11 FEBRUARY 2016

EXCELLENT RESULTS FROM FIRST 17 HOLES IN MORGANS UNDERGROUND DRILL-OUT, WESTRALIA PROSPECT

KEY POINTS

- The first 17 holes from a 67 hole infill diamond drilling program at the potential Morgans Underground have been returned with excellent results including:
  - **6.2m @ 20.1 g/t Au** from 419.8m
  - **4.5m @ 13.4 g/t Au** from 252.5m
  - **2.9m @ 16.1 g/t Au** from 230.2m
  - **2.6m @ 11.9 g/t Au** from 328.0m
  - **0.8m @ 16.2 g/t Au** from 245.7m
  - **0.4m @ 23.3 g/t Au** from 408.9m
  - **3.1m @ 5.9 g/t Au** from 325.7m
  - **1.0m @ 12.0 g/t Au** from 316.0m
  - **2.1m @ 5.1 g/t Au** from 269.0m
- High grade mineralisation has now been defined at the potential Morgans Underground over a strike distance of 700m and a vertical (dip) distance of 400m
- Several high grade lode surfaces at Morgans Underground have now been identified from the drilling results returned to date
- An additional 13 diamond drill holes have been completed and are awaiting assays
- Drilling is continuing with three diamond drilling rigs and one RC drilling rig operating on a 24 hour, double shift continuous cycle
- Morgans Underground and Westralia Underground are the two potential underground mines associated with the Westralia Prospect that were identified in the MMGP Scoping Study.

Dacian Gold Ltd ("Dacian Gold" or "the Company") (ASX: DCN) is pleased to announce that it has received highly encouraging initial results from its ongoing 50,000m, 129-hole resource-infill diamond drilling program at the Westralia Prospect, which is part of its 100% owned Mount Morgans Gold Project (MMGP) in Western Australia.

The 129-hole program at the Westralia Prospect is split into 67 diamond holes testing the conceptual Morgans Underground position and 62 diamond holes testing the conceptual Westralia Underground position.

Drilling is focussed initially on infilling the Morgans Underground position, and once completed, the drilling focus will shift to Westralia Underground.

The Company has received assay results for 17 diamond drill holes (for 7,543m) from the Morgans Underground since drilling commenced in late November 2015. A further 13 holes have been completed at Morgans Underground and assays are awaited. Thirty-seven holes remain to be drilled at Morgans Underground to complete the program.

These initial results from the Morgans Underground follow the spectacular results released earlier this week from the Jupiter Prospect drill-out program (see ASX announcement 8 February 2016).

Dacian Gold Executive Chairman Rohan Williams said "the Company's 80,000m resource in-fill and extensional drilling program at Mount Morgans is off to an excellent start, with the early results at Morgans Underground delivering high grade drill results."

"There is still a lot of drilling at the Westralia Prospect to do, and we are very pleased with the first results received." Mr Williams said. "Drilling will continue over the next few months prior to a revised resource estimate for the Westralia Prospect being released in the third quarter."

"The combination of these latest results and those we are generating at the Jupiter Prospect are consistent with our overall objective of becoming a significant mid-tier gold producer at a targeted rate of +220,000ozpa by 2018."

BACKGROUND

Dacian Gold is completing a major resource in-fill and extensional drill program totalling 80,000m of RC and diamond drilling at its wholly owned MMGP located near Laverton in Western Australia. Drilling is focussing on the Westralia and Jupiter Prospects' Mineral Resources that were used in the MMGP Scoping Study, completed last year (see ASX announcement 30 September 2015).

Key outcomes from the MMGP Scoping Study showed the MMGP has the potential to deliver an initial 7 year life-of-mine producing 1.2 million ounces of gold at an AISC of A$929/oz. Proposed mining at the Jupiter Prospect is estimated to produce 483,000 ounces and 745,000 ounces is estimated to be produced from the Westralia Prospect.

Subsequent to completing the MMGP Scoping Study, Dacian Gold raised $25 million in a fully underwritten equity capital raising (see ASX announcement 1 December 2015). The purpose of the $25 million capital raising was:

- To fund the MMGP Feasibility Study due for completion at the end of CY2016;
- To complete an 80,000m RC and diamond drilling program to improve the geological confidence of the Mineral Resources considered in the MMGP Scoping Study;

- Continue to aggressively explore the MMGP for new discoveries; and
- General corporate expenses.

The 80,000m drill program comprises 129 diamond drill holes (for approximately 50,000m) at the Westralia Prospect and 310 RC drill holes (for approximately 30,000m) at the Jupiter Prospect.

OBJECTIVES FOR THE 50,000 METRE WESTRALIA PROSPECT DRILL-OUT

The principal objectives of the 50,000m drill-out on the Westralia Prospect are to:

1. Complete a 50m x 50m infill diamond drill pattern over the Morgans Underground and the Westralia Underground Mineral Resources that comprised the potential underground mine production of 745,000 ounces as outlined in the MMGP Scoping Study. It is expected the 50m x 50m drill pattern at both Morgans and Westralia Undergrounds will be sufficient to classify all Mineral Resources contemplated in the Scoping Study as Indicated Resource.
2. Representative drill core sections of intersected mineralisation will be used in the detailed metallurgical test work programs being undertaken as part of the MMGP Feasibility Study.
3. Twenty of the 129 diamond drill holes will be used for detailed geotechnical logging to assist with mine planning and design studies.

Figure 1 shows the location of the 129 drill holes to be completed in relation to the existing 1.5 million ounce Westralia Prospect Mineral Resource.

RESULTS FROM THE MORGANS UNDERGROUND DRILL-OUT

As noted above, the initial focus for drilling at the Westralia Prospect has been the potential Morgans Underground position (see Figure 1). Sixty-seven diamond drill holes for approximately 27,000m have been designed to drill test the mineralisation on 50m x 50m centres. Thirty of the planned 67 have been drilled, and 17 are reported herein. An additional thirteen drill holes have been completed and assays are awaited. Figure 2 below shows the location of the 30 holes completed to date plus those holes previously reported to the ASX (see ASX announcements 10 September 2015 and 30 July 2015). As can be seen from Figure 2 there are now in excess of 40 diamond drill holes that define high grade mineralisation of Morgans Underground as being developed over an area measuring 700m long and up to 400m in dip extent.

Table 1 below is a list of the significant intersections from the 17 drill holes with assays returned to date. Table 2 is a detailed list of all intersections relating to those 17 holes with assays returned.

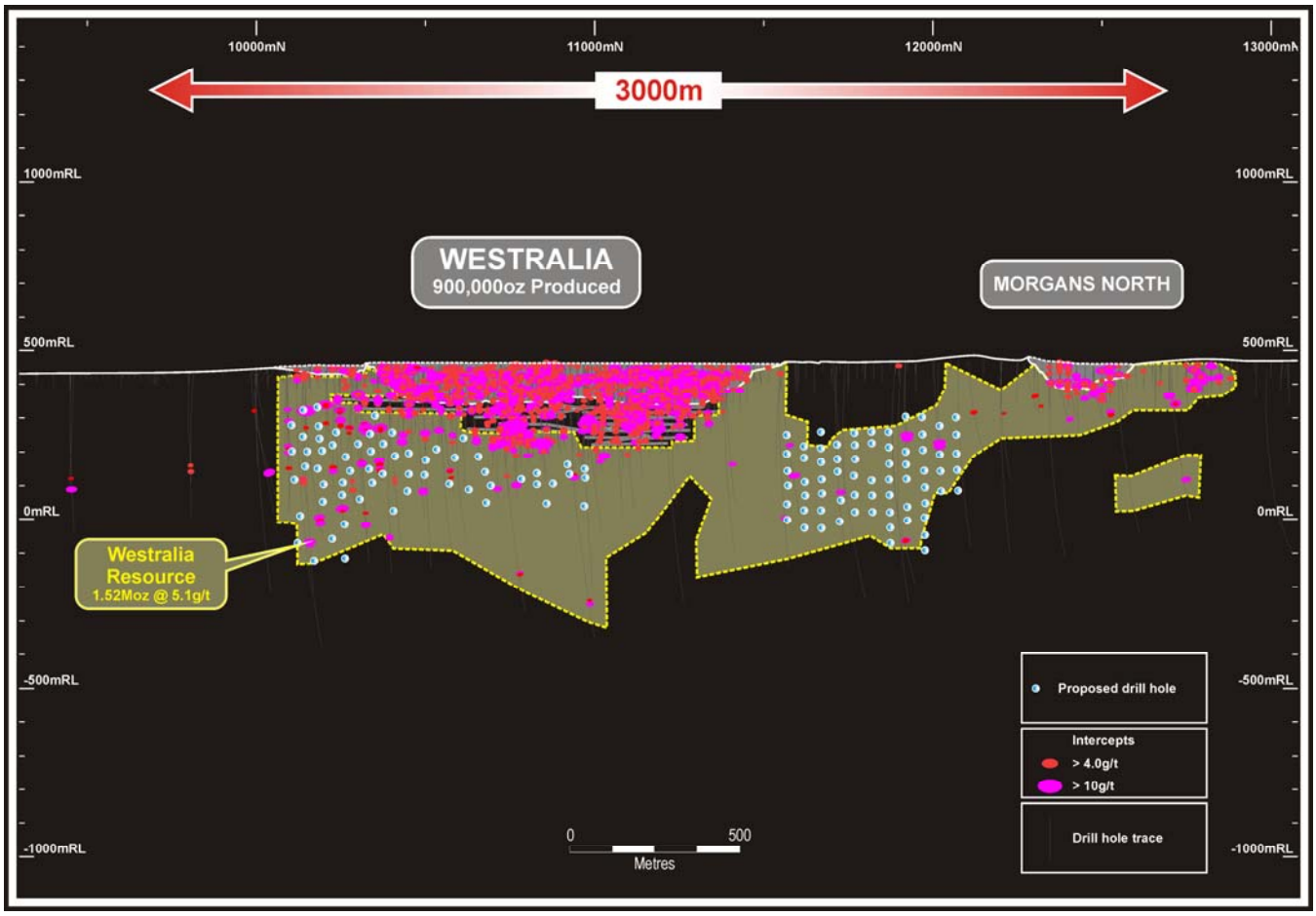

Figure 1: Planned drilling program over the Westralia Prospect with 62 diamond drill holes planned for potential Westralia Underground (blue dots on left hand side of image) and 67 diamond drill holes planned for potential Morgans Underground (blue dots on right hand side of image).

Interpretation of the drilling intersections has confirmed there are several different mineralised surfaces in the Morgans Underground area. The initial discovery highlighted the significant development of lode gold mineralisation in the footwall Banded Iron Formation (BIF) which had not previously been observed at Westralia (see ASX announcement 30 July 2015). Follow up drilling has shown there is lode gold mineralisation on surfaces in addition to the footwall BIF. The other surfaces include BIF units proximal to the footwall BIF as well as within the basalt units that are hangingwall to the BIF (see Table 1).

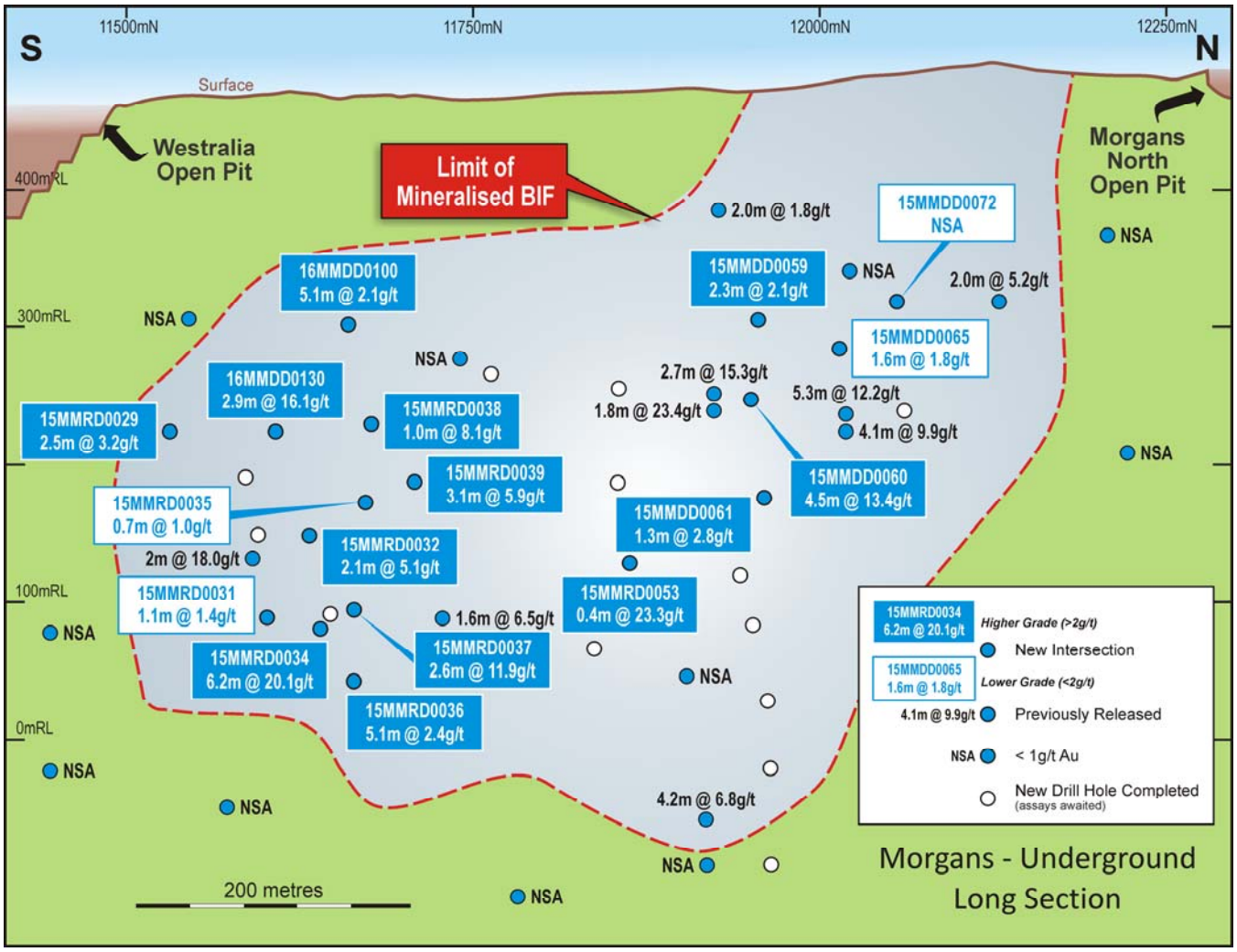

Figure 2: Long section of the potential Morgans Underground mineralisation measuring 700m long and up to 400m in dip (or vertical) extent. New high grade intersections are shown in blue boxes and existing intersections are shown without boxes. The location of the 13 holes that have been drilled and have assays awaited are shown as white circles.

The results and interpretation of the ongoing drilling will allow Dacian Gold to identify the areal extent of each of the mineralised surfaces within the Morgans Underground position. Once each of the mineralised surfaces are well understood, resource estimation studies and subsequent mine design works of those individual surfaces at Morgans Underground will be undertaken as part of the ongoing Feasibility Study of the MMGP.

Drill hole	Intersection	From	Comments
15MMRD0029	2.5m @ 3.2 g/t Au	205.1m	BIF intersection
15MMRD0032	2.1m @ 5.1 g/t Au	269.0m	BIF intersection
15MMRD0034	**6.2m @ 20.1 g/t Au**	**419.8m**	BIF intersection
15MMRD0036	5.1m @ 2.4 g/t Au	454.2m	BIF intersection
15MMRD0037	1.0m @ 12 g/t Au	316.0m	Hangingwall basalt
15MMRD0037	**2.6m @ 11.9 g/t Au**	**328.0m**	BIF intersection
15MMRD0038	**1.0m @ 8.1 g/t Au**	**275.6m**	Footwall ultramafic
15MMRD0039	3.1m @ 5.9 g/t Au	325.7m	BIF intersection
15MMDD0060	**4.5m @ 13.4 g/t Au**	**252.5m**	BIF intersection
15MMDD0061	1.3m @ 2.8 g/t Au	318.8m	BIF – porphyry intersection
16MMRD0053	0.4m @ 23.3 g/t Au	408.9m	BIF – porphyry intersection
16MMRD0100	5.1m @ 2.1 g/t Au	177.0m	BIF intersection
16MMRD0130	**2.9m @ 16.1 g/t Au**	**230.2m**	BIF intersection
16MMRD0130	**0.8m @ 16.2 g/t Au**	**245.7m**	BIF – porphyry intersection

Table 1: Significant results from the infill drilling program at Morgans Underground. Footwall or Hangingwall intersection is relative to the BIF units.

NEXT STEPS

Dacian Gold has three diamond drill rigs and one RC rig working on a continuous 24 hour, double shift cycle to complete the 50m x 50m drill out at Morgans Underground. Thirty seven holes remain to be drilled and it is anticipated this drilling will be completed in mid-March. Following the completion of Morgans Underground, all drilling activities will focus on the 62 hole diamond drilling program at Westralia Underground.

In addition to the Morgans Underground drilling, Dacian Gold is also actively drilling the Jupiter Prospect where five drilling rigs are in operation. It is expected the Jupiter Prospect drilling will be completed by the end of February.

The Company will commence a +500 hole reconnaissance RAB/aircore drilling program over new targets in the Jupiter Prospect by the end of February. Newly identified potential "syenite corridors" and several untested bullseye magnetic anomalies all identified from an ultra-detailed ground magnetic geophysical survey (see ASX announcement 4 November 2015) are to be tested in this upcoming drill program.

Drilling results will be released to the market as they become available.

Table 2: Mt Morgans Exploration Drilling Results - Westralia

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)
15MMRD0029	RCD	408,941	6,817,834	449	434	-54	246	205.10	207.55	2.45	3.2
15MMRD0031	RCD	408,941	6,817,834	449	522	-65	245	268.00	271.00	3.00	0.9
								274.00	282.00	8.00	1.4
								364.90	366.00	1.10	1.4
								412.00	412.55	0.55	1.2
15MMRD0032	RCD	408,945	6,817,890	464	423	-53	241	269.00	270.55	1.55	1.7
								375.00	**377.10**	**2.10**	**5.1**
15MMRD0034	RCD	408,945	6,817,890	447	621	-65	240	413.00	415.00	2.00	2.1
								419.80	**426.00**	**6.20**	**20.1**
15MMRD0035	RCD	408,924	6,817,935	451	448	-53	241	360.90	361.60	0.70	1.0
15MMRD0036	RCD	408,924	6,817,935	451	624	-67	241	377.00	378.70	1.70	1.7
								384.90	387.00	2.10	1.8
								454.20	**459.25**	**5.05**	**2.4**
15MMRD0037	RCD	408,924	6,817,935	451	561	-65	241	104.90	107.60	2.70	2.7
								316.00	**317.00**	**1.00**	**12.2**
								328.00	**330.60**	**2.60**	**11.9**
								363.00	364.00	1.00	1.9
								383.00	383.70	0.70	1.0
15MMRD0038	RCD	408,834	6,817,896	448	382	-60	243	10.00	11.00	1.00	2.9
								130.00	131.00	1.00	3.7
								277.00	278.00	1.00	8.1
15MMRD0039	RCD	408,869	6,817,943	451	516	-56	241	224.9	225.55	0.65	1.9
								325.70	**328.80**	**3.10**	**5.9**
15MMDD0060	DD	408,672	6,818,152	466	384	-60	238	**252.50**	**257.00**	**4.50**	**13.4**
							including	**252.50**	**253.30**	**0.80**	**34.7**
							and	**256.00**	**257.00**	**1.00**	**32.3**
								275.60	276.65	1.05	1.8
15MMDD0061	DD	408,672	6,818,152	466	374	-66	238	118.15	118.45	0.30	1.7
								265.30	268.40	3.10	1.0
								305.75	306.25	0.50	1.1
								318.75	320.00	1.25	2.8
15MMDD0065	DD	408,636	6,818,190	467	399	-59	244	76.40	77.10	0.70	2.5
								217.75	219.30	1.55	1.8
15MMDD0072	DD	408,629	6,818,243	470	378	-51	238	No significant assays			
15MMDD0059	DD	408,672	6,818,152	466	400	-50	239	210.70	213.00	2.30	2.1
16MMRD0053	RCD	408,762	6,818,083	476	466	-66	241	234.1	234.8	0.70	1.7
								334.1	336.0	1.90	3.1
								398.0	398.8	0.80	2.1
								408.85	**409.25**	**0.40**	**23.3**
16MMDD0100	DD	408,792	6,817,878	453	268	-60	238	**177.0**	**182.05**	**5.05**	**2.1**
16MMDD0130	DD	408,858	6,817,852	451	342	-60	240	**126.20**	**132.00**	**5.80**	**1.9**
							incl.	**126.20**	**128.35**	**2.15**	**3.3**
							and	130.45	132.00	1.55	2.7
								135.40	137.00	1.60	2.8
								230.15	**233.00**	**2.85**	**16.1**
								245.70	**246.5**	**0.80**	**16.2**

For and on behalf of the Board

Rohan Williams
Executive Chairman

About Dacian Gold Limited

The Mt Morgans Gold Project hosts high grade Mineral Resources of 3.0 million ounces at an average grade of 2.2 g/t gold. In addition, the Company has identified multiple exploration targets and resource extension opportunities. If proven, they will enable growth of the Mt Morgans' existing Mineral Resource and Ore Reserve base.

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

Dacian Gold's strategy at Mt Morgans is evolving toward potential mine development. It has identified two large mineralised systems at Westralia and Jupiter where it believes simultaneous mine development at each site is a possibility, and will be the subject of ongoing drilling and feasibility studies.

Dacian Gold is fully funded to complete the MMGP Feasibility Study, complete a major 80,000m resource in-fill drill program currently underway and maintain an active exploration program aimed at identifying new, high value mineral resources with the Mt Morgans project.

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

Rohan Williams Executive Chairman Dacian Gold Limited +61 8 9226 4622	Paul Armstrong Investor Relations Read Corporate Pty Ltd +61 8 9388 1474

APPENDIX I

Mount Morgans Gold Project Mineral Resources as at 15 September 2015

Deposit	Cut-off	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	Au Oz
King Street*	0.5	-	-	-	-	-	-	532,000	2.0	33,000	532,000	2.0	33,000
Jupiter	0.5	-	-	-	13,066,000	1.4	605,000	13,484,000	1.1	480,000	26,550,000	1.3	1,085,000
Jupiter LG Stockpile	0.5	3,494,000	0.5	58,000	-	-	-	-	-	-	3,494,000	0.5	58,000
Westralia	2.0	235,000	4.6	35,000	1,961,000	4.7	293,000	7,074,000	5.2	1,192,000	9,269,000	5.1	1,520,000
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
Total		4,096,000	1.2	161,000	15,656,000	2.0	1,006,000	21,978,000	2.6	1,842,000	41,730,000	2.2	3,008,000

Mt Morgans Gold Project Ore Reserves as at 15 September 2015

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	Au Oz
Craic	3.9	-	-	-	28,000	9.2	8,000	28,000	9.2	8,000
Total		-	-	-	28,000	9.2	8,000	28,000	9.2	8,000

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.

Competent Person Statement

Exploration

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

Mineral Resources and Ore Reserves

The information in this report that relates the Westralia, Jupiter and Transvaal Mineral Resource (see ASX announcement – 16th September, 2015) and the Ramornie Mineral Resource (see ASX announcement – 24th 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 RPM. Mr Searle has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which

he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Searle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates the Jupiter Low Grade Stockpile (see ASX announcement – 16th 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.

Where the Company refers to the Mineral Resources in this report (referencing this release made to the ASX), it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the resource estimate with that announcement continue to apply and have not materially changed.

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

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

APPENDIX 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 Project which includes both Westralia and Jupiter.

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *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.*	• Dacian utilised RC and diamond drilling. Holes were generally angled towards grid west to optimally intersect the targeted mineralised zones. • Dacian core was sampled as half core at 1m intervals or to geological contacts • To ensure representative sampling, half core samples were always taken from the same side of the core. • At Jupiter the full length of each hole was sampled and at Westralia the core was selectively sampled. • Dacian RC drilling was sampled at 1m intervals via an on-board cone splitter. • Minor 4m composite samples were taken via a scoop and submitted for analysis. • Historical RC samples were collected at 1m, 2m and 4m intervals using riffle splitters. • Dacian samples were submitted to a contract laboratory for crushing and pulverising to produce a 40g charge for fire assay.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond drilling was carried out with NQ2 sized equipment with standard tube. • Drill core was orientated using a Reflex orientation tool. • For RC holes, a 5¼" face sampling bit was used • For deeper holes, RC pre-collars

		were followed with diamond tails.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Recoveries from historical drilling are unknown. • 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. • In Dacian drilling no relationship exists between sample recovery and grade.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All diamond drill holes were logged for recovery, RQD, geology and structure. RC drilling was logged for various geological attributes. • For Dacian drilling, diamond core was photographed both wet and dry. • All drill holes were logged in full.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Dacian core was cut in half using an automatic core saw at either 1m intervals or to geological contacts. • To ensure representivity, all core samples were collected from the same side of the core. • Historical RC samples were collected at the rig using riffle splitters. Samples were generally dry. • Dacian RC samples were collected via on-board cone splitters. Most samples were dry. • For RC drilling, sample quality was maintained by monitoring sample volume and by cleaning splitters on a regular basis. • Field duplicates were taken at 1 in 25 for RC drilling. • 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. • For historic drilling detailed

		information on the QAQC programs used was not available. • Sample sizes are considered appropriate to correctly represent the gold mineralisation based on: the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and assay value ranges for Au.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• For Dacian drilling, the analytical technique used was a 50g Lead collection fire assay. Analysed by Inductively Coupled Plasma Optical (Atomic) Emission • Spectrometry. This is a full digestion technique. Samples were analysed at Intertek Genalysis in Maddington, Western Australia. • For Dacian drilling, sieve analysis was carried out by the laboratory to ensure the grind size of 90% passing 75µm was being attained. • 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 • No QAQC data has been reviewed for historic drilling although mine production has largely validated drilling results. • Laboratory QAQC includes the use of internal standards using certified reference material, blanks, splits and replicates. • Certified reference materials demonstrate that sample assay values are accurate. • At both Jupiter and Westralia, umpire laboratory testwork was completed in January 2014 over mineralised intersections with good correlation of results. • The Intertek preparation lab in Kalgoorlie was audited by Dacian

		in January 2016.
Verification of sampling & assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• At Jupiter and Westralia, significant intersections were visually field verified by company geologists. • At Westralia, significant intersections from seven Dacian holes were re-assayed by screen fire assay with good repeatability of results • No twin holes were drilled. • Primary data was collected into either an Excel spread sheet and then imported into a Data Shed database. • Assay values that were below detection limit were adjusted to equal half of the detection limit value.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Historic drill hole collar coordinates were tied to a local grid with subsequent conversion to MGA94 Zone 51. • Mine workings support the locations of historic drilling. • All Dacian hole collars were surveyed in MGA94 Zone 51grid using differential GPS. • Dacian holes at Jupiter were downhole surveyed either with multi-shot EMS or Reflex multi-shot tool. • Dacian holes at Westralia were downhole surveyed by Gyro Australia using a north seeking gyro tool. • Topographic surface prepared from detailed ground and mine surveys.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• At Jupiter, the nominal hole spacing of Dacian drilling is approximately 40 -80m. • At Westralia, the Dacian drilling has a nominal spacing of approximately 40-80m along strike and 40-200m down dip. • The drilling subject to this announcement has not been used to prepare Mineral Resource

		estimates for either deposit at this stage.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	• At Westralia, drill holes are angled to 245º, which is approximately perpendicular to the orientation of the well-defined mineralisation. • At Jupiter, most holes are angled to the west so that intersections are orthogonal to the expected trend of mineralisation. • No orientation based sampling bias has been identified in the data.
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody is managed by Dacian. Samples are stored on site until collected for transport to Intertek Laboratories in Kalgoorlie. Dacian personnel have no contact with the samples once they are picked up for transport. Tracking sheets have been set up to track the progress of samples.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• A RungePincockMinarco (RPM) consultant reviewed RC and diamond core sampling techniques in January 2016 and concluded that sampling techniques are satisfactory.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The Westralia deposit is located within Mining Lease 39/18, which is wholly owned by Dacian and subject to a 1% capped third party production royalty. • The Jupiter deposit is located within Mining Lease 39/236, which is wholly owned by Dacian and subject to a 1% capped production royalty and another tonnage based royalty. • The tenements are in good standing with no known impediment to future grant of a mining permit.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• At Westralia, open pit and underground mining has occurred since the 1890's. Other companies to have explored the deposit include Whim Creek Consolidated NL, Dominion Mining, Plutonic Resources, Homestake Gold and Barrick Gold Corporation. • 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.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Westralia gold deposit is Archaean BIF hosted sulphide replacement mineralisation and is located within the Yilgarn Craton of Western Australia. • The Jupiter prospect is interpreted to comprise structurally controlled mesothermal gold mineralisation related to syenite intrusions within altered basalt.

Drill hole information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  • *easting and northing of the drill hole collar*
	  • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  • *dip and azimuth of the hole*
		• For drilling not previously reported, the locations and mineralised intersections for all holes completed are summarised in Tables 4 in the body of this ASX release.
		• Refer to previous Dacian ASX releases for information regarding previous Dacian drilling.
		• Reporting of intersection widths in Figures and summary tables is

	• *down hole length and interception depth* • *hole length* • *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.*	rounded to the nearest 0.1m.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• 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. • No high grade cuts have been applied to the reporting of exploration results. • At Westralia, intersections have been reported using a 0.5g/t lower cut-off, and can include up to 4m of internal dilution. • At Jupiter, intersections have been reported using a 0.2g/t lower cut-off, and can include up to 4m of internal dilution. • No metal equivalent values have been used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g.'down hole length, true width not known').*	• At Westralia, drill holes are angled to 245º, which is approximately perpendicular to the orientation of the well-defined mineralised trend and true width is approximately 60-90% of down hole intersections. • 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.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Relevant diagrams have been included within the main body of text.

Balanced Reporting	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All exploration results have been reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All interpretations for both Westralia and Jupiter mineralisation are consistent with observations made and information gained during previous mining at the project.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large- scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• At Jupiter, further broad spaced drilling is planned to define the structural controls and mineralisation potential of the Jupiter Corridor. Infill resource definition drilling along the Cornwall Shear will continue. • 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. • Refer to diagrams in the body of this release.