

QUARTERLY ACTIVITIES REPORT

September 2022



September Quarter

ASX RELEASE
27 October 2022

**Issued Capital as at
30 September 2022**
1,216.8M shares outstanding

**Market Capitalisation as at
30 September 2022**
\$111.9M @\$0.092 per share

BOARD

Craig McGown
Non-Executive & Independent Chair

Sue-Ann Higgins
Non-Executive & Independent Director

Tony Kiernan AM
Non-Executive Director

Morgan Ball
Non-Executive Director

Lee Stephens
Non-Executive Director

SUBSTANTIAL SHAREHOLDERS
as at 26 October 2022

Genesis Minerals Limited	76.1%
Delphi	7.9%

REGISTERED OFFICE

Level 19, 58 Mounts Bay Road
Perth WA 6000
Australia

Operations

- Production of 21,525 ounces at an AISC of \$1,594/oz
- 759,621 tonnes mill throughput for an annualised rate of 3.0 Mtpa
- Underground mining completed
- Mt Morgans successfully transitioned from mining to stockpile processing only

Exploration & Growth

- Jupiter extension drilling continues to confirm mineralisation of significant width and scale
- Results immediately below the floor of the Doublejay open pit included 298m @ 1.5g/t, 207m @ 1.3g/t, 174m @ 1.1g/t, 143m @ 1.1g/t, 88m @ 1.3g/t and 56m @ 1.9g/t; The results highlight a larger, bulk mining opportunity applying a leaner owner-operator mining model
- Extensional drilling continues to test the full strike extent of the Jupiter syenite system
- Resource update anticipated in the current December quarter

Corporate & Finance

- Cash and gold on hand at 30 September 2022 of \$44.2 million
- Repaid \$1.8 million debt during quarter with debt now just \$200,000
- Gold hedging of 3,000 ounces at an average delivery price of \$2,809/oz
- Genesis Minerals Limited takeover offer is unconditional and declared best and final with acceptance of 76% and closing Monday 31 October 2022 (unless further extended or withdrawn).

Dacian Gold Limited (Dacian or the Company) (ASX: DCN) provides its operating and financial results for the quarter ending 30 September 2022.

OPERATIONS & DEVELOPMENT

OVERVIEW

The Company's 12-month rolling Total Recordable Injury Frequency Rate (TRIFR) at 30 September 2022 was 6.1 (30 June 2022: 5.4).

The Mt Morgans Gold Operation (MMGO) recovered 21,525 ounces during the September quarter at an All in Sustaining Cost (AISC) of \$1,594/oz.

Underground mining was completed during the quarter with production performing strongly with positive grade reconciliations and processing recovery achieved. Dacian has now safely and successfully closed its mining operations and transitioned to processing low grade stockpiles.

Grade control and metallurgical testwork programs initiated over the historic heap leach stockpile, have identified opportunities for preferential treatment of some 1.4 million tonnes of the heap leach at 0.49g/t. A bulk sample of the heap leach material is being processed in October to confirm results from the recent metallurgical testwork conducted by the Company. Preliminary results from the first few days of bulk sample testwork indicate the material is reacting in line with testwork results.

UNDERGROUND

The Westralia and Craic underground mines produced 47,910 t @ 4.65 g/t Au for 7,158 contained ounces (see Table 1).

Ore was produced from development and stoping activities at Craic, Beresford, and Allanson mine areas, with stoping contributing approximately 98% of the underground mined ore tonnes in the quarter (June Qtr: 36%).

Table 1: Key underground statistics

Key Underground Statistics	Unit	Sept 22 Q	Jun 22 Q
Stope Ore Mined	t	46,808	17,569
Development Ore Mined	t	1,102	31,026
Total Ore Mined	t	47,910	48,595
Mined Ore Grade	g/t	4.65	2.93
Contained Gold Mined	oz	7,158	4,575
Metres Developed – Capital	m	0	126
Metres Developed – Operating	m	23	610
Total Development	m	23	736

PROCESSING

A total of 759,621 tonnes of ore was milled during the quarter (equivalent to an annualised rate of 3.0 Mtpa), at an average feed grade of 0.96 g/t gold containing 23,441 ounces (see Table 2).

A total of 21,525 ounces was recovered for the quarter at a recovery rate of 91.8%.

Table 2: Key processing statistics

Key Processing Statistics	Unit	Sept 22 Q	Jun 22 Q
Ore Milled	t	759,621	776,720
Processed Grade	g/t Au	0.96	1.49
Contained Gold	oz	23,441	37,220
Gold Recovery	%	91.8	91.8
Processing Cost	\$/t	23.39	22.99
G&A Cost	\$/t	2.23	2.37
Gold Recovered	oz	21,525	34,182
Gold Sold	oz	22,224	34,968
Gold-on-Hand	oz	1,853	1,577
Average Sale Price	A\$/oz	2,561	2,555

REDCLIFFE DEVELOPMENT

The Company secured conditional mining approval during the quarter and is proceeding to work with stakeholders towards addressing final conditions.

EXPLORATION & GROWTH

During the quarter, the Company invested \$6.5 million in exploration and growth activities, with the primary focus being the Jupiter extension drilling program scheduled to be completed in Q2, FY23.

A total of 16,971 m was drilled across the Jupiter extension program.

ANNUAL MINERAL RESOURCES AND ORE RESERVES

The Company released updated annual Mineral Resources and Ore Reserves during the quarter (see ASX announcement 27 July 2022).

Total Mineral Resources of 38.8 Mt @ 1.8 g/t Au for 2.2 Moz with Measured and Indicated Mineral Resources of 18 Mt @ 1.9 g/t Au for 1.1 Moz.

Table 3: Total Mineral Resource estimate as at 30 June 2022 (after mining depletion)

MINING CENTRE	Deposit/Area	Deposit/Prospect	Cut-off grade (Au g/t) and constraints	Measured			Indicated			Inferred			Total Mineral Resource		
				Tonnes (kt)	Au g/t	Au Oz	Tonnes (kt)	Au g/t	Au Oz	Tonnes (kt)	Au g/t	Au Oz	Tonnes (kt)	Au g/t	Au Oz
MT MORGANS	Westralia Mine Corridor	Beresford	2.0	130	4.3	18,000	1,920	4.0	247,000	1,490	3.0	144,000	3,540	3.6	410,000
		Allanson	2.0	70	4.2	9,000	550	4.5	79,000	890	3.9	113,000	1,510	4.1	201,000
		Morgans North - Phoenix Ridge	2.0							330	6.7	72,000	330	6.7	72,000
		SUBTOTAL		220	3.8	27,000	2,470	4.1	326,000	2,720	3.8	329,000	5,390	3.9	682,000
	Westralia Satellite Deposits	Transvaal	2.0				650	3.8	79,000	1,110	3.5	126,000	1,760	3.6	205,000
		Ramornie OP	0.5							570	2.5	46,000	570	2.5	46,000
		Ramornie UG	0.5 & >290RL OR 2.0 & <290RL							160	2.7	13,000	160	2.7	13,000
		Craic	2.0				30	7.9	8,000	70	5.9	13,000	100	6.5	21,000
		McKenzie Well	0.5							950	1.1	34,000	950	1.1	34,000
		SUBTOTAL					680	3.9	86,000	2,850	2.5	232,000	3,530	2.8	318,000
	GREATER WESTRALIA MINING AREA	SUBTOTAL		200	4.2	27,000	3,150	4.1	412,000	5,570	3.1	561,000	8,920	3.5	1,001,000
	Jupiter OP*	Heffernans*	0.5				1,610	1.2	60,000				1,610	1.2	60,000
		Doublejay*	0.5	1,960	1.6	100,000	3,140	1.1	106,000	220	0.9	7,000	5,310	1.2	212,000
		Ganymede*	0.5				2,450	1.0	75,000	250	1.0	8,000	2,700	1.0	83,000
		Mt Marven*	0.5				1,220	1.2	48,000	500	1.4	23,000	1,720	1.3	71,000
	JUPITER MINING AREA	SUBTOTAL	0.5	1,960	1.6	100,000	8,420	1.1	289,000	970	1.2	37,000	11,340	1.2	426,000
	Cameron Well Project Area	Cameron Well											0	-	-
		Maxwells	0.5				170	0.9	5,000	500	0.8	12,000	660	0.8	17,000
	CAMERON WELL PROJECT AREA	SUBTOTAL					170	0.9	5,000	500	0.8	12,000	660	0.8	17,000
	Stockpiles	Mine Stockpiles	0	370	0.7	9,000							370	0.7	9,000
		LG Stockpiles	0	1,250	0.6	23,000							1,250	0.6	23,000
		Jupiter Heapleach	0							3,630	0.4	48,000	3,630	0.4	48,000
		Total - Stockpiles		1,620	0.6	32,000				3,630	0.4	48,000	5,250	0.5	79,000
	TOTAL MMGO	SUBTOTAL		3,780	1.3	159,000	11,730	1.9	706,000	10,670	1.9	658,000	26,180	1.8	1,523,000
REDCLIFFE PROJECT	Southern Zone	GTS	0.5 & >300RL OR 2.0 & <300RL				930	1.9	56,000	1,360	1.2	51,000	2,290	1.4	107,000
		Hub	0.5 & >300RL OR 2.0 & <300RL				710	4.4	100,000	710	2.4	55,000	1,420	3.4	155,000
		Bindy	0.5 & >300RL OR 2.0 & <300RL							3,080	1.3	129,000	3,080	1.3	129,000
		Kelly	0.5 & >300RL OR 2.0 & <300RL							2,350	0.9	67,000	2,350	0.9	67,000
		SUBTOTAL					1,640	2.9	155,000	7,500	1.3	302,000	9,130	1.6	458,000
	Central Zone	Nambi	0.5 & >300RL OR 2.0 & <300RL				880	2.9	82,000	870	2.8	78,000	1,750	2.9	160,000
		Redcliffe	0.5 & >300RL OR 2.0 & <300RL							930	1.2	35,000	930	1.2	35,000
		Mesa - Westlode	0.5 & >300RL OR 2.0 & <300RL							850	1.0	28,000	850	1.0	28,000
		SUBTOTAL					880	2.9	82,000	2,650	1.7	142,000	3,530	2.0	224,000
	TOTAL	SUBTOTAL					2,520	2.9	237,000	10,150	1.4	444,000	12,660	1.7	681,000
TOTAL				3,780	1.3	159,000	14,250	2.1	943,000	20,820	1.6	1,102,000	38,840	1.8	2,204,000

Note: rounding may have caused imbalanced totals. * Reported above A\$2,400 pit optimisation shell.

Total Ore Reserves of 2.38Mt @ 1.3g/t Au for 101,000oz.

Table 4: Total Ore Reserve estimate as at 30 June 2022

Area	Deposit	Cut-off Grade	Proved			Probable			Total		
		Au g/t	Tonnes t	Au g/t	Au oz	Tonnes t	Au g/t	Au oz	Tonnes t	Au g/t	Au oz
Redcliffe	Hub OP	0.7				256,000	4.1	34,000	256,000	4.1	34,000
	GTS OP	*0.8/0.9/1.0				499,000	2.2	35,000	499,000	2.2	35,000
	Sub-total					755,000	2.8	69,000	755,000	2.8	69,000
Mt Morgans	Mine Stockpiles	0.5				371,000	0.7	9,000	371,000	0.8	9,000
	LG Stockpiles	0.5				1,249,000	0.6	23,000	1,249,000	0.6	23,000
	Sub-total					1,620,000	0.6	32,000	1,620,000	0.6	32,000
	TOTAL ORE RESERVE		0	0.0	0	2,375,000	1.3	101,000	2,375,000	1.3	101,000

*Oxide, transitional and fresh ore respectively.

EXPLORATION TARGET

As announced by the Company to ASX on 22 July 2022, the 2021 Jupiter underground MRE reported by Dacian on 31 August 2021¹ has now been reclassified and is now part of a broader Exploration Target based on drilling data up to 9 June 2022.

The potential quantity and grade of the Exploration Target is conceptual in nature and therefore is an approximation. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The reclassified underground volume is now part of a broader Exploration Target, which has been independently prepared and reported for the Jupiter deposit in accordance with the 2012 edition of the JORC Code.

The Exploration Target is estimated to contain between 31.8 Mt and 39.7 Mt at a grade ranging between 0.8 g/t Au and 1.6 g/t Au across the Jupiter deposit, and the Cornwall Shear Zone (CSZ), a major mineralised structure that extends across the 2 km strike of the deposit. The Exploration Target was defined below the A\$2,400/oz 'RPEEE'² pit shell used to report the Jupiter open pit Mineral Resources.

Table 5 below presents the Exploration Target which was generated for each of the main syenite pipes below the open pits at Doublejay, Saddle area, Heffernans and Ganymede, and the CSZ.

Table 5: Jupiter Deposit – Exploration Target Total

Tonnage range (Mt)		Grade range (g/t Au)		Ounces range (oz Au)	
31.8	39.7	0.8	1.6	810,000	1,960,000

Dacian is actively drilling the Exploration Target under the Jupiter pit. The combined dataset will be used to further update the interpretation of the Jupiter geology model and controls on mineralisation.

¹ Dacian Gold, 2021. "2021 Mineral Resources and Ore Reserves update." Announcement to the ASX, 31/08/2021. Cited 12/07/2022. 205p. Available: <https://www.daciangold.com.au/site/PDF/d9b0ab1a-e277-42e5-8899-9f86064ede7e/2021MineralResourcesandOreReservesUpdate>

² RPEEE: reasonable prospects for eventual economic extraction as defined by the JORC Code. RPEEE parameters were defined by the Competent Person to provide economic constraints to guide the reasonable prospects for open pit extraction.

JUPITER EXTENSION

During the quarter the Company continued the extension drilling program at the Jupiter mining complex, intersecting significant mineralisation within the syenite intrusive system (see ASX announcements 24 August and 10 October 2022).

These mineral resource definition and exploration results continue to build confidence in the continuity and extent of mineralisation beyond the previously designed mineable Doublejay and Saddle open pits, and in the defined Jupiter Exploration Target³, and underpin the strategy to investigate a larger, bulk open pit mining opportunity under a leaner operating model.

During the quarter, diamond drilling was performed from surface at drilling sites located around the DoubleJay existing open pit. The results provide important mineralisation intercepts and control on the interpretation and modelling of the Jupiter system, particularly at structural intersections which are interpreted to control emplacement of the wider syenite stocks at Ganymede, Heffernans, and Doublejay (Jenny and Joanne).

In addition to the above, Mineral Resource definition, and extension Reverse Circulation (RC) drilling from the existing Doublejay and Saddle Open Pit floor has also been completed, with these results demonstrating continuity of mineralisation from the existing Jupiter Mineral Resource⁴, through to the Jupiter Exploration Target⁵, which extends below the open pit, through the 400m below surface drilling target, and remains open at depth.

Phase 2 drilling of the Jupiter extension program is continuing and is designed to evaluate the Jupiter exploration target across the full strike extent of the Jupiter syenite system, to a depth of ~400 m below surface. This phase of the Jupiter extension drilling will conclude during Q2, FY23.

At the Jupiter Syenite system, the following diamond drilling intercepts were recorded:

- Drillhole 22JUDD0838
 - 41.4m @ 1.1g/t from 361m
- Drillhole 22JUDD0834
 - 29.2m @ 1.6g/t from 346.25m
- Drillhole 22JUDD0839
 - 37.5m @ 0.9g/t from 461m including.
 - 15.7m @ 1.3 g/t from 482.85m
- Drillhole 22JUDD0854
 - 111.65m @ 1.2 g/t from 405.2m
- Drillhole 22JUDD0866
 - 59.7m @ 1.1 g/t from 366.3m
- Drillhole 22JURD0844
 - 52.6m @ 1.1 g/t from 428.6m
- Drillhole 22JUDD0837
 - 60.4m @ 0.8 g/t from 314m

³ DCN ASX Release dated 22 July 2022 "Jupiter Underground Resource Reclassification"

⁴ DCN ASX Release dated 27 July 2022 "2022 Mineral Resources and Ore Reserves Update"

⁵ DCN ASX Release dated 22 July 2022 "Jupiter Underground Resource Reclassification"

At the Jupiter Syenite system, the following RC drilling intercepts were recorded:

- Drillhole 22DJRC0029
 - 298m @ 1.5g/t from 1m
- Drillhole 22DJRC0012
 - 207m @ 1.3 g/t from 16m
- Drillhole 22DJRC0031
 - 143m @ 1.1g/t from 38m
- Drillhole 22DJRC0011
 - 174m @ 1.1 g/t from 0m
- Drillhole 22DJRC0004
 - 88m @ 1.3 g/t from 0m
- Drillhole 22DJRC0014
 - 56m @ 1.9 g/t from 0m
- Drillhole 22DJRC0009
 - 100m @ 1.0g/t from 20m
- Drillhole 22DJRC0005
 - 75m @ 1.2g/t from 1m
- Drillhole 22DJRC0010
 - 84m @ 1.1 g/t from 54m
- Drillhole 22DJRC0035
 - 100m @ 0.9 g/t from 90m
- Drillhole 22DJRC0030
 - 66m @ 1.3 g/t from 36m
- Drillhole 22DJRC0007
 - 55m @ 1.7 g/t from 4m
- Drillhole 22DJRC0002
 - 69m @ 1.0 g/t from 2m
- Drillhole 22DJRC0006
 - 77m @ 0.9 g/t from 53m
- Drillhole 22DJRC0003
 - 54m @ 1.0 g/t from 2m

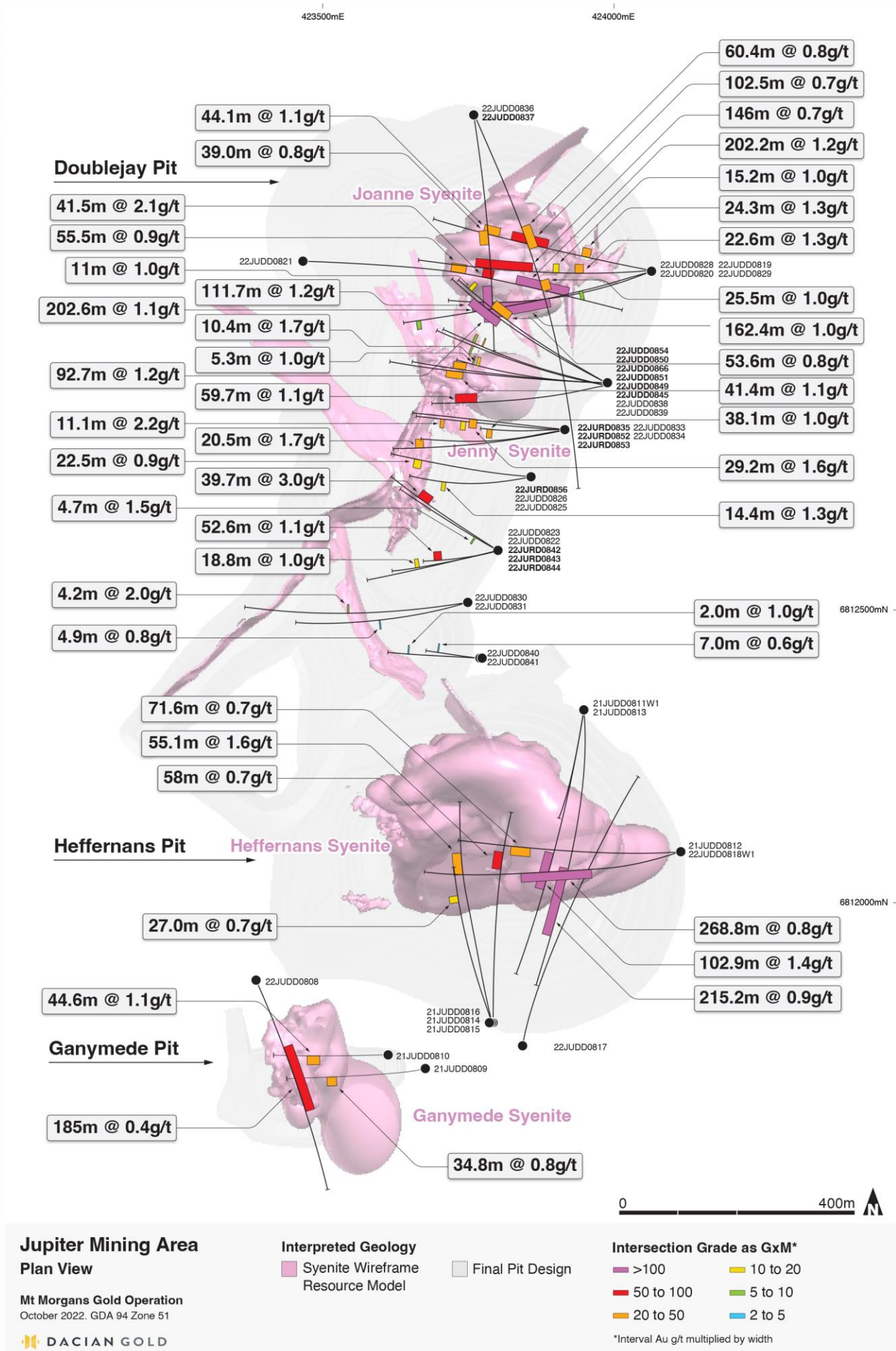


Figure 1: Plan view of the Jupiter syenite complex with diamond drilling intercepts (excludes RC intercepts)

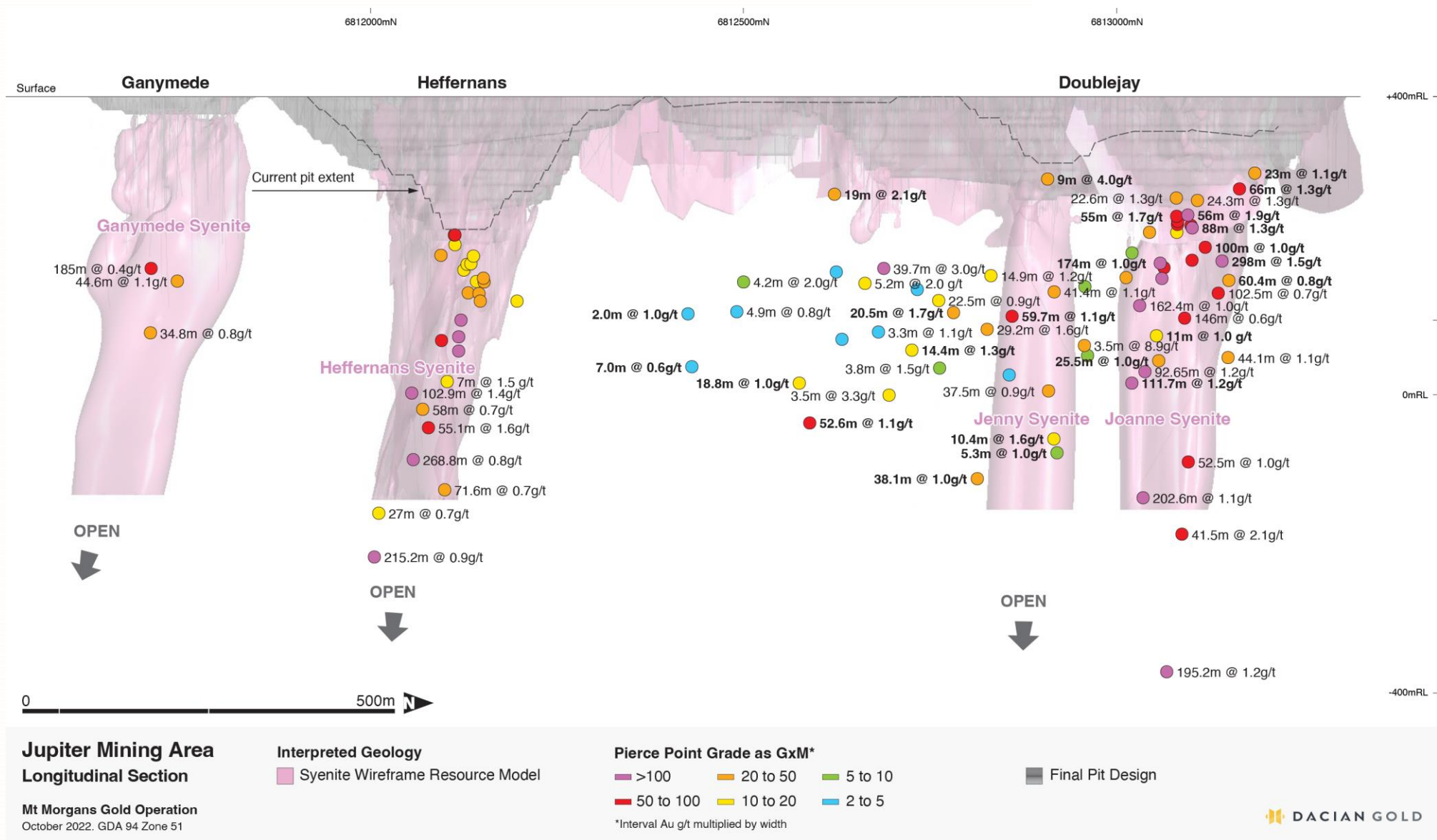


Figure Error! Unknown switch argument.: Long section view facing west of the Jupiter syenite complex with the current final pit design

CORPORATE & FINANCE

On 5 July 2022 a takeover offer from Genesis Minerals Limited (Genesis) (**Offer**) was announced. The Offer was unanimously recommended by the then Dacian Board, in the absence of a superior proposal. On 28 September 2022, following the Offer becoming unconditional and securing more than 50.1% acceptances, Genesis, the new majority shareholder, nominated Mr Tony Kiernan, Mr Morgan Ball and Mr Lee Stephens to join the Dacian Board as non-executive directors. In addition, Mr Craig McGown joined as an independent non-executive director and Chair, joining independent non-executive director, Ms Sue-Ann Higgins. Mr Mick Wilkes and Mr Eduard Eshuys resigned as directors. The Company thanks departing directors for their contribution. The Offer has received acceptances for 76% of Dacian shares, is unconditional, declared best and final and closes Monday 31 October 2022 (unless further extended or withdrawn).

As announced 12 July 2022, Dacian completed a placement of 123.9 million shares at 10.2 cents per share to Genesis to secure \$12.6 million to meet its expected cash needs during the Offer period.

During the quarter the Company repaid \$1.8 million in debt reducing the debt position to a nominal \$200,000.

At 30 September 2022, the Company had total cash and unsold gold on hand of \$44.2 million, before creditor and other commitments.

Table 6 below summarises the Company's cash, gold-on-hand and debt position.

Table 6: Net cash analysis

Key Cash/Debt Statistics	Unit	30 Sept 22	30 Jun 22
Cash	\$M	39.4	17.5
Gold-on-Hand	oz	1,853	1,577
Gold-on-Hand	\$M	4.8	4.1
Total Cash and Gold	\$M	44.2	21.6
Debt ¹	\$M	(0.2)	(2.0)
Net Cash²	\$M	44.0	19.6

1 – excluding lease commitments

2 – before creditor and other commitments

Figure 3 below summarises the cash movements for the quarter. Total cash and gold-on-hand increased \$22.6 million from 30 June after the \$12.6 million placement proceeds, \$1.8 million debt repayment, \$5.8M exploration and \$2.1 million on growth including TSF lift, critical spares and the Redcliffe project.

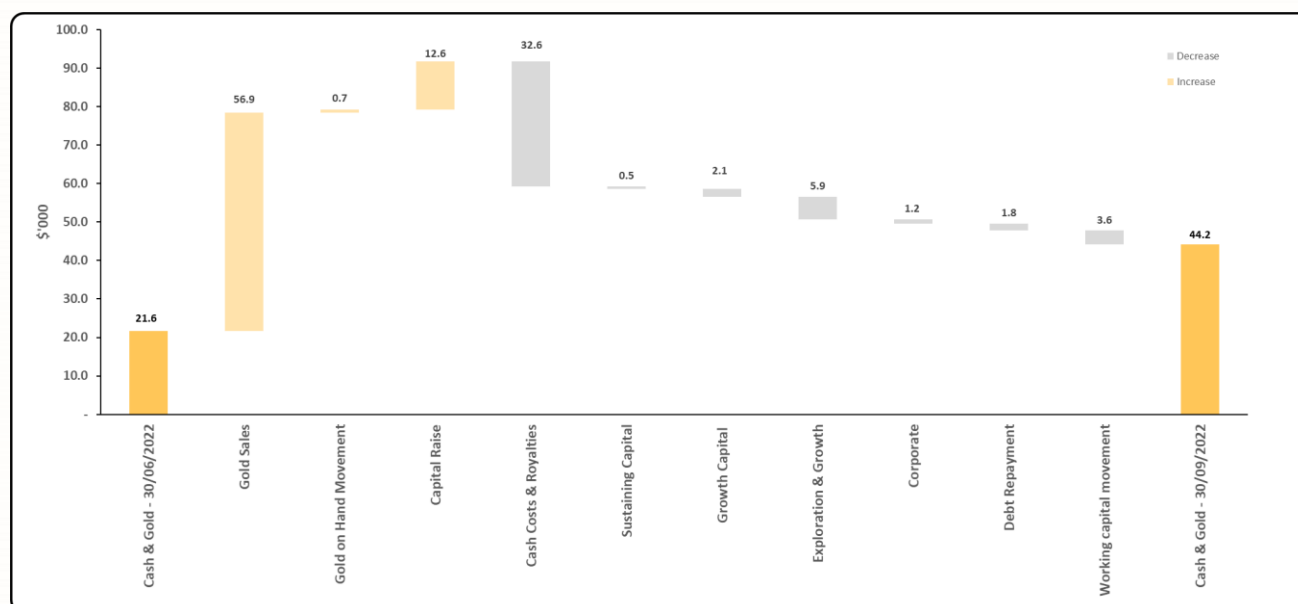


Figure 3 : September quarter cash movements

A summary of the key cash costs, AISC and other statistics for the quarter are in Table 7 below.

Table 7: Key cash cost, AISC and other costs for the September quarter

Key Cost Statistics	\$M	\$/t milled	\$/oz
Mining and LG Haulage	8.6	11.3	400
Processing	17.7	23.4	826
Site Administration	1.7	2.3	80
Silver Credits	(0.1)	(0.2)	(7)
Inventory Movement	3.4	4.4	156
Cash Cost¹	31.3	41.2	1,455
Royalties	1.3	1.7	59
Sustaining Capital	0.5	0.7	24
Corporate	1.2	1.6	56
AISC²	34.3	45.2	1,594
Development Capital ³	2.1		
Exploration & Growth	5.9		

1. Cash cost represent the cost of mining, processing, and administration after accounting for inventory movements. It includes net proceeds from silver by-product credits, but excludes cost of royalties, capital costs, growth expenditure, and non-cash movements.
2. AISC is made up of the Cash Cost plus royalty expense, corporate expenditure and sustaining capital.
3. Development capital comprises TSF lift, critical spares, borefield expansion and Redcliffe development.

Gold sold in the quarter was 22,224 ounces, at an average realised price of \$2,561/oz. A total of 7,500 ounces of the quarter sales were delivered into hedge contracts, with the remaining sold at spot prices.

At 30 September 2022, the Company's hedging was 3,000 ounces at a weighted average price of \$2,809/oz.

Table 8: Summary of total hedge contracts at 30 September 2022

Period (CY 2022)	Dec Q	TOTAL
Forward Sales (oz)	3,000	3,000
Hedged Price (A\$/oz)	\$2,809	\$2,809

- ENDS -

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

For further information please contact:

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OTHER INFORMATION

Where the Company refers to the Exploration Results, Mineral Resources and Ore Reserves, 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 Exploration Results, Mineral Resources and Ore Reserve estimates 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.