad spaced drilling is planned to extend zones of mineralisation within the Jupiter Corridor. Infill resource definition drilling will occur within the open pit Ore Reserve limits.</li> <li>At Westralia, infill resource definition drilling is planned to improve confidence of the known mineralisation over 3km of strike length and extensional drilling is planned around the boundaries of the resource.</li> <li>Refer to diagrams in the body of this release.</li> </ul>