

## **HIGH-GRADE OXIDE RESULTS PROVIDE MORE EVIDENCE OF STRONG EXPLORATION POTENTIAL AT MT MORGANS**

***Maiden RC drilling at Maxwells Oxide returns 15m at 4.1g/t Au from 23m; follow-up drilling at Allanson Oxide returns 3m at 28.3g/t Au from 117m***

Dacian Gold Ltd (**Dacian Gold** or the **Company**) (ASX:DCN) is pleased to announce strong results from initial RC drilling at two shallow oxide prospects within its 100%-owned Mount Morgans Gold Project (**MMGP**), located 25km south-west of Laverton in Western Australia.

The results continue to highlight the outstanding potential to grow the Mineral Resource at Mt Morgans in parallel with the Company's project development strategy, which remains on track to commence gold production in March next year.

The drilling at Maxwells Oxide represents the initial, first-pass RC drilling of the prospect. At Allanson Oxide, the drilling is the first follow-up RC drilling in an area where Dacian discovered significant mineralisation in two 50m-spaced reconnaissance drill holes in June 2016. The new results include:

### **MAXWELLS OXIDE (located 6km north of 2.5Mtpa CIL plant currently under construction)**

- ***Initial first-pass drill testing by Dacian Gold comprising 19 RC drill holes over a 500m strike of outcropping BIF returned significant oxide gold mineralisation including:***
  - ***15m @ 4.1g/t Au from 23m including 4m @ 12.4g/t Au from 23m in 17MBRC015 (20m below surface)***
  - ***12m @ 1.2g/t Au from 27m in 17MBRC026***
  - ***5m @ 1.6g/t Au from 3m in 17MBRC008***
  - ***6m @ 1.4g/t Au from 74m in 17MBRC002***
  - ***5m @ 1.1g/t Au from 20m in 17MBRC019***
- ***Follow-up RC oxide and bedrock drilling planned in Q3/Q4 2017.***

### **ALLANSON OXIDE (located immediately up-dip of the Allanson underground mine)**

- ***A total of 16 RC holes have been drilled to test the Allanson Oxide position close to where Dacian Gold intersected 6m @ 8.3g/t Au and 17m @ 2.2g/t Au in 2016***
- ***Drilling has been encouraging with the following intersections recorded:***
  - ***3m @ 28.3g/t Au from 117m in 17MMRC0379***
  - ***2m @ 6.8g/t Au from 60m in 17MMRC0377***
  - ***9m @ 1.6g/t Au from 52m and 10m @ 2.8g/t Au from 80m in 17MMRC0378***
  - ***8m @ 1.5g/t Au from 70m in 17MMRC0371***
- ***A maiden Mineral Resource estimate and open pit mine design studies for Allanson Oxide is planned for Q3/Q4 2017***

Dacian Gold Executive Chairman Rohan Williams said: “These latest results support our strong belief that there is a lot more gold to be found at Mt Morgans, even in areas located relatively close to existing deposits.

“The excellent exploration potential was clearly demonstrated by the recent results at the Cameron Well prospect, where we currently have three drilling rigs operating.

“We have also now generated some impressive early-stage results from two promising oxide prospects located close to existing mining and processing infrastructure.

“The discovery and delineation of oxide resources may have significant strategic value to the Company, allowing us to introduce incremental sources of oxide feed to our new hard-rock CIL plant in the early stages of operations.

“With this in mind, we will commence follow-up drilling at both of these prospects as part of our wider strategy to continue growing the Mineral Resource and mine life at Mt Morgans. This work will continue during the second half of the year in parallel with an accelerating exploration effort at Cameron Well.

“We expect to provide the market with updated news flow on a number of fronts over the next few months as we count down to gold production in March 2018.”

## **Background and Introduction**

With project construction activities at the MMGP in full swing (see ASX release 9 August 2017), the Company has recommenced its exploration efforts aimed at making new gold discoveries to increase the existing 3.3 million ounce Mineral Resource base (see Appendix I).

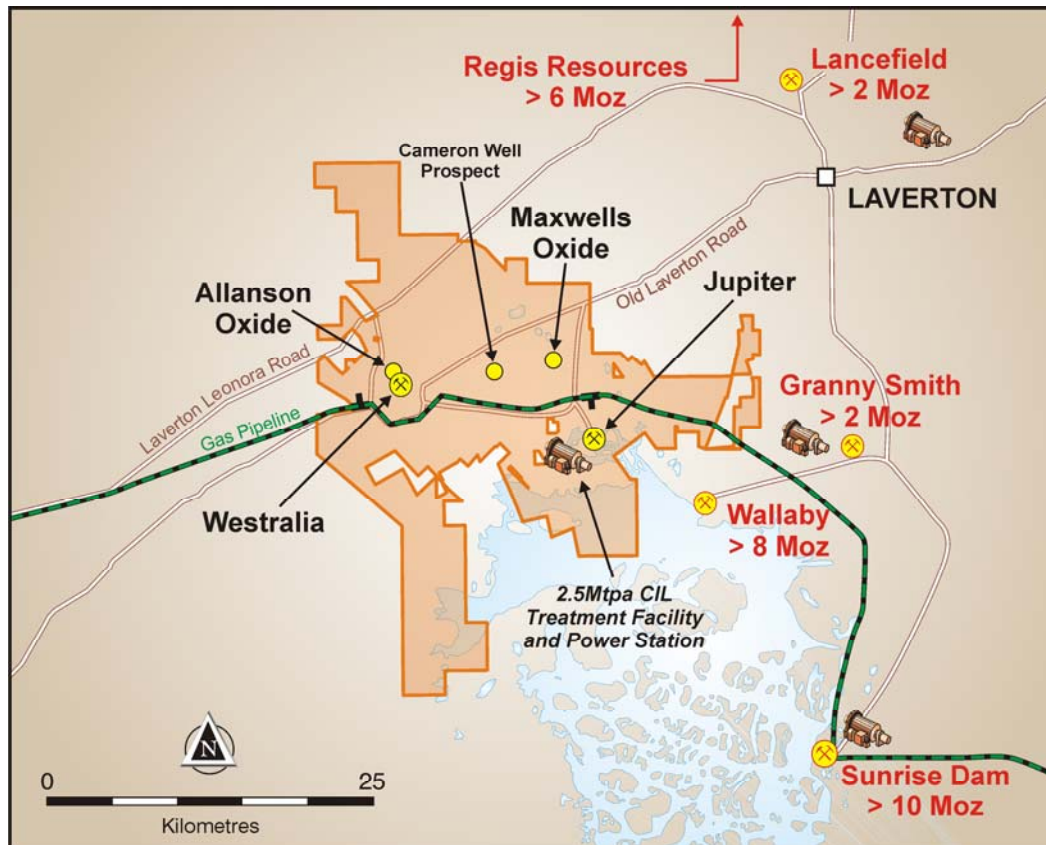
Recent exploration by Dacian Gold has met with initial success at Cameron Well, where a large oxide gold anomaly/mineralised position has been outlined over an area of more than 6km<sup>2</sup> (see ASX release 21 June 2017). Subsequently, the Company completed the first diamond drill holes into the Cameron Well prospect and returned several intersections including a spectacular **2.3m @ 311.3g/t Au** (see ASX release 8 August 2017). Follow-up aircore, RC and diamond drilling is ongoing.

By combining the results of its previous exploration with an interrogation of the historical drilling database at Mt Morgans, Dacian Gold has confirmed that there is clear potential for the discovery of oxide gold mineralisation in several areas, all of which are poorly explored.

The Company believes that the discovery and delineation of oxide Mineral Resources may significantly enhance early-stage production and mine performance at Mt Morgans and, accordingly, has commenced first-stage follow-up RC drilling at several of these prospects.

Maxwells Oxide and Allanson Oxide are the first two prospects to be tested for new oxide ore positions. Both are associated with Banded Iron Formation (**BIF**) units, and drilling at both prospects has confirmed the presence of near-surface high grade oxide mineralisation.

Figure 1 shows the location of Maxwells Oxide and Allanson Oxide in relation to the Jupiter and Westralia Mine Areas, and the new 2.5Mtpa CIL treatment facility, currently under construction.



**Figure 1** - Location map of Dacian Gold's MMGP tenure (orange) showing the Maxwells Oxide and Allanson Oxide prospects. Also shown is the Westralia and Jupiter Mines; the Cameron Well prospect and the location of existing and under-construction infrastructure, as well as proximal multi-million ounce gold deposits.

## Maxwells Oxide Prospect

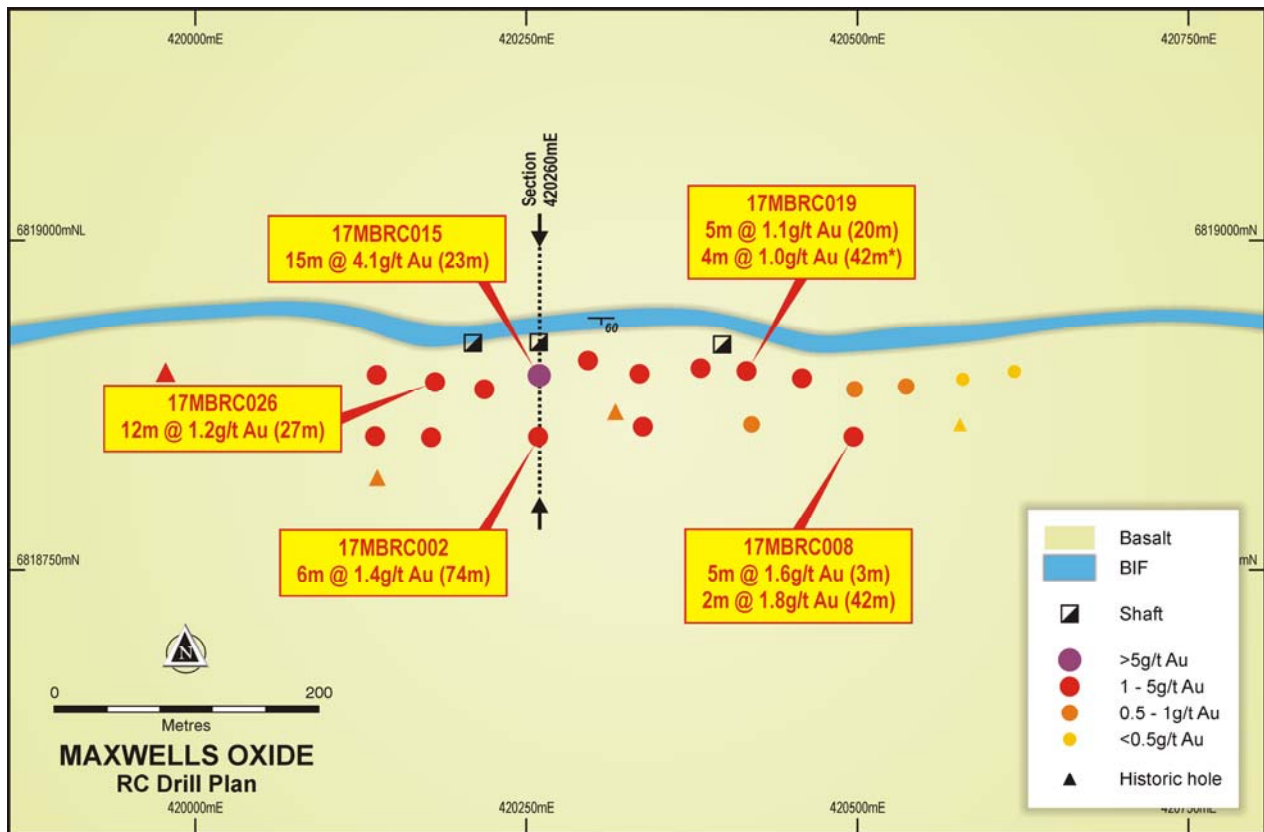
The Maxwells Oxide prospect lies 6km to the north of the site where the Company's new 2.5Mtpa CIL treatment facility is presently under construction.

Previous exploration at Maxwells is sporadic with costeaning, minor RAB/aircore drilling and isolated RC drilling dating back to the early 1980s. RAB drilling in the early 1990s, which intersected 11m @ 1.6g/t Au from 25m and 7m @ 3.2g/t Au from 5m, was associated with sulphide alteration and quartz veining in BIF.

The Maxwells Oxide prospect area comprises east-west trending stratigraphy of predominantly basalt with BIF formations and local felsic porphyry intrusives. Gold mineralisation is hosted within the BIF unit which measures 5-10m thick and outcrops for over 1km in strike. There are several historical gold workings and shafts proximal to areas of extensive dry-blowing along sections of the BIF. Importantly, much of the east-west striking BIF remains ineffectively tested by drilling.

The initial, first-pass RC drill testing completed by Dacian Gold comprised a 19 hole RC program for 1,222m, testing the BIF over a 500m strike length on 40m spaced lines (Figure 2).

Figure 2 is a summary figure showing assay results from the new and existing RC holes, existing historic shafts and the mapped surface location of the outcropping Maxwells BIF.



**Figure 2:** Location of Dacian Gold’s 19 RC drill holes at the BIF-hosted Maxwells Oxide prospect with results shown by circles – coloured by maximum gold in hole; and red/yellow labels. Note the reference to the cross section shown in Figure 3.

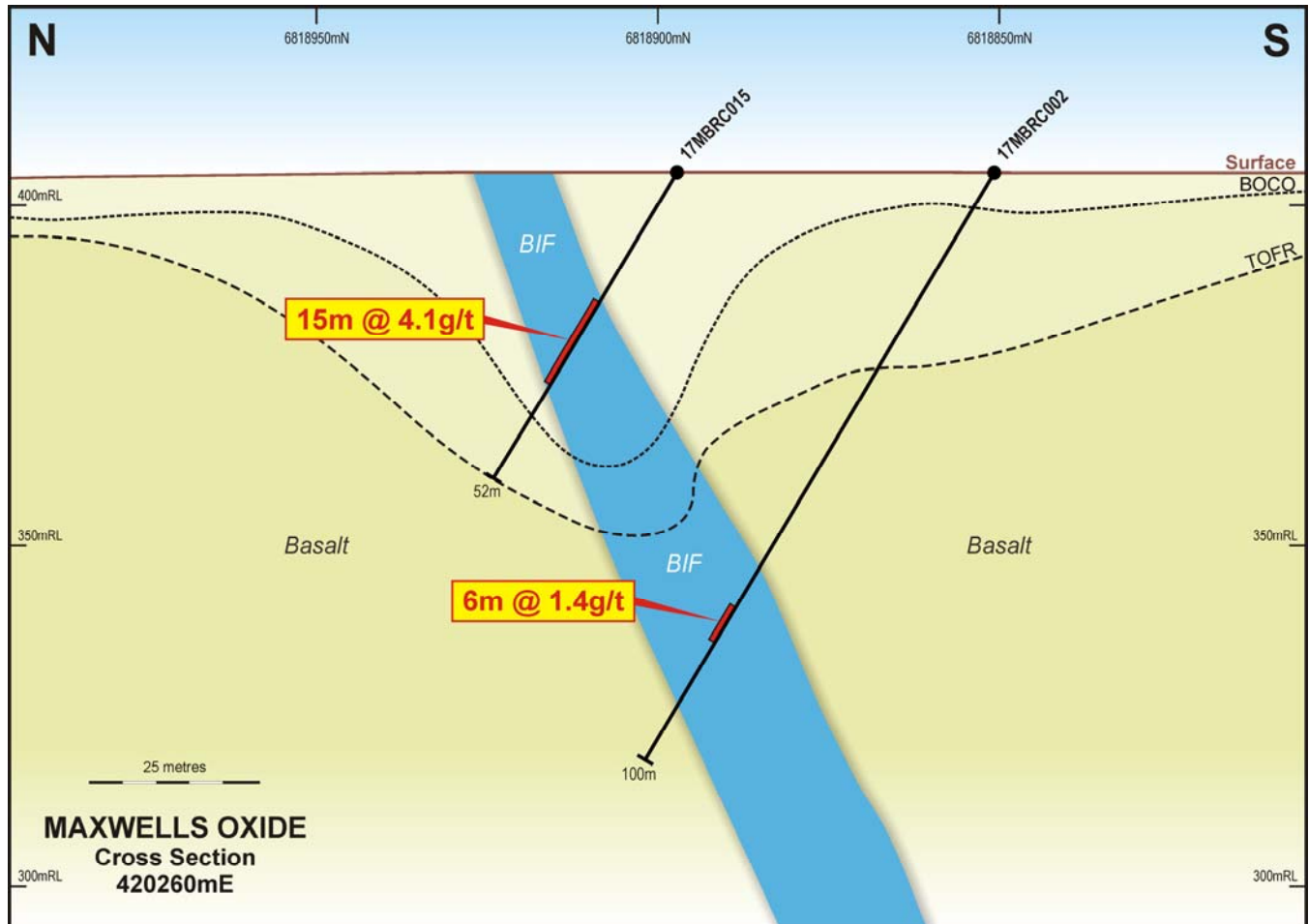
### Drilling Results – Maxwells Oxide

Initial bedrock drill testing by Dacian Gold comprising 19 RC drill holes over a 500m strike of outcropping BIF has defined significant grade oxide gold mineralisation. The results are highly encouraging and include:

- **15m @ 4.1g/t Au** from 23m including **4m @ 12.4g/t Au** from 23m in 17MBRC015
- 12m @ 1.2g/t Au from 27m in 17MBRC026
- 5m @ 1.6g/t Au from 3m in 17MBRC008
- 6m @ 1.4g/t Au from 74m in 17MBRC002
- 5m @ 1.1g/t Au from 20m in 17MBRC019

Figure 3 is a north-south cross section looking east, showing the new RC drilling results from 17MBRC015, which includes a high grade zone of **4m @ 12.4g/t Au**, and is located only 20m below the surface.

The RC drilling confirms the location of the steeply south-dipping Maxwells BIF package. Figure 3 shows the pronounced deepening of weathering intersected within the BIF suggesting deep oxidation is associated with mineralisation.



**Figure 3:** Maxwell's Oxide cross-section 420260E looking east showing the location of Dacian Gold's new RC drill hole intersections (red/yellow labels). The BIF is clearly visible in outcrop and well developed mineralisation has been highlighted at shallow depths. Note the pronounced deepening of weathering of the BIF near-surface and the development of oxide or supergene gold.

Table 1 of this announcement contains the results from all 19 holes drilled at Maxwell's Oxide, which are the subject of this ASX release. Appendix I and Appendix II contain all requisite consents and disclosures.

The early exploration success at the Maxwell's Oxide prospect is highly encouraging. Drill testing of the outcropping BIF has identified a 500m strike length of mineralisation and it suggests it is open to the east and west; as well as down-dip. The BIF is interpreted from magnetics to be approximately 2.5km long and apart from the area drilled by Dacian Gold, is mostly under shallow cover.

There is no Mineral Resource associated with the Maxwell's Oxide prospect, however given the strong geological control and nature of near-surface mineralisation which the Company has identified, it is optimistic that there is excellent potential for the further discovery of both near-surface oxide and deeper fresh rock-hosted gold mineralisation. Any new Mineral Resource discovery at Maxwell's has the potential to provide a material benefit to the MMGP.

## Allanson Oxide Prospect

The Allanson and Beresford Underground mines comprise an initial high-grade Ore Reserve of 492,000 ounces and together, make up the Westralia Mine Area (see Appendix I). The discovery intersections of Allanson Underground, drilled by Dacian Gold in 2015 (see ASX release 22 June 2015), confirmed the existence of high-grade gold mineralisation in footwall BIF units, which had not been the subject of exploration in the +100 year mining history of the Westralia area.

In 2016, Dacian Gold completed first-pass, reconnaissance RC drill testing of the projected up-dip and near surface expression of the mineralised Allanson BIF. Isolated drilling on 50-100m spaced sections over an 850m strike of the interpreted near-surface Allanson BIF returned 6m @ 8.3g/t Au from 82m (16MMRC0270) and 17m @ 2.2g/t Au from 63m depth (16MMRC0269) on 50m spaced drill holes (see ASX release 25 July 2016).

Consistent with the Company's efforts to identify new, near-surface oxide Mineral Resources, a total of 16 RC drill holes for 1,813m have been drilled to test around the previously reported intersections of the Allanson Oxide prospect.

### Drilling Results – Allanson Oxide

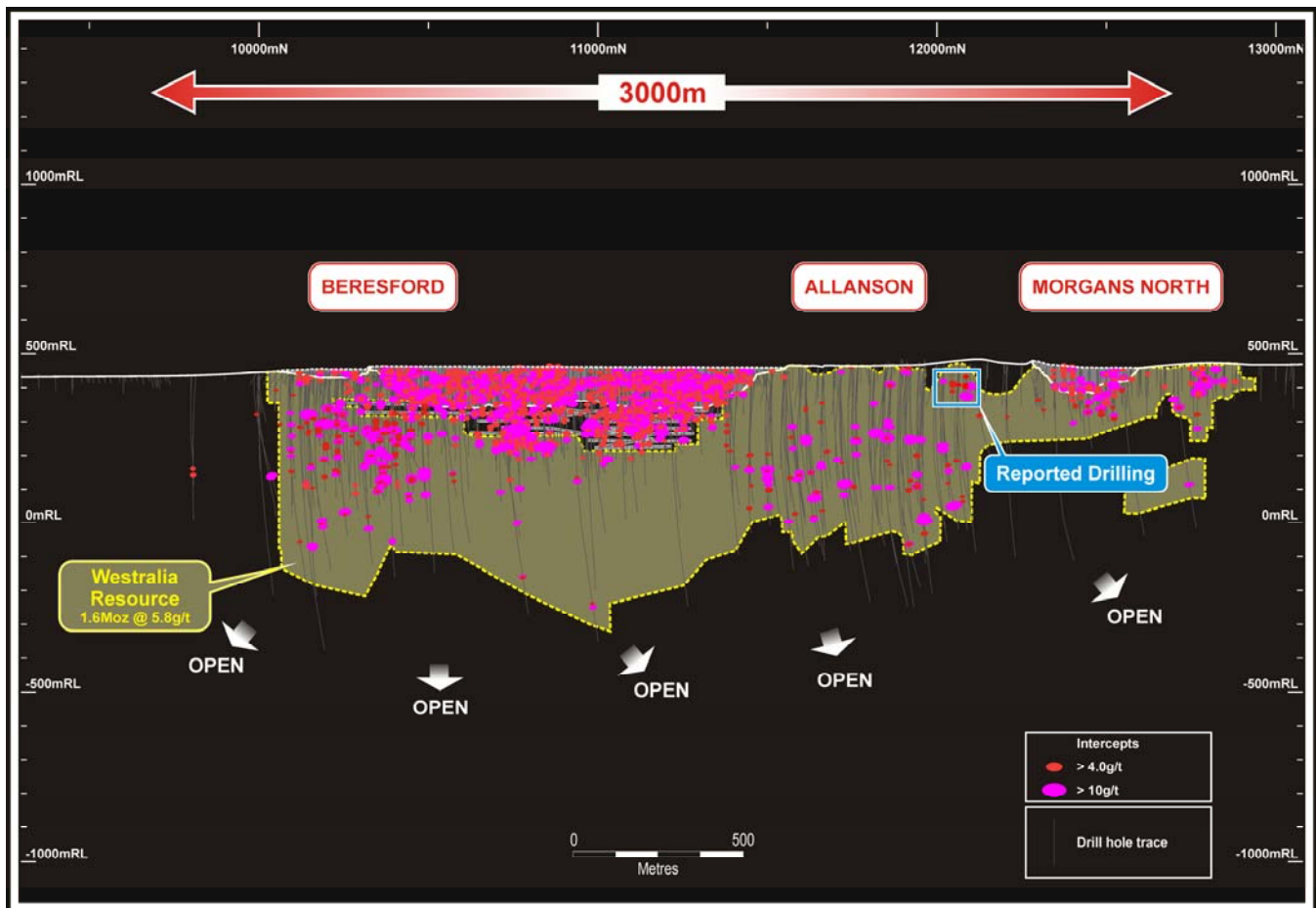
Several highly encouraging results were returned from mineralised BIF at Allanson Oxide and include:

- **3m @ 28.3g/t Au** from 117m in 17MMRC0379
- **9m @ 1.6g/t Au** from 52m and **10m @ 2.8g/t Au** from 80m in 17MMRC0378
- **2m @ 6.8g/t Au** from 60m in 17MMRC0377
- 8m @ 1.5g/t Au from 70m in 17MMRC0371
- 2m @ 1.7g/t Au from 102m in 17MMRC0381

Figure 4 is a long section of all Westralia drilling and the blue box in the figure represents the area drilled testing for Allanson Oxide. The results confirm the presence of a shallow north plunging shoot starting at approximately 40m vertical depth.

Given the high grade and near surface results returned at Allanson Oxide, the Company will assess the open pit potential of this mineralised position.

Table 2 of this announcement contains the results from all 16 holes drilled at Allanson Oxide, which are the subject of this ASX release. Appendix I and Appendix II contain all requisite consents and disclosures.



**Figure 4:** Westralia long section showing the location of new near-surface drilling results from the Allanson Oxide prospect; located directly up-dip from the Allanson Underground mine.

## Next Steps

Both the Maxwells Oxide and Allanson Oxide prospects have returned encouraging near-surface results from what are effectively first-pass RC drill programs.

As noted above, the mineralised Maxwells BIF is known to outcrop over a distance of 1km, yet aeromagnetic imagery confirms that it extends over a total strike length of up to 2.5km. Up to 1.5km of the BIF therefore lies beneath cover and has had no effective exploration conducted on it.

Having confirmed that high grade mineralisation is associated with sulphides within the outcropping BIF, Dacian Gold will undertake transient electro-magnetic (**TEM**) surveys along the entire 2.5km length of the BIF to identify areas of sulphides that may be associated with gold mineralisation. Any TEM conductors identified from the TEM survey will present as immediate drill targets for hard-rock gold mineralisation and, by association, near-surface oxide gold mineralisation.

In addition, follow-up RC bedrock and oxide drilling at Maxwells Oxide will be undertaken in Q3 and Q4 CY2017.

In respect of the Allanson Oxide prospect, Dacian Gold will complete a Mineral Resource estimate and preliminary open pit mine design study during the second half of CY2017.



The Company is also maintaining an aggressive exploration effort at its Cameron Well prospect, where one aircore drill rig, one RC drill rig and one diamond drill rig are all currently operating.

With the ongoing exploration efforts operating in parallel with the MMGP construction activities, the Company expects significant news flow over the coming months.

For and on behalf of the Board

**Rohan Williams**  
Executive Chairman



**Table 1: Mt Morgans Exploration Drilling Results – Maxwells Oxide**

Collar Location and Orientation								Intersection > 0.5 g/t * m Au				
Hole	Type	X	Y	Z	Total Depth	Dip	Azimuth	From (m)	To (m)	Length (m)	Grade (g/t Au)	
17MBRC002	RC	420,259	6,818,851	405	100	-60	360	<b>74</b>	<b>80</b>	<b>6</b>	<b>1.4</b>	
17MBRC004	RC	420,338	6,818,858	405	100	-60	360	46	47	1	0.7	
								61	65	4	0.5	
								75	76	1	0.7	
17MBRC006	RC	420,420	6,818,860	404	82	-60	360	74	75	1	0.8	
17MBRC008	RC	420,497	6,818,851	405	76	-60	360	<b>3</b>	<b>8</b>	<b>5</b>	<b>1.6</b>	
								incl.	<b>3</b>	<b>6</b>	<b>3</b>	<b>2.1</b>
								42	44	2	1.8	
								47	49	2	0.7	
17MBRC012	RC	420,136	6,818,851	404	112	-60	360	72	73	1	0.5	
								<b>78</b>	<b>91</b>	<b>13</b>	<b>0.5</b>	
								incl.	78	79	1	1.1
and	85	91	6	0.7								
17MBRC013	RC	420,178	6,818,851	404	112	-60	360	40	41	1	0.6	
								65	66	1	0.9	
								83	85	2	1.0	
								87	88	1	0.5	
								<b>93</b>	<b>98</b>	<b>5</b>	<b>1.1</b>	
								incl.	96	98	2	1.9
17MBRC014	RC	420,218	6,818,887	404	52	-60	360	27	28	1	2.3	
								36	37	1	1.1	
								40	43	3	0.5	
17MBRC015	RC	420,260	6,818,897	405	52	-60	360	<b>23</b>	<b>38</b>	<b>15</b>	<b>4.1</b>	
								incl.	<b>23</b>	<b>27</b>	<b>4</b>	<b>12.4</b>
17MBRC016	RC	420,297	6,818,909	405	52	-60	360	16	19	3	0.8	
								26	30	4	1.4	
17MBRC017	RC	420,335	6,818,898	405	52	-60	360	24	25	1	0.9	
								30	35	5	0.6	
								47	48	1	0.8	
17MBRC018	RC	420,382	6,818,903	405	52	-60	360	29	35	6	0.6	
								incl.	29	30	1	1.7
								and	34	35	1	1.1
17MBRC019	RC	420,416	6,818,901	405	46	-60	360	<b>20</b>	<b>25</b>	<b>5</b>	<b>1.1</b>	
								42	46*	4	1.0	
17MBRC020	RC	420,458	6,818,895	405	34	-60	360	11	14	3	1.4	
								18	19	1	0.5	
17MBRC021	RC	420,498	6,818,887	405	46	-60	360	28	29	1	0.5	



**Table 1: Mt Morgans Exploration Drilling Results - Maxwells Oxide (continued)**

Collar Location and Orientation								Intersection > 0.5 g/t * m Au				
Hole	Type	X	Y	Z	Total Depth	Dip	Azimuth	From (m)	To (m)	Length (m)	Grade (g/t Au)	
17MBRC022	RC	420,537	6,818,889	404	52	-60	360	32	34	2	0.9	
17MBRC023	RC	420,580	6,818,895	404	34	-60	360	No significant assays – failed hole				
17MBRC025	RC	420,137	6,818,898	404	52	-60	360	<b>23</b>	<b>35</b>	<b>12</b>	<b>0.6</b>	
								incl.	32	35	3	1.1
									39	40	1	0.6
17MBRC026	RC	420,181	6,818,892	404	58	-60	360	23	24	1	1.2	
									<b>27</b>	<b>39</b>	<b>12</b>	<b>1.2</b>
									46	47	1	0.6
16MBRC024	RC	420,620	6,818,905	404	58	-60	360	27	38	11	0.2	



**Table 2: Mt Morgans Exploration Drilling Results – Allanson Oxide**

Collar Location and Orientation								Intersection > 0.5 g/t * m Au			
Hole	Type	X	Y	Z	Total Depth	Dip	Azimuth	From (m)	To (m)	Length (m)	Grade (g/t Au)
17MMRC0367	RC	408,466	6,818,102	465	100	-50	60	No significant assays			
17MMRC0368	RC	408,501	6,818,104	467	46	-50	60	No significant assays			
17MMRC0369	RC	408,465	6,818,142	469	64	-50	60	No significant assays			
17MMRC0370	RC	408,425	6,818,116	465	199	-50	60	170	171	1	0.6
17MMRC0371	RC	408,435	6,818,152	469	112	-50	60	66	67	1	0.9
								<b>70</b>	<b>78</b>	<b>8</b>	<b>1.5</b>
								87	88	1	0.7
17MMRC0372	RC	408,446	6,818,187	474	70	-50	60	No significant assays			
17MMRC0373	RC	408,399	6,818,161	467	190	-50	60	No significant assays			
17MMRC0374	RC	408,402	6,818,220	474	112	-50	60	94	95	1	0.5
17MMRC0375	RC	408,373	6,818,230	471	148	-50	60	64	65	1	0.7
17MMRC0376	RC	408,403	6,818,192	470	136	-50	60	No significant assays			
17MMRC0377	RC	408,499	6,818,133	467	100	-50	60	<b>60</b>	<b>62</b>	<b>2</b>	<b>6.8</b>
								85	88	3	0.5
17MMRC0378	RC	408,434	6,818,179	472	118	-48	60	37	38	1	0.7
								<b>52</b>	<b>61</b>	<b>9</b>	<b>1.6</b>
								<b>80</b>	<b>90</b>	<b>10</b>	<b>2.8</b>
								93	94	1	1.2
17MMRC0379	RC	408,409	6,818,168	468	172	-50	60	<b>117</b>	<b>120</b>	<b>3</b>	<b>28.3</b>
17MMRC0380	RC	408,414	6,818,227	476	82	-50	60	60	63	3	0.6
17MMRC0381	RC	408,480	6,818,110	467	112	-50	60	102	104	2	1.7
17MMRC0382	RC	408,473	6,818,147	470	52	-50	60	No significant assays			

## **About Dacian Gold Limited**

Dacian Gold Limited (ASX: DCN) is less than 7 months away from gold production at its approximately 200,000ozpa, 100%-owned Mt Morgans Gold Project, located near Laverton in Western Australia. With an initial Ore Reserve of 1.2Moz, a Mineral Resource of 3.3Moz (incl Ore Reserve) and highly prospective exploration tenure, Mt Morgans is set to become Australia's next significant, mid-tier gold producer.

Mt Morgans is fully-funded and permitted and benefits from being a brownfields site with excellent existing infrastructure and well understood geology being mined through conventional underground and open pit mining techniques. Total capital cost to develop the project is \$A197M with A\$107M dedicated to the construction of a 2.5Mtpa CIL treatment facility being constructed under a guaranteed maximum price EPC contract.

The Board, which comprises Rohan Williams as Executive Chairman and Robert Reynolds, Barry Patterson and Ian Cochrane as non-executive directors, approved the construction of the project in late 2016.

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:

<p>Rohan Williams Executive Chairman Dacian Gold Limited +61 8 6323 9000</p>	<p>Paul Armstrong Investor Relations Read Corporate Pty Ltd +61 8 9388 1474</p>
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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 Resources 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 at Allanson Oxide (**Allanson**) and Maxwells Oxide (**Maxwells**) on the Mt Morgans Gold Project.

### Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Dacian utilises RC and diamond drilling. At Allanson, holes were angled towards the north east (grid east) to intersect the targeted mineralised zones. At Maxwells, holes were angled towards the north to intersect the targeted mineralised zone.</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>RC holes are sampled over the entire length of hole.</li> <li>Dacian RC drilling was sampled at 1m intervals via an on-board cone splitter.</li> <li>Historical RC samples were collected at 1m 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>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).</li> </ul>	<ul style="list-style-type: none"> <li>Diamond drilling was carried out with HQ3 and 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> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <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> <li>In Dacian drilling no relationship exists between sample recovery and grade.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</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>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</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> </ul>





Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>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.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <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 RC drilling, information on the QAQC programs used is acceptable.</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>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>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.</li> <li>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.</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 Kalgoorlie and Canning Vale, Western Australia.</li> <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>QAQC data has been reviewed for historic RC drilling and is acceptable.</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>Umpire laboratory testwork was completed in May 2016 over mineralised intersections with good correlation of results at Jupiter and Westralia.</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>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>Significant intersections were visually field verified by company geologists.</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>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.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</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>Historic near surface 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> <li>Dacian holes were downhole surveyed either with multi-shot EMS, Reflex multi-shot tool or 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>Data spacing for reporting of Exploration Results.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>For the Dacian drilling at Allanson, the nominal hole spacing of approximately 20-40m. At Maxwells, the hole spacing is 40m by 40m.</li> <li>The drilling subject to this announcement has not been used to prepare Mineral Resource estimates for either</li> </ul>



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	deposit at this stage.
<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 Allanson, drill holes are angled to 60° which is approximately perpendicular to the orientation of the expected trend of mineralisation.</li> <li>• At Maxwells, drill holes are angled to 0° (North) which is approximately perpendicular to the orientation of 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 Canning Vale or 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.</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 including Allanson 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 Maxwells drilling is located within E39/1310, which is wholly owned by Dacian Gold Ltd.</li> <li>Underground mining is currently underway at Westralia. The Mt Morgans Gold Project has 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 Maxwells, other companies to have explored the prospect include Indian Ocean Resources, Delta Gold, Forrest Gold, Dominion Mining, Plutonic Resources and Homestake Gold.</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 (Allanson) and Maxwells gold deposits are Archaean BIF hosted sulphide replacement mineralisation located within the Yilgarn Craton of Western Australia.</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 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.</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>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>Exploration results are reported as length weighted averages of the individual sample intervals.</li> <li>No high grade cuts have been applied to the reporting of exploration results.</li> <li>Intersections have been reported using a 0.5g/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>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>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').</li> </ul>	<ul style="list-style-type: none"> <li>At Westralia (Allanson), drill holes are angled to 60° which is approximately perpendicular to the orientation of the expected trend of the mineralised trend and true width is approximately 60-90% of down hole intersections.</li> <li>At Maxwells, drill holes are angled to 0° which is approximately perpendicular to the orientation of the expected trend of the mineralised trend and true width is approximately 60-80% of down hole intersections.</li> </ul>



Criteria	JORC Code explanation	Commentary
<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>
<b>Other substantive exploration data</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>• The Westralia (Allanson) interpretation for mineralisation is consistent with observations made and information gained during previous mining at the project.</li> <li>• The Maxwells interpretation for mineralisation is consistent with observations made in outcrop in the field, magnetic surveys and supported by historic workings.</li> </ul>
<b>Further work</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 Westralia (Allanson), decline development to access the Allanson Ore Reserve (below the results reported in this announcement) is planned to commence in January, 2018. Infill resource definition drilling is underway to improve confidence of the resource ahead of mining and extensional drilling is planned around the boundaries of the resource.</li> <li>• At Maxwells, further RC drilling is planned along strike to the east and west.</li> <li>• Refer to diagrams in the body of this release.</li> </ul>