

QUARTERLY ACTIVITIES REPORT

June 2021



June quarter production of 25,558oz at an AISC of \$1,742/oz as updated life-of-mine plan advances towards completion and significant exploration program begins

ASX RELEASE
15 July 2021

Issued Capital as at
30 June 2021
910.6M shares outstanding

Market Capitalisation as at
30 June 2021
\$246M @ \$0.27

BOARD

Robert Reynolds
Non-Executive Chairman

Leigh Junk
Managing Director

Eduard Eshuys
Non-Executive Director

SUBSTANTIAL SHAREHOLDERS
as at 30 June 2021

DGO Gold (5.7%)
Franklin Templeton (5.6%)

REGISTERED OFFICE

Level 2, 1 Preston Street
Como WA 6152
Australia

Operations

- June quarter production of 25,558oz at an AISC of \$1,742/oz
- Total FY2021 production of 106,919oz at an AISC of \$1,552/oz versus full year guidance of 110,000-120,000oz at an AISC of \$1,400-\$1,550/oz
- Total development capital for the quarter of \$12.9M

FY2022 Guidance & Life-of-Mine Plan Update

- FY2022 production guidance of 100,000-110,000oz at an AISC of \$1,550-\$1,700/oz (AISC includes all initial re-start capital for the Westralia mine area)
- Embarking on a significant growth investment to position Dacian for the long term, with \$20.4M allocated to exploration and \$66.5M for Doublejay pre-stripping activities, Redcliffe project development and other growth
- Life-of-mine plan update encompassing the Mt Morgans operation and the Redcliffe project remains on track for release later in the September quarter

Corporate & Finance

- Cash and gold on hand at 30 June 2021 of \$41.8M (before receipt of proceeds from the second tranche placement and SPP)
- Repaid \$5.2M in debt during the quarter with total debt now standing at \$16.2M
- Total forward hedge position reduced to 27,324oz at an average gold price of \$2,238/oz
- Completed \$40M two-tranche placement and \$3.7M SPP, with second tranche and SPP funds totalling \$15.9M before costs received after 30 June, to accelerate exploration, Redcliffe development and Westralia mine area recommencement

Exploration & Growth

- Over 62,000m of exploration and resource definition drilling completed during the quarter
- Resource definition drilling continued at Mt Marven, Allanson and Doublejay deposits
- Extensional drilling programs commenced at Craic and completed at Transvaal, Maxwell Bore and Mt Marven North
- Extended aircore program at Cameron Well over areas previously untested
- Greater Westralia mining area technical and Mineral Resource update released

Dacian Gold Limited (Dacian Gold or the Company) (ASX: DCN) is pleased to provide its operating and financial results for the quarter ending 30 June 2021.

Managing Director, Leigh Junk, commented: “Whilst we delivered a robust production result for FY2021, we did fall slightly short of our planned target for the quarter. Dacian has had a significant year nonetheless with the acquisition of Redcliffe, further reductions in our debt and hedge positions, completion of over 160,000m of exploration and resource definition drilling and re-positioning our exploration strategy towards making the next generation of discoveries, all contributing to our growth-focused endeavours ahead in FY2022.

“We are keen to soon reintroduce high-grade ore from the Westralia mine area into our production profile and are busy working towards developing the Redcliffe project into production. Our upcoming life-of-mine plan will be the Company’s first opportunity to bring all these projects into a base case mine plan for our Laverton operations and we look forward to completing that work this quarter.”

OPERATIONS

OVERVIEW

The Company’s 12-month rolling Total Recordable Injury Frequency Rate (TRIFR) was 17.0 at the end of the quarter (31 March 2021: 20.3). Recordable injuries include any injury that requires medical treatment or those that result in any days lost from work or where an employee or contractor can only perform part of their normal work.

The Mt Morgans Gold Operation (MMGO) recovered 25,558oz during the June quarter at an AISC of \$1,742/oz. FY2021 full year production totalled 106,919oz, slightly below production guidance of 110,000-120,000oz and the AISC of \$1,552/oz was in line with guidance of \$1,400-\$1,550/oz.

Rainfall events experienced on site affected conditions in both the Heffernans and Mt Marven open pits, contributing to the lower than planned production for the quarter.

Throughput of 764,480t for the June quarter was another strong processing achievement for the Mt Morgans plant, culminating in 2.95Mt processed for the full year.

OPEN PIT

A total of 982,301t @ 0.9g/t Au containing 29,176oz was mined from the Heffernans, Doublejay and Mt Marven open pits during the June quarter with 588,511t @ 1.2g/t Au containing 22,478oz delivered to the processing plant ROM pad for treatment (see Table 1).

Doublejay, Heffernans and Mt Marven were the main sources of high-grade ore feed to the processing plant during the quarter, with a small contribution from the Ganymede pit.

Table 1: Key MMGO open pit statistics

Key Open Pit Statistics	Unit	June Q	Year-to-Date
Ore Mined – to ROM	t	588,511	2,637,508
Mined Grade	g/t Au	1.2	1.2
Contained Gold Mined	oz	22,478	103,359
Ore Mined – to Stockpile	t	393,790	1,217,055
Mined Grade	g/t Au	0.5	0.6
Contained Gold Mined	oz	6,698	21,800
Ore Mined – Total	t	982,301	3,854,563
Mined Grade	g/t Au	0.9	1.0
Contained Gold Mined	oz	29,176	125,159
Waste Mined	t	4,996,239	23,067,897
Total Material Mined	t	5,978,540	26,922,461
Total Material Mined	bcm	2,314,120	10,285,981
Open Pit Mining Cost	\$/t	4.93	4.25

A total of 2.31M bcm of material was mined from all pits during the quarter, predominantly from the Doublejay pit with 1.40M bcm mined.

Mining activities at the three-stage Doublejay pit were focussed on ore production from a small stage referred to as “DBJ15” located at the southern end of the pit, as well as pre-stripping within an interim stage referred to as “DBJ07”, which targets the high-grade Cornwall Shear Zone. Preparations for mining of the final “DBJ14” stage commenced late in the quarter.

Delays in accessing Heffernans were experienced in June as a result of rainfall events rendering the pit ramp untrafficable for periods during the month. Additionally, an increase in groundwater inflows required additional dewatering attention and consequently delayed mining.

Rainfall also affected pit ramp conditions at Mt Marven that delayed mining, and whilst the pit was substantially complete by the end of June, a goodbye cut remained at the end of the month, which was mined in early July.

Mining at Ganymede targeted oxide ore which was advantageous to include in the mill feed blend during the quarter.

A total of 17,541m of RC grade control drilling was completed during the quarter across the Heffernans, Doublejay, Ganymede and Mt Marven open pits.

PROCESSING

A total of 764,480t of ore was processed during the quarter at an average feed grade of 1.1g/t Au containing 28,085oz (see Table 2).

Gold recovered was lower than planned for June due to mill feed grade variance (1.1g/t Au vs. 1.2g/t Au) and delays in both the Heffernans and Mt Marven pits resulting in not mining scheduled high grade ore blocks from these pit.

A total of 25,558oz was recovered for the quarter, representing a plant recovery of 91.0%.

Table 2: Key MMGO processing statistics

Key Processing Statistics	Unit	June Q	Full Year
Ore Milled	t	764,480	2,947,224
Processed Grade	g/t Au	1.1	1.2
Contained Gold	oz	28,085	116,830
Gold Recovery	%	91.0	91.5
Processing Cost	\$/t	15.98	19.13
G&A Cost	\$/t	2.46	3.12
Gold Recovered	oz	25,558	106,919
Gold Sold	oz	24,542	108,270
Gold-on-Hand	oz	2,507	2,507
Average Sale Price	A\$/oz	2,177	2,226

FY2022 GUIDANCE & LIFE-OF-MINE PLAN UPDATE

FY2022 GUIDANCE

The Company advises its production and AISC guidance for FY2022 ahead of its life-of-mine plan update due later in the September quarter.

Production for FY2022 is expected to be between 100,000-110,000oz at an overall AISC of \$1,550-\$1,700/oz.

Open pit mining at Jupiter will provide the majority of ore feed to the mill during the year, from Doublejay, Heffernans and Ganymede. Gold production will be second half weighted (~60% in 2H FY2022) as ore production from the DBJ07 stage increases following completion of its pre-stripping. Pre-stripping of the DBJ14 stage continues for the duration of FY2022 ahead of ore production in the following year.

Following completion of re-establishment activities and underground development during the September quarter, ore production from Beresford and Allanson ramps up in the December quarter.

Table 2: Summary of FY2022 Guidance

FY2022 Guidance	Unit	Total
Production	oz	100,000-110,000
AISC	\$/oz	\$1,550-\$1,700/oz
Development Capital	\$M	66.5
Exploration, Growth & Evaluation	\$M	23.4

The overall AISC includes the initial upfront capital required for the recommencement of underground mining at the Westralia mine area of \$9.3M.

The Company is embarking on a significant investment to position its operations for the long-term and plans to spend \$66.5M on development capital during FY2022. This includes \$54.2M for pre-stripping of Doublejay stages DBJ07 and DBJ14, \$9.3M for Redcliffe development and \$3.0M for other capital.

The development capital investment in Doublejay includes \$14.1M not incurred in FY2021 due to lower than planned material movement. Following completion of resource definition work for Doublejay, the mining schedule was re-optimised culminating in a multi stage pit design, extending its life into FY2024. Capital expenditure has been reprofiled as a result and reduces significantly in FY2023.

Total exploration and growth spend allocated for FY2022 is \$20.4M with the Company's exploration campaign focused on DD and RC testing of syenite gold mineral systems, regional AC drilling to target potential base load deposits, and includes \$4.3M in resource definition programs for projects in the development pipeline.

LIFE-OF-MINE PLAN UPDATE

Mineral Resource and Ore Reserve estimate activities continue to advance towards an updated life-of-mine plan that encompasses both Mt Morgans and Redcliffe ("Laverton Operations"). Initial work activities for Redcliffe are focused on the shallow, high-grade Hub, GTS and Nambi deposits.

Following completion of initial technical studies for the Westralia mine area, subsequent work has progressed with the intention to include these deposits into the life-of-mine plan.

The Company is planning for the life-of-mine workstream to be completed during the September quarter.

EXPLORATION & GROWTH

During the quarter, the Company invested \$6.4M in exploration, growth and resource definition activities, with 62,843m drilled across its key exploration and growth targets.

Greater Westralia technical and Mineral Resource update, expansion drilling at Mt Marven South and resource definition drilling at Ganymede were all released during the quarter, while exploration activities advanced across the following projects.

Jupiter Mining Area

- Resource definition drilling program at Doublejay was completed and work on a Mineral Resource estimate update is continuing for inclusion into the annual Mineral Resource and Ore Reserve Statement due in the September quarter

Westralia Mining Area

- Resource definition drilling programs were completed at Craic, aimed at increasing the confidence in the Mineral Resource estimate
- Extensional drilling at Craic was commenced following completion of the extensional drilling at Transvaal

Mt Marven Mining Area

- Additional extensional drilling program targeting the northern extension at Mt Marven was completed during the quarter

Cameron Well Project Area

- Aircore coverage of previously untested areas south and south-east of Cameron Well were initiated during the quarter and RC drilling also recommenced
- At Maxwell Bore, the Mineral Resource estimation update is in progress with results to be released in the annual Mineral Resource and Ore Reserve Statement in the September quarter.

Redcliffe Project

- Resource definition diamond drilling programs were completed at Hub, with the Mineral Resource estimate update underway

WESTRALIA MINE AREA TECHNICAL AND MINERAL RESOURCES UPDATE

On 11 May, the Company released a technical and Mineral Resources update for the Greater Westralia Mining Area (GWMA).

A total of 12 deposits were re-evaluated across the GWMA, with seven deposits contributing to a total Mineral Resource estimate of 6.8Mt @ 4.3g/t Au for 935,000oz. These 12 deposits are not included in the current life-of-mine plan for the Laverton operations.

The updated Mineral Resource estimates are a key stage gate ahead of potential inclusion into an updated life-of-mine plan scheduled for the September quarter.

For Beresford and Allanson, an updated geological interpretation, remodelling and estimation was completed for the deposits, required for a change in mining approach, with an updated Mineral Resource estimate of 5.1Mt at 3.8g/t Au for 624,000oz (2.0 g/t Au cut-off).

An updated Mineral Resource estimate for the now combined Morgans North and Phoenix Ridge was also completed for a total of 0.34Mt @ 6.7g/t Au for 72,000oz (2.0g/t Au cut-off), based upon revised modelling and estimation consistent with those incorporated for the Beresford and Allanson deposits.

A Craic Inferred Mineral Resource estimate of 0.1Mt @ 9.4g/t Au for 29,000oz (2.0g/t Au cut-off) was also declared. At Transvaal, the Mineral Resource estimate remains unchanged as reported previously at 1.25Mt @ 5.2g/t Au for 210,000oz with an updated Mineral Resource estimate now underway following an additional resource definition drill program that included key intercepts of:

- **1.1m @ 101.3g/t Au** from 18.5m in 21TVDD0026
- **1.9m @ 33.3g/t Au** from 193.1m in 21TVDD0024
- **12.3m @ 2.9g/t Au** from 141.1m in 21TVDD0026
- **10.6m @ 3.0g/t Au** from 166.3m in 21TVDD0025
- **4.5m @ 4.3g/t Au** from 180.2m in 21TVDD0021
- **2.0m @ 8.7g/t Au** from 19.0m in 21TVDD0027

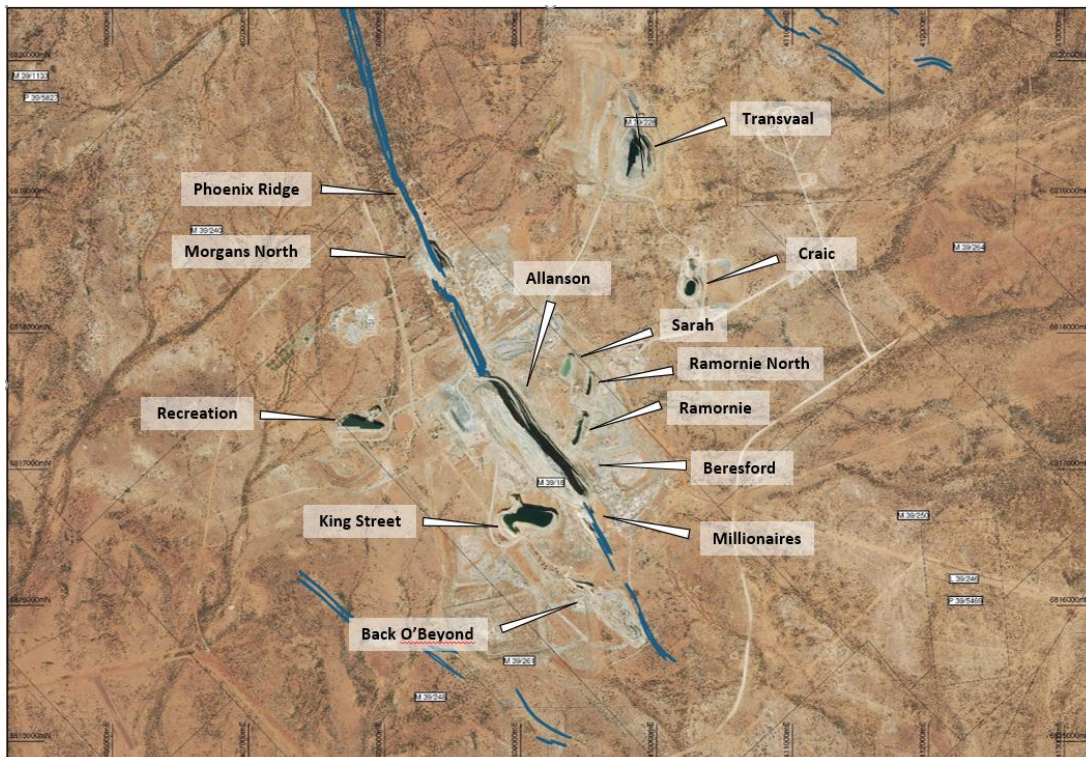


Figure 1: Greater Westralia Mining Area

Table 3: Greater Westralia Mining Area Mineral Resources at 31 March 2021

Deposit (2.0g/t cut-off)	Measured			Indicated			Inferred			Total Mineral Resource		
	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz
Beresford	155,000	4.7	24,000	1,944,000	4.0	251,000	1,491,000	3.0	144,000	3,590,000	3.6	419,000
Allanson	67,000	4.2	9,000	566,000	4.5	82,000	896,000	3.9	114,000	1,529,000	4.2	205,000
Morgans North - Phoenix Ridge	-	-	-	-	-	-	335,000	6.7	72,000	335,000	6.7	72,000
Transvaal	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
Craic							96,000	9.4	29,000	96,000	9.4	29,000
TOTAL	589,000	5.3	101,000	2,914,000	4.3	402,000	3,300,000	4.1	432,000	6,803,000	4.3	935,000

Notes: Transvaal Mineral Resource estimate see ASX announcement 27 February 2020

EXPANSION DRILLING AT MT MARVEN SOUTH

The Company completed an infill RC drilling program to a spacing of 40m x 40m on the mineralised trend along strike from the recently completed Mt Marven open pit (see ASX announcement 21 May 2021).

Results confirmed the continuity of the high-grade mineralisation of the Mt Marven system 800m along strike to the south from the current Mineral Resource. Mineralisation remains open down dip and to the south, with key intercepts including:

- 5m @ 16.8g/t Au from 48m in 21MVRC0079
- 15m @ 1.7g/t Au from 0m in 20MVRC0061
- 4m @ 5.3g/t Au from 51m in 21MVRC0076
- 3m @ 6.9g/t Au from 82m in 20MVRC0068
- 6m @ 2.9g/t Au from 119m in 20MVRC0070
- 5m @ 3.2g/t Au from 91m in 20MVRC0060
- 12m @ 1.2g/t Au from 10m in 20MVRC0058
- 8m @ 1.7g/t Au from 21m in 20MVRC0067

Following completion of this program, Mineral Resource estimation activities are underway with mining studies to assess potential for inclusion into the Company's life-of-mine plan update.

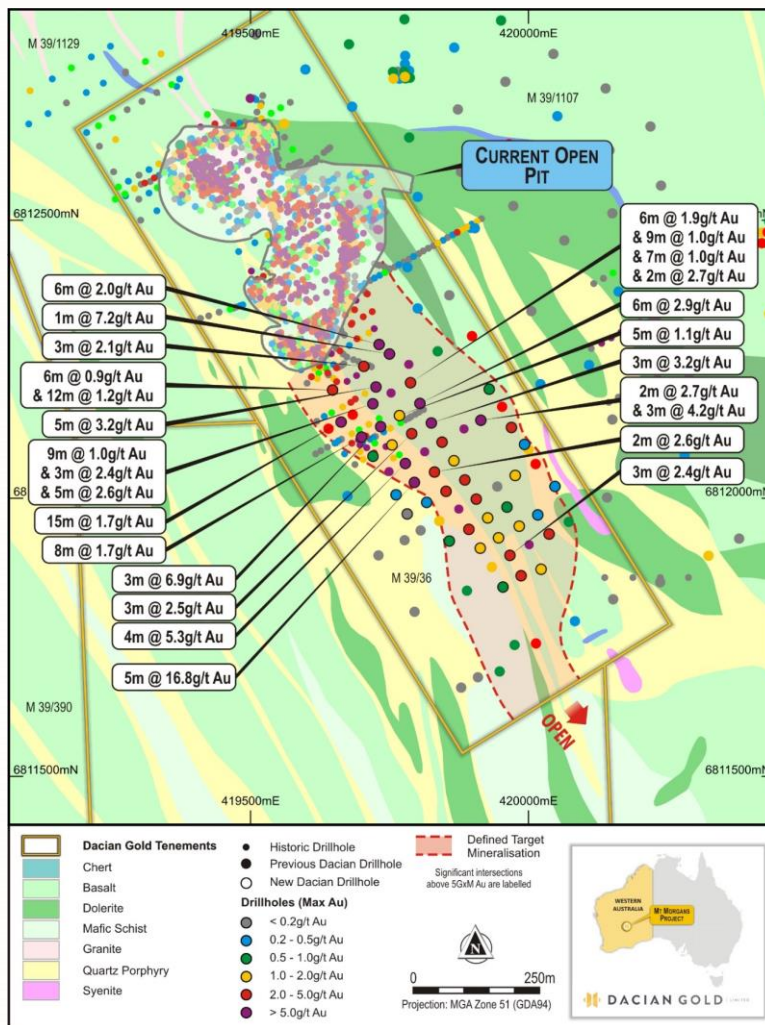


Figure 2: Mt Marven area showing the infill RC holes along strike to the south of the open pit

RESOURCE DEFINITION DRILLING AT GANYMEDE

During the quarter, the Company announced an additional 108 Reverse Circulation (RC) holes for 13,263m that will underpin the upcoming Mineral Resource estimate update for the Ganymede deposit (see ASX announcement 17 May 2021).

Mining studies are planned to follow for inclusion in an updated life-of-mine plan for the Laverton operations due in the September quarter.

Ganymede is a syenite hosted, structurally controlled gold deposit comparable to the Heffernans and Doublejay orebodies and is located adjacent to the Mt Morgans processing plant. The current Mineral Resource estimate (ASX release 27 February 2020) for Ganymede totals 2.7Mt at 1.1g/t Au for 93,000oz with the deposit not included in the current life-of-mine plan.

The RC drilling encountered numerous significant intersections that demonstrated strong continuity and widths, with key results including:

- 46m @ 1.8g/t Au from 142m in GAGC_400_0473
- 3m @ 19.2g/t Au from 10m in GAGC_400_0390
- 26m @ 2.1g/t Au from 218m in GAGC_EXT_0003
- 19m @ 1.3g/t Au from 82m in GAGC_EXT_0001
- 19m @ 1.3g/t Au from 120m in GAGC_EXT_0001
- 39m @ 1.3g/t Au from 147m in GAGC_EXT_0001
- 34m @ 1.2g/t Au from 24m in GAGC_400_0420
- 10m @ 3.8g/t Au from 20m in GAGC_400_0444
- 5m @ 7.2g/t Au from 12m in GAGC_400_0432

Ganymede remains open to the south and at depth with a new mineralised zone intersected below known mineralisation as identified in holes GAGC_400_0473, GAGC_EXT_0001, and GAGC_EXT_0003.

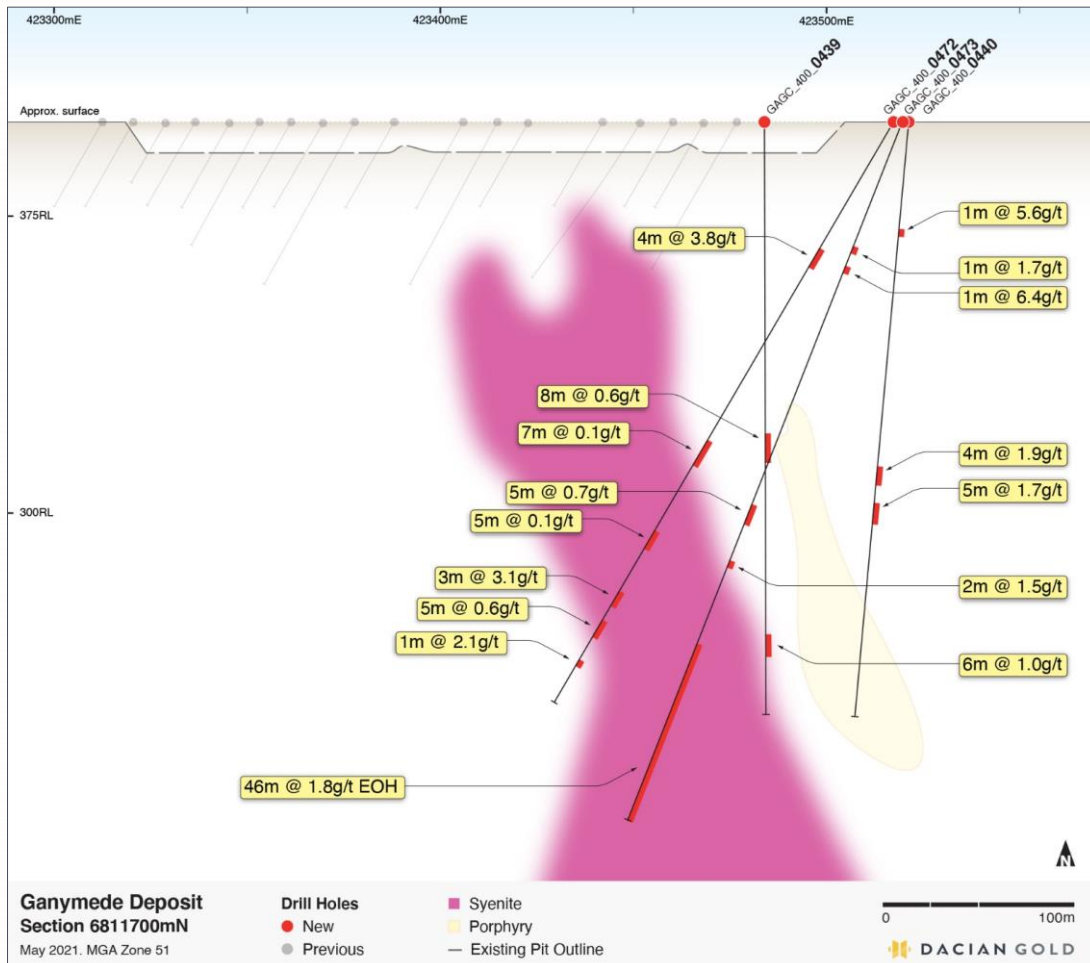


Figure 3: Cross section facing north through the Ganymede syenite along 6811700 northing

CORPORATE & FINANCE

As at 30 June 2021, the Company had total cash and unsold gold on hand of \$41.8M (including proceeds from the first tranche of the placement only). The Company repaid \$5.2M in debt during the quarter, reducing the Company's project loan facility balance to \$16.2M.

Table 5 below summarises the Company's cash, gold-on-hand and debt position.

Table 5: Net cash analysis

Key Cash/Debt Statistics	Unit	30 June 2021	31 March 2021
Cash	\$M	35.9	24.3
Gold-on-Hand	oz	2,507	1,798
Gold-on-Hand	\$M	5.9	4.0
Total Cash and Gold	\$M	41.8	28.3
Debt	\$M	(16.2)	(21.4)
Net Cash	\$M	25.6	6.9

Figure 4 below summarises the cash movements for the quarter. Total cash and gold-on-hand increased from 31 March, reflecting the \$26.3M first tranche placement funds (net of costs), and after \$5.2M in debt repayments, \$6.4M invested in exploration and growth, \$4.4M TSF lift and \$8.5M Doublejay open pit development capital expenditure.

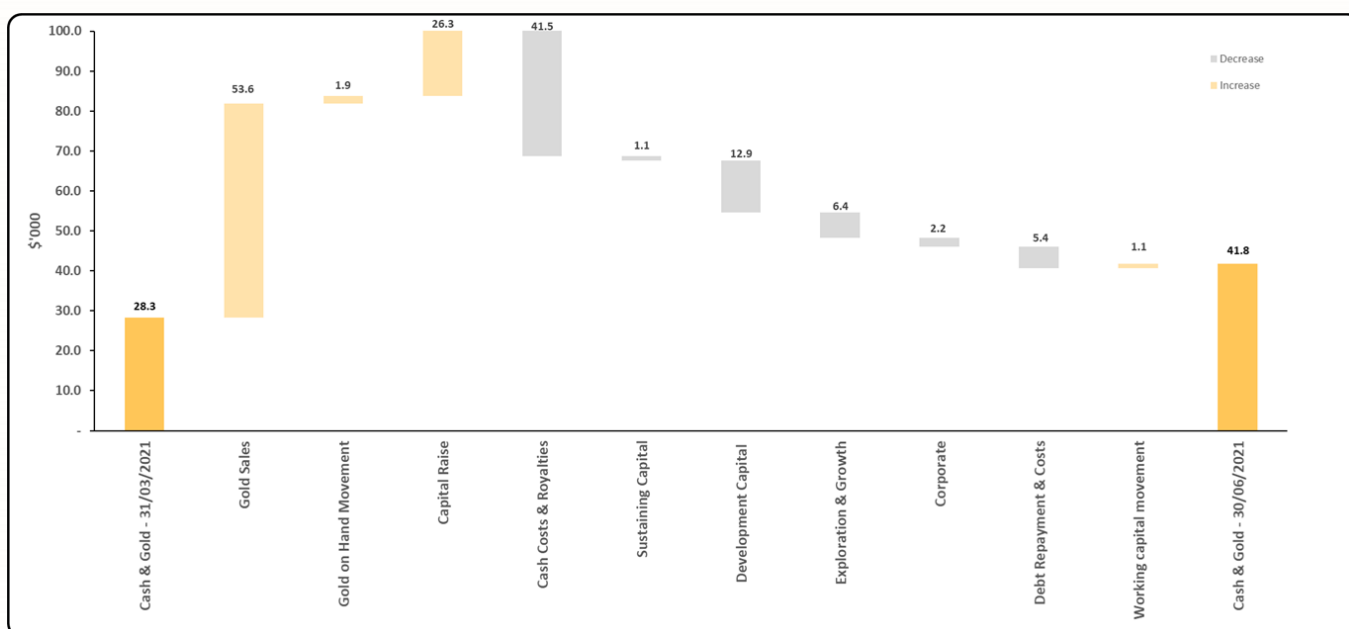


Figure 4: June quarter cash movements

A summary of the key cash costs, AISC and other statistics for the quarter are in Table 6 below.

Table 6: Key cash cost, AISC and other costs for the June quarter (accrual basis)

Key Cost Statistics	\$M	\$/t milled	\$/oz
Mining	22.1	28.9	865
Processing	12.2	16.0	478
Site Administration	1.9	2.5	74
Silver Credits	(0.1)	(0.2)	(6)
Inventory Movement	3.7	4.8	144
Cash Cost¹	39.8	52.0	1,555
Royalties	1.5	2.0	59
Sustaining Capital	1.1	1.5	44
Corporate	2.2	2.8	85
AISC²	44.6	58.3	1,742
Development Capital ³	12.9		
Exploration & Growth	6.4		

1. Cash cost represents 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. All in Sustaining Cost (AISC) is made up of the Cash Cost plus royalty expense, corporate expenditure and sustaining capital.
3. Development capital comprises \$8.5M Doublejay open pit development and TSF cell 1 lift.

Gold sold in the quarter was 24,542oz at an average realised price of \$2,177/oz. A total of 14,082oz was delivered into hedge commitments, with the remaining sold at spot.

At 30 June 2021 the Company's hedging obligations reduced to 27,324 oz at a weighted average price of \$2,238/oz.

Table 7: Summary of total outstanding hedge commitments at 30 June 2021

Period	Sep Q	Dec Q	TOTAL
Forward Sales (oz)	13,119	14,205	27,324
Hedged Price (A\$/oz)	\$2,240	\$2,237	\$2,238

\$40 MILLION PLACEMENT AND \$3.7 MILLION SHARE PURCHASE PLAN

On 26 May, the Company announced a \$40M two-tranche placement and \$3.7M share purchase plan with the proceeds from the placement to be used to:

- Accelerate a significant drill program across Mt Morgans and Redcliffe, predominantly targeting new, base load opportunities
- Advance the high-grade Redcliffe deposits into production
- Re-starting underground production from the Greater Westralia Mining Area
- Fund general working capital

The second tranche was approved by shareholders at an extraordinary general meeting on 9 July 2021 with proceeds from the second tranche now received.

During the quarter, Dacian's Non-Executive Chairman Ian Cochrane resigned from the Board of Directors due to health reasons. The current Board of Dacian Gold comprises of Robert Reynolds as Non-Executive Chairman, Leigh Junk as Managing Director and CEO, and Eduard Eshuys as Non-Executive Director.

- 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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COMPETENT PERSON STATEMENT

The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant ASX releases and the form and context of the announcements has not materially changed.

Where the Company refers to Mineral Resources in this announcement (referencing previous releases made to the ASX), it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the Mineral Resource estimate 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.