

QUARTERLY ACTIVITIES REPORT

March 2022

ASX RELEASE

29 April 2022

Issued Capital as at 31 March 2022

1,085.1M shares outstanding

Market Capitalisation as at 31 March 2022

\$238.7M @ \$0.22 per share

BOARD

Mick Wilkes
Non-Executive Chair

Leigh Junk
Managing Director

Eduard Eshuys
Non-Executive Director

SUBSTANTIAL SHAREHOLDERS

as at 31 March 2022

Perennial (8.2%)
DGO Gold (6.8%)
Paradice (6.7%)

REGISTERED OFFICE

Level 19, 58 Mounts Bay Road
Perth WA 6000
Australia

Production up 37% from the December Quarter

Operations & Development

- March quarter production of 23,608oz at an AISC of \$2,008/oz
- Development capital of \$14.0M, with \$6.3M in Doublejay 14 pre-stripping activities, \$0.9M on Redcliffe project and \$6.1M on exploration
- Redcliffe project development on track for commencement of production mid-year, pending approvals; maiden Ore Reserve for Hub and GTS released during quarter
- FY2022 guidance for the June quarter is 37,000-40,000oz, with full year guidance of 93,000-97,000oz at AISC of \$1,850-\$1,950/oz

Exploration & Growth

- Jupiter extension drill program confirms mineralisation of significant width and scale associated with the Syenite intrusive system below the open pits, with key intercepts below Doublejay of:
 - 202.2m @ 1.2g/t from 799.0m, including:
 - 25.5m @ 2.1g/t
 - 9.9m @ 3.9g/t
 - 8.8m @ 3.4g/t
 - 41.5m @ 2.1g/t from 667.3m
 - 55.2m @ 0.9g/t from 548.3m

- Phase 2 Jupiter program initiated targeting mineralisation 400m from surface across the 2km strike extent
- Total exploration and growth drilling of 22,253m was completed during the quarter

Corporate & Finance

- Cash and gold on hand at 31 March 2022 of \$24.1M, with total debt of \$14.8M
- Total forward hedge position was 25,100oz at an average gold price of \$2,528/oz

Dacian Gold Limited (Dacian Gold or the Company) (ASX: DCN) provides its operating and financial results for the quarter ending 31 March 2022.

Managing Director, Leigh Junk, commented: “Mining at the Doublejay open pit advanced on schedule, providing access to the thick, higher-grade ore zone in March as planned. This strong performance underpins the forecast increase in gold production for the remainder of FY2022, along with improving stoping rates from the undergrounds. In parallel, the Redcliffe project development continued to build momentum and we look forward to receiving approval of the mining proposal ahead of commencement of mining by mid-2022.”

OPERATIONS & DEVELOPMENT

OVERVIEW

The Company is pleased to advise its 12-month rolling Total Recordable Injury Frequency Rate (TRIFR) has continued to fall, and now stands at 6.6 at the end of the quarter (31 December 2021: 7.7).

The Mt Morgans Gold Operation (MMGO) recovered 23,608oz during the March quarter up 37% on December 2021 quarter, at an All In Sustaining Cost (AISC) of \$2,008/oz.

The open pit production performed strongly, with the scheduled thick ore zones from the Doublejay 07 reached in late February and is forecast to increase for the remainder of FY2022, in conjunction with an increase in underground ore production.

While the Company’s management of Covid-19 at its operation has resulted in minimal on-site transmission, with measures put in place helping to mitigate the risks associated with Covid-19, the ongoing impact on supply chains and skilled labour shortage continues to challenge the Company’s operations and cost base. In particular, the Company has identified risk in achieving its planned underground stoping and development targets. Extraction of some stopes previously planned for June will now fall into the month of July.

Guidance for the June quarter is 37,000-40,000oz being a 60-70% increase from the March quarter, with full year guidance of 93,000-97,000oz at AISC of \$1,850-\$1,950/oz.

OPEN PIT

A total of 745,740t @ 1.06g/t Au containing 25,378oz was mined from the Doublejay and Heffernans open pits at Jupiter during the March quarter, with 653,541t @ 1.13g/t Au containing 23,677oz delivered to the processing plant ROM pad for treatment (see Table 1).

A total of 1.34M bcm of material was mined from open pits during the quarter.

Table 1: Key open pit statistics

Key Open Pit Statistics	Unit	Mar 22 Q	Dec 21 Q
Ore Mined – to ROM	t	653,541	401,226
Mined Grade	g/t Au	1.13	0.92
Contained Gold Mined	oz	23,677	11,903
Ore Mined – to Stockpile	t	92,199	170,917
Mined Grade	g/t Au	0.57	0.53
Contained Gold Mined	oz	1,701	2,908
Ore Mined – Total	t	745,740	572,143
Mined Grade	g/t Au	1.06	0.81
Contained Gold Mined	oz	25,378	14,811
Waste Mined	t	2,920,024	4,296,438
Total Material Mined	t	3,665,764	4,868,580
Total Material Mined	bcm	1,343,551	1,890,278
Open Pit Mining Cost	\$/t	6.15	6.05

A total of 6,980m of RC grade control drilling was completed during the quarter across the open pits.

UNDERGROUND

The Westralia underground mined 30,092t @ 3.5g/t Au for 3,346 contained ounces (see Table 2).

Ore was produced from development activities at both the Beresford and Allanson mine areas and stoping at Beresford, with stoping contributing approximately 20% of the mined ore tonnes.

The Company anticipates its stoping activities to increase for the remainder of the June quarter.

Table 2: Key underground statistics

Key Underground Statistics	Unit	Mar 22 Q	Dec 21 Q
Stope Ore Mined	t	6,189	11,863
Development Ore Mined	t	23,904	10,141
Total Ore Mined	t	30,092	22,004
Mined Ore Grade	g/t	3.46	4.19
Contained Gold Mined	oz	3,346	2,962
Metres Developed – Capital	m	533.4	517.5
Metres Developed – Operating	m	472.8	471.0
Total Development	m	1,006.2	988.5

PROCESSING

A total of 741,991t of ore was milled during the quarter at an average feed grade of 1.08g/t Au containing 25,645oz (see Table 3).

A total of 23,608oz was recovered for the quarter at a plant recovery of 92.1%.

Table 3: Key processing statistics

Key Processing Statistics	Unit	Mar 22 Q	Dec 21 Q
Ore Milled	t	741,991	705,089
Processed Grade	g/t Au	1.08	0.83
Contained Gold	oz	25,645	18,830
Gold Recovery	%	92.1	91.3
Processing Cost	\$/t	20.79	22.69
G&A Cost	\$/t	2.74	2.28
Gold Recovered	oz	23,608	17,200
Gold Sold	oz	22,410	15,807
Gold-on-Hand	oz	1,839	1,324
Average Sale Price	A\$/oz	2,505	2,276

REDCLIFFE PROJECT

The Company is currently progressing the Hub and GTS open pits into production, with mining planned to commence mid-year 2022, pending approval of the mining proposal. Mined ore will be hauled by road trains to the existing processing plant at MMGO.

The initial plan for development contemplates open pits at Hub and GTS, and the construction of site infrastructure to support the mining operation. Studies on Nambi and Redcliffe open pit deposits and Hub underground continue to advance.

On 16 February 2022 the Company announced a maiden Ore Reserve estimate for Hub and GTS, shown in Table 4.

Ore Reserves were estimated using A\$2,100/oz gold price with total reserves of 490,000t @ 3.2g/t for 51,000 contained ounces, an increase of 13% to the Company's previously reported Ore Reserve estimate as at 30 June 2021.

Table 4: Total Redcliffe Ore Reserve Estimate

Area	Deposit	Cut-off Grade	Proved			Probable			Total		
		Au g/t	Tonnes t	Au g/t	Au Oz	Tonnes t	Au g/t	Au Oz	Tonnes t	Au g/t	Au Oz
Redcliffe	Hub	0.7				135,000	4.6	20,000	135,000	4.6	20,000
	GTS	**0.8/0.9/1.0				355,000	2.7	30,600	355,000	2.7	31,000
	Total					490,000	3.2	50,600	490,000	3.2	51,000

**Oxide, transitional and fresh ore respectively.

Further resource definition drilling was completed across the Hub, GTS and Nambi deposits during the quarter. These drilling results will be modelled to update the Mineral Resource and Ore Reserve estimates across the three deposits.

Recruitment for the site team is advanced. Grade control drilling of the Hub pits is underway and due to be completed by the end of April, before moving to the GTS deposit.

All key infrastructure has been quoted with final commercial agreements being advanced and purchasing commenced. Haulage arrangements have been tendered with assessment underway to be awarded early May 2022.

A letter of intent has been awarded to the key mining services contractor with mobilisation to site pending receipt of the final mining approval, anticipated during the June quarter. The mining contractor has commenced pre-work for mobilisation and site establishment.

The project remains on track to deliver first ore to the Mt Morgans processing plant early in FY2023 following approval of the mining proposal.

EXPLORATION & GROWTH

During the quarter, the Company invested \$6.1M in exploration and growth activities up from \$3.9M in the December quarter reflecting an acceleration of inground activity following completion of initial baseload targeting work.

A total of 14,631m was drilled across key targets, principally, the Jupiter extension program (3,747m of diamond drilling) and Cameron Well (2,807m of diamond drilling and 954m of RC drilling), with 3,147m of RC drilling at the Nambi deposit at the Redcliffe project. A further 7,622m of resource definition drilling was conducted at Mt Morgans (3,578m underground diamond drilling at Westralia and 4,044m of RC drilling at the base of the Heffernans open pit).

JUPITER EXTENSION

During the quarter the Company continued the extension drilling program at the Jupiter mining complex below the Heffernans and Doublejay open pits, intersecting significant mineralisation within the syenite intrusive system (see ASX announcements 7 March and 4 April 2022).

Drilling below the Heffernans open pit intersected a significant intercept of:

- 55.1m @ 1.6g/t from 496.7m including 10.6m @ 6.9g/t

Drilling below the Doublejay open pit intersected the following significant intercept of:

- 202.2m @ 1.2g/t from 799.0m, including:
 - 25.5m @ 2.1g/t
 - 9.9m @ 3.9g/t
 - 8.8m @ 3.4g/t
- 41.5m @ 2.1g/t from 667.3m
- 55.2m @ 0.9g/t from 548.3m

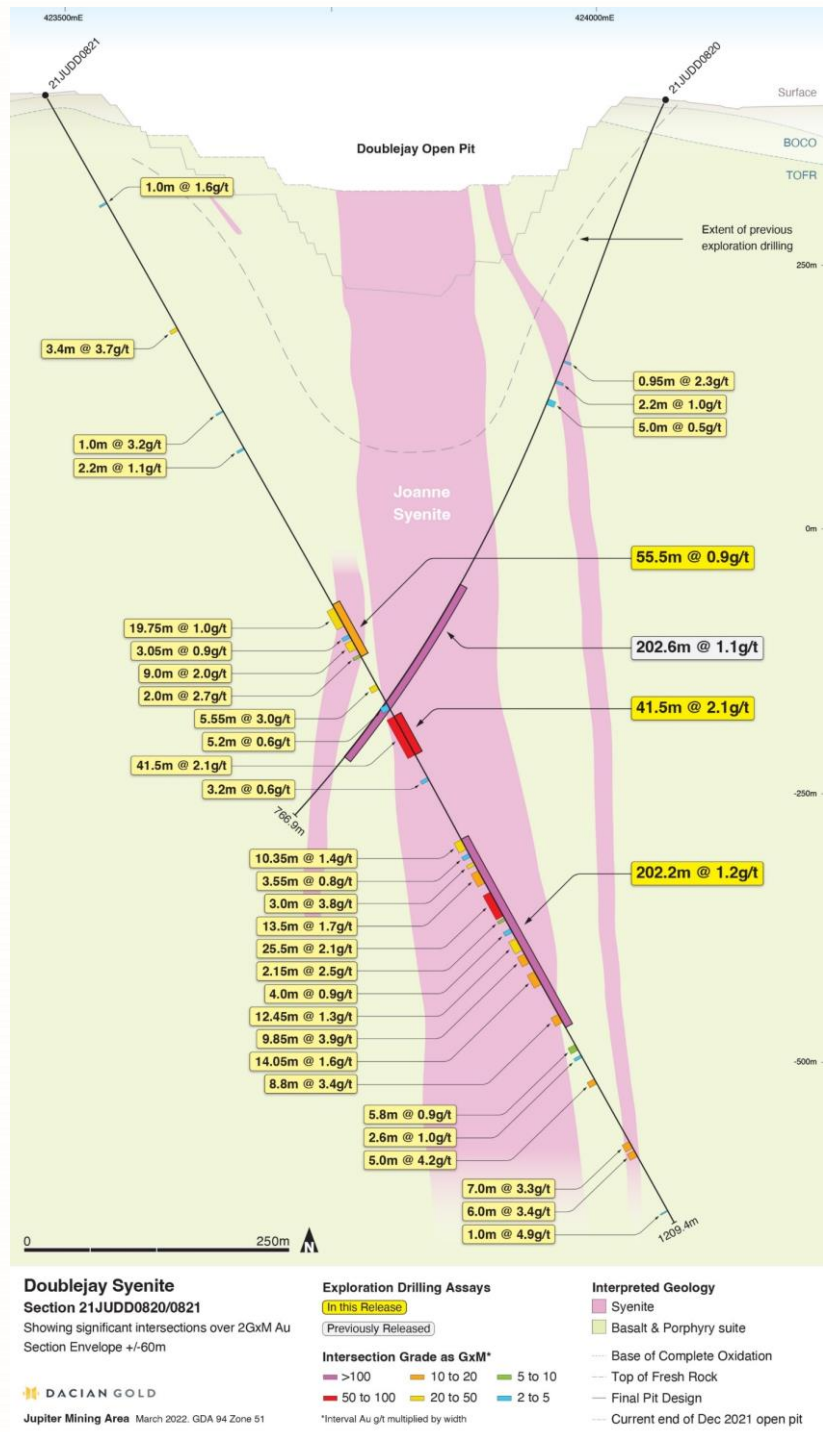


Figure 1: Section view of Doublejay syenite with schematic section at 6813100mN with +/-40m width

The Jupiter syenite intrusive complex spans approximately 2km with variable widths ranging between 50m to 300m. The complex consists of an extensive syenite intrusive system with several identified pipes and linking dykes beneath and between the Heffernans, Doublejay and Ganymede open pits.

Through its targeting generation and development work, the Company has proven its syenite systems are capable of hosting deposits of significant scale. In the second half of CY2021, the Company commenced an initial program targeting its known syenite pipes below the Jupiter mining complex.

The Company’s initial program and planned subsequent program can be summarised as follows:

- **Phase 1:** Proof of concept for the potential of Jupiter to host mineralisation of significant scale.
- **Phase 2:** Drilling program to target potential bulk extractable mineralisation to ~400m from surface across the entire length of the Jupiter complex, as shown in Figure 2 below.
- **Phase 3:** Mineral Resource estimation and conceptual mining studies for potential expansion of large-scale mining operations.

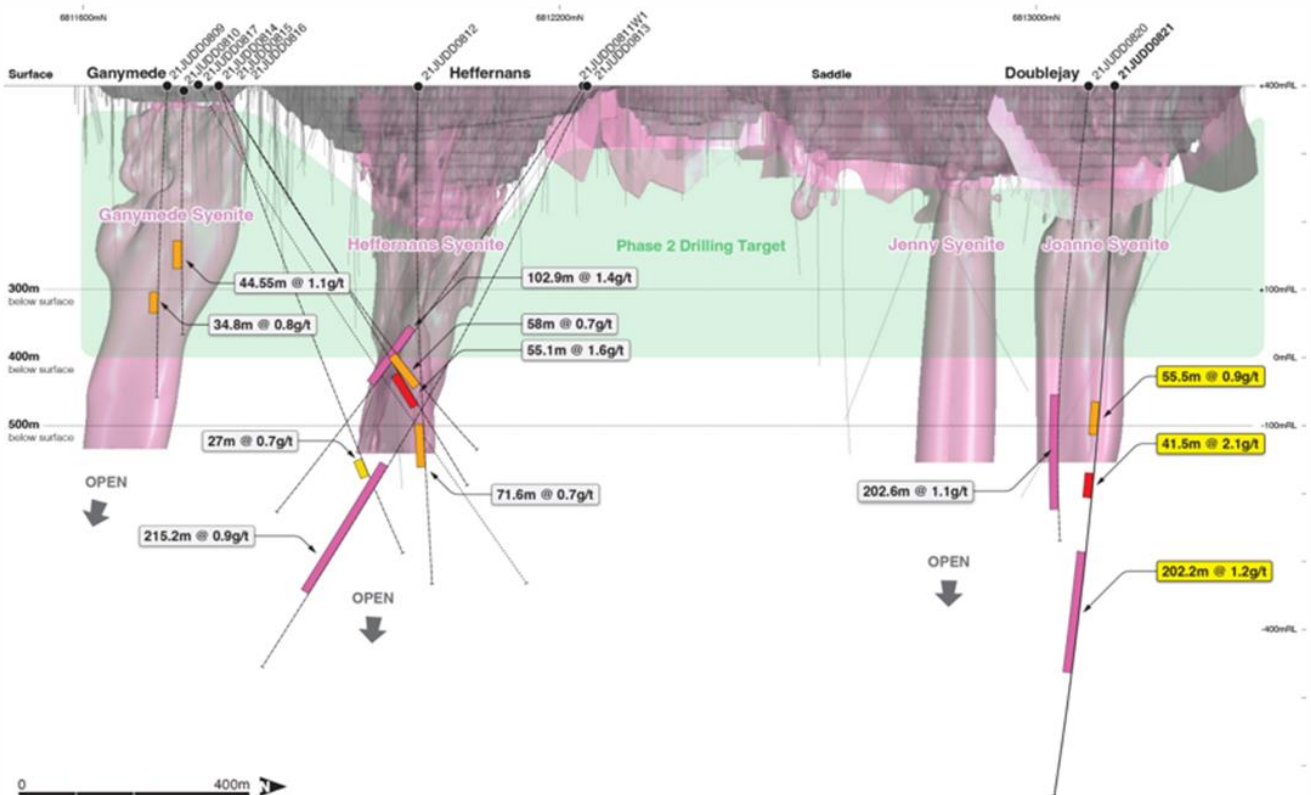


Figure 2: Long section view facing west of the Jupiter syenite complex with the current final pit design

An initial resource definition drilling campaign from the base of the Heffernans open pit commenced in January to target the mineralisation to a depth of 400m from surface. The Heffernans drilling was completed in March, with results expected in the June quarter.

Drill rigs from Cameron Well are being remobilised to Jupiter to complete phase 2 drilling between Heffernans and Doublejay.

CAMERON WELL

During the quarter, the Company completed further drill testing of targets in the Cameron Well focussing on the structural intersection between Piccolo Star and the Mt Marven Shear Zone (MMSZ). Results from this drilling will be received and reported in the June quarter.

CORPORATE & FINANCE

As at 31 March 2022, the Company had total cash and unsold gold on hand of \$24.1M after the scheduled \$1.25M debt repayment.

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

Table 5: Net cash analysis

Key Cash/Debt Statistics	Unit	31 Mar 22	31 Dec 21
Cash	\$M	19.6	26.9
Gold-on-Hand	oz	1,839	1,324
Gold-on-Hand	\$M	4.5	3.3
Total Cash and Gold	\$M	24.1	30.2
Debt	\$M	(14.8)	(16.0)
Net Cash	\$M	9.3	14.2

Figure 3 below summarises the cash movements for the quarter. Total cash and gold-on-hand decreased \$6.1M from 31 December after the \$1.2M debt repayment, investing \$6.1M in exploration and \$6.3M on development capital for Doublejay open pit pre-stripping and \$0.3M Redcliffe development.

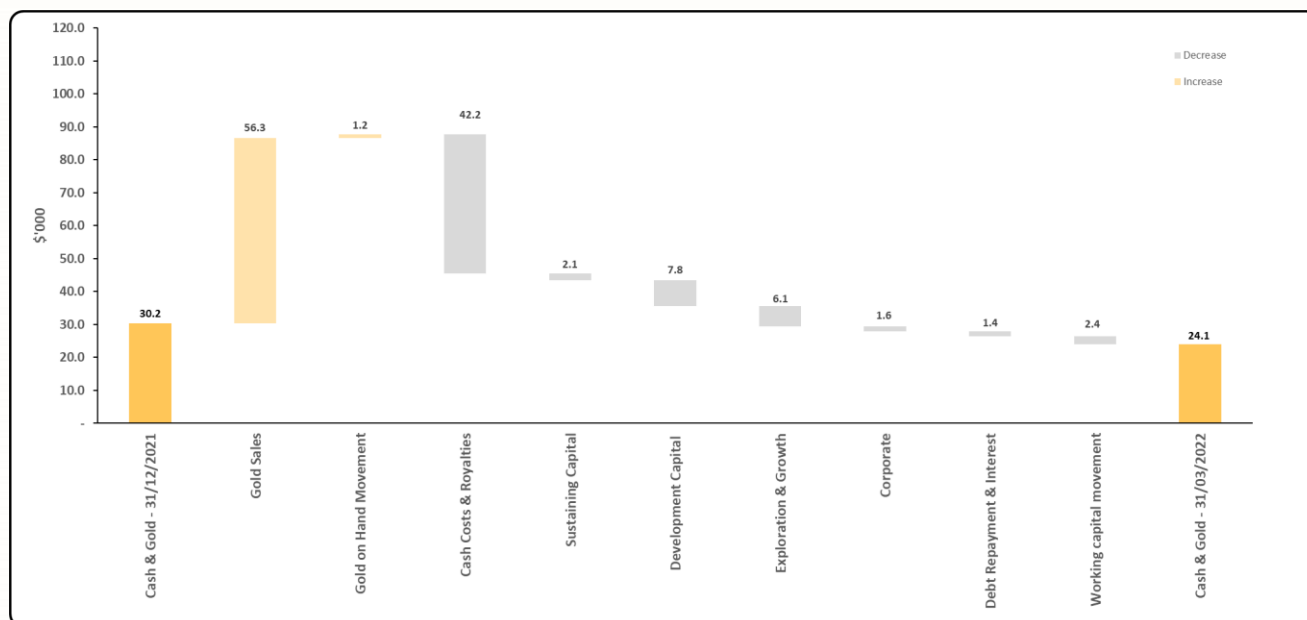


Figure 3: March quarter cash movements

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 March quarter

Key Cost Statistics	\$M	\$/t milled	\$/oz
Mining	25.3	34.1	1,071
Processing	15.4	20.8	654
Site Administration	2.1	2.7	86
Silver Credits	(0.1)	(0.1)	(4)
Inventory Movement	(0.5)	(0.6)	(19)
Cash Cost¹	42.2	56.9	1,788
Royalties	1.5	2.0	62
Sustaining Capital	2.1	2.8	89
Corporate	1.6	2.2	69
AISC²	47.4	63.9	2,008
Development Capital ³	7.8		
Exploration & Growth	6.1		

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 Doublejay open pit, TSF lift, and Redcliffe development.

Gold sold in the quarter was 22,410oz at an average realised price of \$2,505/oz. A total of 10,050oz was delivered into hedge contracts with the remaining sold at spot prices.

At 31 March 2022 the Company's hedging was 25,100oz at a weighted average price of \$2,528/oz.

Table 7: Summary of total hedge contracts at 31 March 2022

Period (CY 2022)	June Q	Sept Q	Dec Q	TOTAL
Forward Sales (oz)	14,600	7,500	3,000	25,100
Hedged Price (A\$/oz)	\$2,429	\$2,610	\$2,809	\$2,528

- ENDS -

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

For further information please contact:

Leigh Junk Managing Director Dacian Gold Limited +61 8 6323 9000 info@daciangold.com.au	Phil Russo General Manager – Corporate Development Dacian Gold Limited +61 8 6323 9000 info@daciangold.com.au
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OTHER INFORMATION

Where the Company refers to the Exploration Results, Mineral Resources and Ore Reserves, referencing previous releases made to the ASX, it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the Exploration Results, Mineral Resources and Ore Reserve estimates with that announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not materially changed from the original announcement.