15 OCTOBER 2014

DRILLING CONFIRMS SIGNIFICANTLY LARGER GOLD SYSTEM AT WESTRALIA

HIGHLIGHTS

- Drilling confirms high grade gold mineralisation at Westralia is at least 3km long and is open at depth. It is a significantly larger gold system than previously recognised.
- Six of 14 widely-spaced reconnaissance diamond drill holes testing a 3km zone of previously undrilled areas along strike of, and below, the historic Westralia and Morgans North gold deposits, have returned highly significant intersections, including:
    - **2m @ 18.0 g/t gold** in 14MMRD024. Intersection is **250m north** of Westralia underground workings.
    - **2m @ 8.6 g/t gold** in 14MMRD025. Intersection is **350m below** the Westralia underground workings.
    - **1.8m @ 7.9 g/t gold** in 14MMRD022. Intersection is **500m below** the Westralia underground workings.
    - **4.2m @ 6.8 g/t gold** in 14MMRD026W1. Intersection is **650m north** of the Westralia underground workings and **600m south** of the Morgans North pit.
    - **4.8m @ 3.5 g/t gold** in 14MMRD021. Intersection is **500m below** the Westralia underground workings.
    - **3.9m @ 3.0 g/t gold** in 14MMRD027. Intersection is **200m south** of Morgans North and **900m north** of the Westralia underground workings.
- Four of five holes testing the shallow-drilled **800m "gap"** between the Westralia and Morgans North mines all intersected significant mineralisation.
- Down-hole electromagnetic (DHEM) surveys have been completed on 18 Dacian holes testing for sulphide conductors within the 3km long targeted Banded Iron Formation (BIF) horizon that hosts gold mineralisation, as seen at the Westralia deposit.
- Following completion of DHEM modelling, Dacian will commence infill drilling to test for continuity of defined mineralisation and to target identified conductors.

INTRODUCTION

Dacian Gold Limited ("Dacian" or "the Company") is pleased to announce that its widely-spaced reconnaissance diamond drill program testing for Banded Iron Formation (BIF) hosted gold mineralisation along strike of, and below, the mineralisation at the Westralia and Morgans North gold deposits, has returned several significant intersections. The Westralia deposit was discovered in 1896 and produced 900,000 ounces of gold up to 1998. Both Westralia and Morgans North are BIF-hosted gold mines.

A total of 14 diamond drill holes for 9000m were drilled to a depth of between 140-680m below surface. The exploratory drill holes tested a 3km strike of BIF and have confirmed the mineralised BIF horizon at Westralia is appreciably larger than previously recognised.

The drilling program is consistent with Dacian's stated FY2015 Exploration Strategy to:

(i) Define the mineralisation limits of new discoveries on the Cornwall Shear Zone at Jupiter and Millionaires at Westralia, and

(ii) Define the size of the ore systems at Jupiter and Westralia.

Figure 1 below shows the location of the planned drill holes in relation to the existing Westralia and Morgans North deposits. The marked "Interpreted Flattening Zone" between Westralia and Morgans North was considered by previous operators to mark the end of the Westralia deposit and is defined as where the BIF changes from a steep east-dip into a more moderate east-dip (hence it being described as flattening). Importantly the full extent of the flattening zone has never been confirmed by drilling, and was an interpretation at the time that limited the known extent of the Westralia mineralisation.

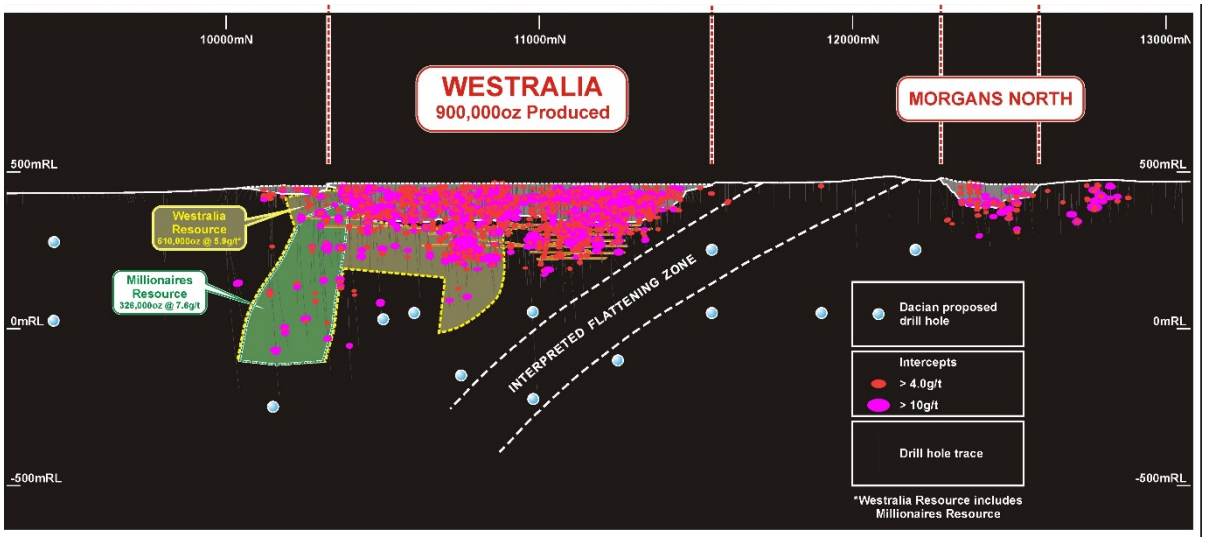

Figure 1: Location of the planned reconnaissance diamond drill holes testing a 3km strike of the Westralia BIF. Note the location of the "Interpreted Flattening Zone. See text for description.

The purpose of the drilling program as planned by Dacian's geologists, and shown in Figure 1, was to test the possibility that the Westralia and Morgans North ore positions belong to a larger ore system, and that the "Interpreted Flattening Zone" may be an internal fault offset giving the appearance that Westralia and Morgans North are two separate ore bodies.

Dacian is of the belief that if the results of the drill program were to show that mineralisation existed away from Westralia and toward Morgans North, then it may be possible both deposits belong to a larger, more extensive ore system. The results of this drill program support this new interpretation.

DRILLING RESULTS

Figure 1 shows the location of the widely spaced diamond drill program testing a 3km strike of BIF for extensions of the Westralia deposit. The holes were spaced at approximately 300m centres and tested the BIF at between 140 and 680m below the surface.

Table 1 is a summary of the key results returned from all holes. Note that three drill holes have assays awaited. More detailed information relating to the drill holes including additional intersections is shown in Table 2 and the requisite JORC table as Appendix I of this report.

Hole ID	Intersection (m @ g/t gold)	Approximate Depth Below Surface	Comments
14MMRD024	2.0m @ 18.0 g/t	310m	Footwall BIF
14MMRD025	2.0m @ 8.6 g/t	430m	Hangingwall BIF
14MMRD026W1	4.2m @ 6.8 g/t	450m	BIF
14MMRD022	1.8m @ 7.9 g/t	680m	Hangingwall BIF
14MMRD022	13.9m @ 3.7 g/t	290m	Ramornie Shear
14MMRD021	4.8m @ 3.5 g/t	590m	BIF
14MMRD027	3.9m @ 3.0 g/t	140m	Hangingwall BIF
14MMRD017	0.7m @ 2.8 g/t	340m	BIF
14MMRD019	6.0m @ 1.5 g/t	300m	BOB Shear, no BIF
14MMRD023	2.8m @ 1.5 g/t	510m	Hangingwall BIF
14MMRD020	0.3m @ 0.6 g/t	640m	Sheared contact, no BIF
14MMRD026	NSA	490m	Sheared contact, no BIF
14MMRD018	AA		
14MMRD015	AA		
14MMRD016	AA		
	NSA	No Significant Assay	
	AA	Assays Awaited	

Table 1: Summary of significant intersections from wide-spaced diamond drilling over a 3km strike of the Westralia BIF.

The intersections recorded in Table 1 show a combination of hangingwall BIF and footwall BIF; as well as singular BIF. It is difficult to interpret whether the hangingwall BIF intersections described in Table 1 are on the same hangingwall BIF as seen at Millionaires Shoot approximately 1.3km south; and similarly whether the footwall BIF seen in the new intersections corresponds with footwall BIF seen elsewhere in Westralia. Additional drilling is required to confirm continuity of gold mineralisation on the different BIF horizons.

Intersections from drill holes 14MMRD019 and 14MMRD022 defined mineralisation on the BOB structure and the Ramornie structure respectively. Follow-up drilling on these intersections will occur after initial infill drilling of the new BIF intersections.

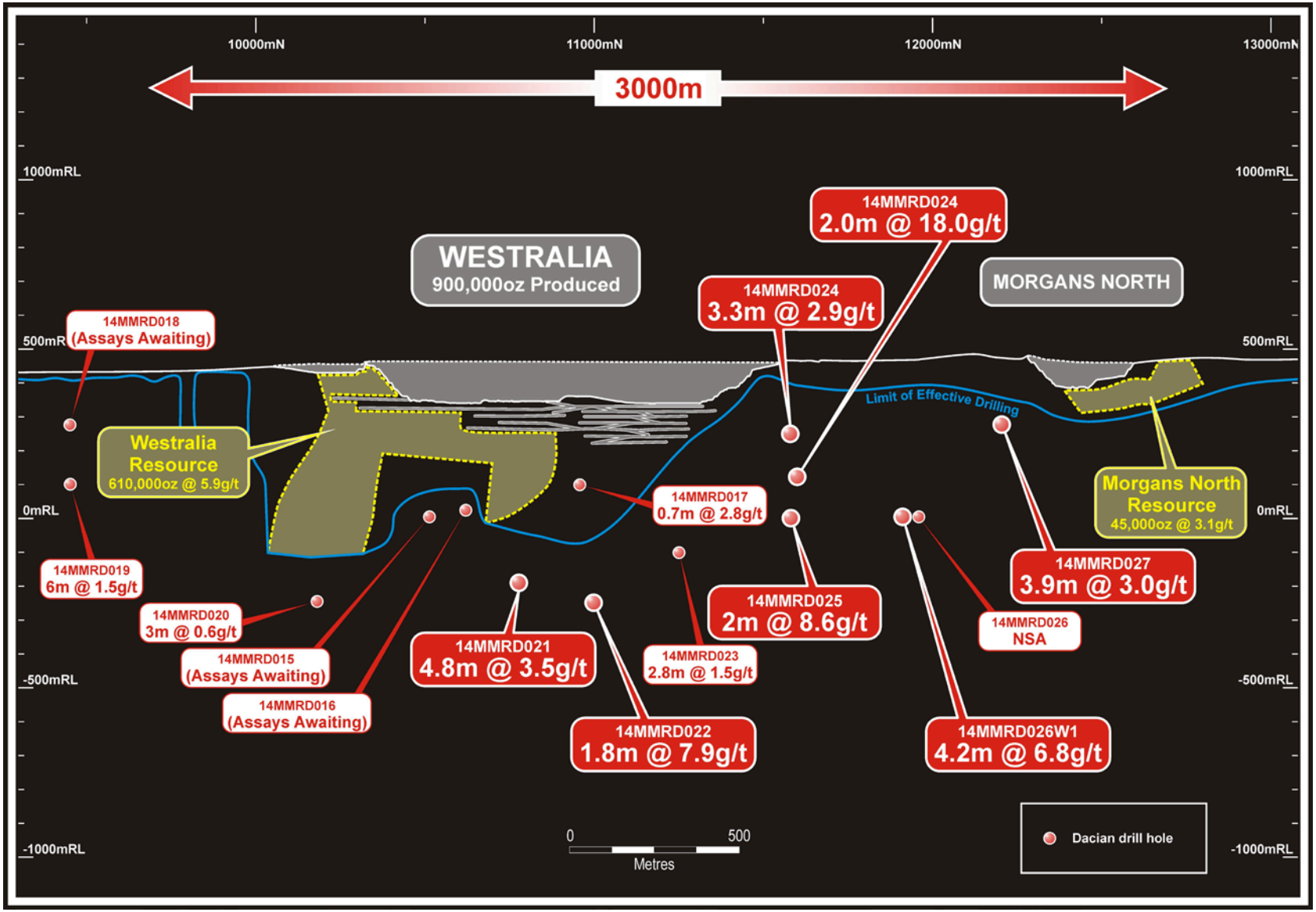

Figure 2: Long section showing the results from Dacian's wide-spaced reconnaissance testing of the 3km strike of the Westralia BIF. Numerous high grade intersections are present from areas previously not drilled - note also the previous limit of effective drilling. The drilling confirms the Westralia gold mineralisation system is significantly larger than previously recognised.

Figure 2 is a long section showing the results of 11 of the 14 holes completed. Assays are awaited for the 3 outstanding holes. The Company considers the results to be highly significant and notes the following observations:

- Of the holes returned from assay, six of eleven testing a 3km strike of BIF have intersected high grade mineralisation over good widths. Four holes returned low to moderate grade intersection and widths, and only one hole failed to return gold mineralisation.
- All intersections are hundreds of metres away from existing resources and /or mine workings.
- Four of the five holes drilled in the 800m long poorly drill-tested "gap" between the northern end of Westralia and Morgans North intersected high grade mineralisation (14MMRD024, 14MMRD025, 14MMRD026W1 and 14MMRD027).
- The northern section of drilling testing a 1.7km segment of BIF from beneath Westralia (at 10800mN) to the Morgans North deposit (12500mN) returned high grade mineralisation from six of nine holes completed, confirming a large zone of high grade mineralisation may be present.
- All but one of the holes tested between 100m and 400m below the previous limit of drill testing over the 3km strike (14MMRD017).
- It is clear the Westralia mineralised footprint is significantly more extensive than previously identified.
- Hole 14MMRD022 also intersected 13m @ 3.7 g/t in the Ramornie Structure 175m below the previous deepest drilling at Ramornie (see ASX announcement made on 9 October 2014: *Westralia Drilling Intersects High Grade Ramornie Structure 175m Below Historic Drilling*).

THE INTERPRETED FLATTENING ZONE

The Figure 2 long section does not show the flattening zone shown in Figure 1 because drilling completed by Dacian shows it does not exist as previously interpreted. Figures 3 and 4 are cross-sections containing new Dacian drilling in areas where the flattening zone was interpreted to exist.

Figure 3 is of cross-section 10980mN located in the central section of the Westralia pit. The section contains new Dacian holes 14MMRD017 and 14MMRD022 as well as historic drilling and underground development. The cross-section confirms a single pronounced flexure in the BIF stratigraphy (at around +200mRL), below which the stratigraphy persists as a planar package for at least 600m where 1.8m @ 7.9 g/t was intersected in 14MMRD022. As shown in Figure 4, there is no such pronounced flexure on cross-section 11560mN (580m north of Figure 3). Here the geology of the BIF package is planar, and well mineralised, as defined by Dacian holes 14MMRD024 (2.0m @ 18.0 g/t) and 14MMRD025 (2.0m @ 8.6 g/t).

It is clear there are local and pronounced dip changes within the BIF package, and it is equally clear they do not form to the extent as previously interpreted, as shown in Figure 1. Importantly, the results of Dacian's drilling show there is high grade mineralisation in areas previously thought to be devoid of mineralisation. Dacian will undertake additional drilling to determine the extent of mineralisation continuity and to more properly locate and understand the significance of BIF dip changes.

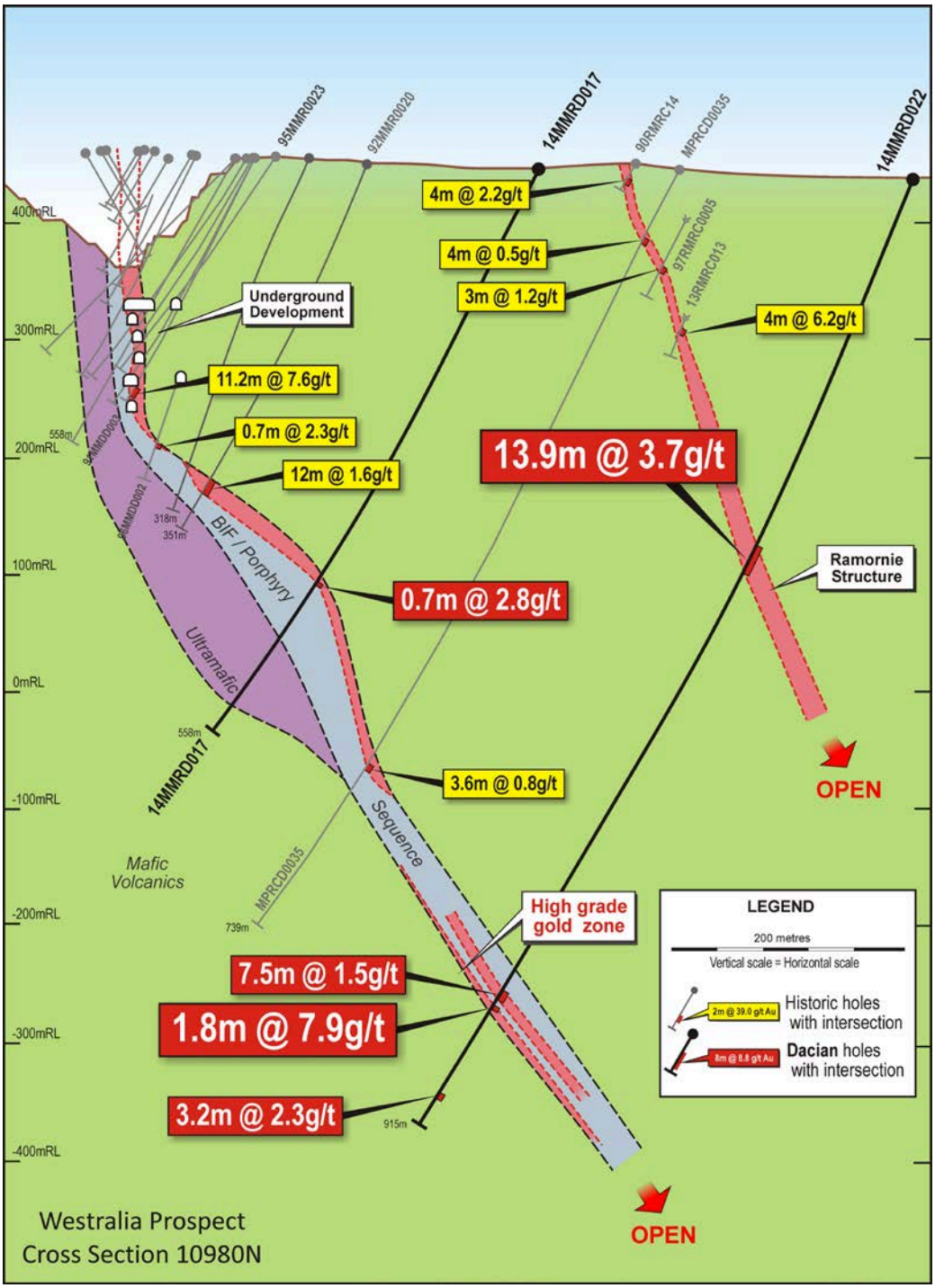

Figure 3: Cross-section 10980mN showing results from Dacian drill holes 14MMRD017 and 14MMRD022. Note pronounced flexure in BIF stratigraphy commencing at +200mRL.

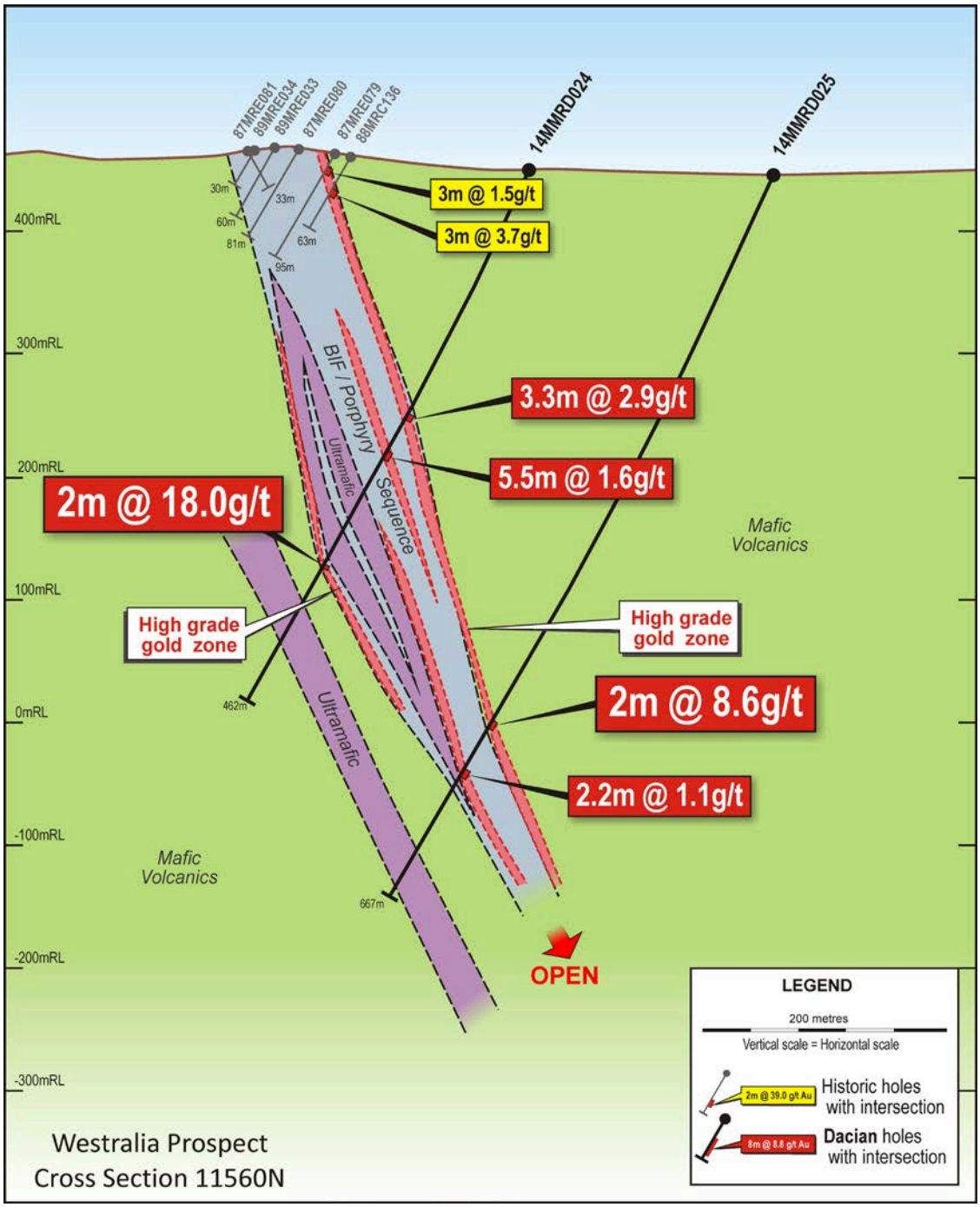

Figure 4: Cross-section 11560mN showing results from Dacian drill holes 14MMRD024 and 14MMRD025. Note no flexure in BIF compared to Figure 3 section.

TEM SURVEYS

Massive sulphide development within the BIF is a good indicator for gold mineralisation as seen in the Westralia deposit, and certain other BIF-hosted gold deposits in Western Australia. Transient Electromagnetic Surveys (TEM) are a common geophysical tool for detecting massive sulphides. Interestingly, TEM surveys have never been conducted over the Westralia BIF, nor any other prospect at Mt Morgans.

In order to maximise the effectiveness of testing the +3km strike of BIF horizon for gold mineralisation, 12 of the 14 holes completed were subject to down-hole TEM (DHEM). Additionally, another six holes (previously drilled by Dacian in 2013) were also used for DHEM surveys. By completing DHEM on 18 holes, the Company believes any significant accumulation of massive sulphides will be detected by the DHEM surveys along the 3km strike of prospective BIF.

The DHEM surveys are nearing completion and will be interpreted during October. Any significant DHEM anomalies will be considered for further drill testing, with the holes completed to be used potentially as parent-holes for wedge drilling.

SUMMARY AND NEXT STEPS

High grade mineralisation over good widths returned from Dacian's 14 hole 9000m diamond drilling program has confirmed the Westralia gold mineralised system is significantly larger than previously recognised. The Company believes the Westralia and Morgans North mines are part of a single larger ore system developed over a strike distance of at least 3km. Vast areas within the 3km strike down to a depth of 700m below surface were previously undrilled and are now known to contain high grade gold mineralisation. The mineralisation remains open at depth.

There is an excellent opportunity for material resource growth at Westralia through a dedicated infill drilling program. Prior to commencing infill drilling, the Company will assess the results of a comprehensive down hole-TEM survey completed on 18 Dacian drill holes over the 3km trend.

Consistent with Dacian's stated FY2015 Exploration Strategy, the Company has completed a further six holes for 2,100m to extend the mineralisation limits of the Millionaires Shoot at Westralia. Five holes were drilled to the south of resource boundary on 10080N, and within 250m from surface, and one hole up-dip underneath the existing Millionaires pit. The Company's geologists are currently logging the core and results will be subject to a further announcement.

For and on behalf of the Board

Rohan Williams
Executive Chairman

About Dacian Gold Limited

Dacian Gold Limited is a well-funded, Western Australian focused gold exploration and development company, headquartered in Perth. In November 2012, the company raised $20 million in its IPO to explore its 100% owned Mt Morgans gold project, located in the Laverton District of Western Australia's North Eastern Goldfields.

The Mt Morgans Project hosts high grade Mineral Resources of 1.2 million ounces at an average grade of 4.0g/t gold, including Ore Reserves of 136,000 ounces at an average grade of 6.2g/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. See Appendix II for full details including Competent Persons statements

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's exploration strategy at Mt Morgans is aimed at delivering on the company's corporate objective of defining at least 600,000 ounces of Ore Reserves at Mt Morgans. Dacian considers mining an Ore Reserve of at least 600,000 ounces of gold is reasonably likely to provide sufficient returns to justify the investment capital required to construct an ore processing facility at the project.

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

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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)
14MMRD015	RCD	409,703	6,817,008	470	706	-65	240		Assays	awaited	
14MMRD016	RCD	409,627	6,817,083	470	608	-65	240		Assays	awaited	
14MMRD017	RCD	409,390	6,817,396	446	558	-65	240	359.00	361.05	2.05	0.6
								400.80	401.50	0.70	2.8
								457.20	458.80	1.60	0.7
								526.30	527.50	1.20	1.5
14MMRD018	RCD	410,035	6,816,020	434	400	-65	240		Assays	awaited	
14MMRD019	RCD	410,299	6,816,134	431	544	-65	240	349.00	355.00	6.00	1.5
14MMRD020	RCD	410,182	6,816,820	433	936	-65	240	799.00	802.00	3.00	0.6
14MMRD021	RCD	409,745	6,817,286	449	823	-65	240	681.00	681.95	0.95	3.4
								690.25	**695.05**	**4.80**	**3.5**
							including	**692.30**	**695.05**	**2.75**	**5.2**
14MMRD022	RCD	409,689	6,817,506	437	915	-65	240	**335.00**	**360.90**	**25.90**	**2.4**
							including	**347.00**	**360.90**	**13.90**	**3.7**
							or	**356.50**	**360.90**	**4.40**	**6.8**
								781.10	**788.55**	**7.45**	**1.5**
							including	**786.55**	**788.55**	**2.00**	**3.0**
								793.15	**794.95**	**1.80**	**7.9**
								884.70	**887.90**	**3.20**	**2.3**
14MMRD023	RCD	409,400	6,817,684	448	789	-65	240	600.50	603.30	2.80	1.5
								610.80	611.30	0.50	2.0
								668.00	670.90	2.90	1.2
14MMRD024	RCD	408,916	6,817,814	449	499	-65	240	**221.50**	**224.75**	**3.25**	**2.9**
								259.00	264.45	5.45	1.6
								259.45	260.05	0.60	8.6
								363.00	**365.00**	**2.00**	**18.0**
14MMRD025	RCD	409,095	6,817,889	445	667	-65	240	**500.50**	**502.50**	**2.00**	**8.6**
								544.40	546.60	2.20	1.1
14MMRD026	RCD	408,952	6,818,205	485	804	-65	240	No significant assays			
14MMRD026W1	RCD	408,952	6,818,205	485	786	-65	240	544.80	547.50	2.70	1.0
								618.80	**623.00**	**4.20**	**6.8**
14MMRD027	RCD	408,582	6,818,375	463	402	-65	240	**165.85**	**169.75**	**3.90**	**3.0**

APPENDIX I – 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 to 180m depth 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*	• Recoveries from historical drilling are unknown. • Recoveries from Dacian core drilling were measured and recorded in the database

Criteria	JORC Code explanation	Commentary
	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.*	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. All 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	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered*	• For Dacian drilling, the analytical technique used was a 40g fire assay with Pb collection, with an ICP-AAS finish. This

Criteria	JORC Code explanation	Commentary
laboratory tests	*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.*	is a full digestion technique. Samples were analysed at Bureau Veritas Laboratories in Kalgoorlie, 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.
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 or GEOBANK software 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.*	• 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

Criteria	JORC Code explanation	Commentary
	• *Quality and adequacy of topographic control.*	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 reported drilling in March – July 2014 has not been used to prepare Mineral Resource estimates for either deposit.
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 BV 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 October 2013 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 an Achaean 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*
	  • *down hole length and interception depth*
	  • *hole length*
		• For drilling not previously reported, the locations and mineralised intersections for all holes completed are summarised in Table 1 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 rounded to the nearest 0.1m. Actual intersection widths are listed in Table 1 of the report.

Criteria	JORC Code explanation	Commentary
	• *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.*	
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 Table 1 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*	• All exploration results have been reported.

Criteria	JORC Code explanation	Commentary
	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.	
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 RC drilling along the Cornwall Shear continues. • At Westralia, broad spaced drilling is planned to extend 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.

Appendix II Mineral Resources and Ore Reserves

Mount Morgans Gold Project Mineral Resources													
Deposit	Cut-off Grade Au g/t	Measured			Indicated			Inferred			Total Mineral Resource		
		Tonnes kt	Au g/t	Au '000's	Tonnes kt	Au g/t	Au '000's	Tonnes kt	Au g/t	Au '000's	Tonnes kt	Au g/t	Au '000's
King St	0.5							532	2.0	33	532	2.0	33
Jupiter	1.5							811	2.8	73	811	2.8	73
Westralia	2	150	5.0	24	951	5.2	158	2,112	6.3	428	3,213	5.9	610
Craic	0.5				69	8.2	18	120	7.1	27	189	7.5	46
Transvaal	0.5	1,549	3.2	159	1,176	2.7	102	926	2.2	66	3,650	2.8	327
Ramornie	0.5				189	3.6	22	138	2.8	13	326	3.3	34
Morgans Nth	0.5				290	2.6	25	169	3.8	20	459	3.1	45
Total		1,699	3.4	184	2,674	3.8	324	4,808	4.3	660	9,180	4.0	1,168

Mount Morgans Gold Project Ore Reserves										
Deposit	Cut-off Grade Au g/t	Proved			Probable			Total		
		Tonnes kt	Au g/t	Au '000's Oz	Tonnes kt	Au g/t	Au '000's Oz	Tonnes kt	Au g/t	Au '000's Oz
Craic	3.9				28	9.2	8	28	9.2	8
Transvaal	3.4	380	6.2	76	271	6.0	52	651	6.1	128
Total		380	6.2	76	299	6.3	61	679	6.2	136

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 to Mineral Resources (other than Westralia which is reported under JORC 2012, refer ASX release of 19 December 2013) 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 Westralia Mineral Resource in this report (referencing the release made to the ASX on 19 December 2013), 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 Westralia Mineral Resource estimate, see ASX announcement dated 19 December 2013) was prepared and disclosed under the JORC Code 2004. It 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.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant ASX releases and the form and context of the releases have not been materially modified.