

QUARTERLY ACTIVITIES REPORT

March 2023

March Quarter

ASX RELEASE

27 April 2023

Issued Capital as at

31 March 2023

1,216.8M shares outstanding

Market Capitalisation as at

31 March 2023

\$94.9M @\$0.078 per share

BOARD

Craig McGown
Non-Executive & Independent Chair

Sue-Ann Higgins
Non-Executive & Independent Director

Morgan Ball
Non-Executive Director

Lee Stephens
Non-Executive Director

Gerry Kaczmarek
Non-Executive Director

SUBSTANTIAL SHAREHOLDERS

as at 31 March 2023

Genesis Minerals Limited	80.1%
Delphi	10.6%

REGISTERED OFFICE

Level 19, 58 Mounts Bay Road
Perth WA 6000
Australia

Operations

- Production of 9,197 ounces at an AISC of A\$2,452/oz
- Operations at Mt Morgans now suspended with mill being placed into care and maintenance

Exploration & Growth

- Updated Jupiter Mineral Resource Estimate of 24Mt at 1.1g/t for 830koz¹
- Exploration pivots to advanced exploration targets with the potential to deliver the next generation of large-scale gold mineral deposits
- Exploration targets being prioritised for advanced studies and testing during FY24

Corporate & Finance

- Cash and gold on hand at 31 March 2023 of \$37.8 million, before creditor and other commitments
- Final debt repayment made during quarter
- Genesis Minerals Limited (Genesis) (ASX – GMD) takeover offer closed 20 February 2023 with Genesis controlling 80.08% of the Company.

¹ASX Release titled "Updated Jupiter Mineral Resource Estimate" dated 30 March 2023

Dacian Gold Limited (Dacian or the Company) (ASX: DCN) provides its operating and financial results for the quarter ending 31 March 2023.

OPERATIONS & DEVELOPMENT

OVERVIEW

Given the challenges with winding down an operation it is pleasing to report there have been no lost time or restricted work injuries during the quarter.

The Mt Morgans Gold Operation (MMGO) recovered 9,197 ounces during the March quarter at an All in Sustaining Cost (AISC) of A\$2,452/oz.

The March quarter saw increased utilisation of dump leach material with 366,359 tonnes of the processing feed drawn from this material, with the remaining 191,200 tonnes coming from other low-grade stockpiles.

PROCESSING

A total of 583,681 tonnes of ore was milled during the quarter, at an average feed grade of 0.61 g/t gold containing 11,429 ounces (see Table 1).

Plant throughput for the quarter was impacted by an unplanned shut required to conduct repairs on the mill lining system, which resulted in a 20% reduction of plant utilisation compared to the previous quarter. Optimisation of the blend grade on the restart limited the impact on total ounces produced by 5% compared to the previous quarter.

The grade result reflected the selection of a higher-grade portion from the top section of the dump leach material. Metallurgical recoveries trended lower over the quarter with an increased component of the total feed coming from the dump leach and treatment of a remaining parcel of Mt Marven low grade material. The processing of these stockpiles resulted in a reduced recovery for the quarter compared to the previous quarter, which had greater feed contribution of Jupiter low grade material.

A total of 9,197 ounces were recovered for the quarter at a recovery rate of 80.5%.

Table 1: Key processing statistics

Key Processing Statistics	Unit	Mar 23 Q	Dec 22 Q
Ore Milled	t	583,681	727,554
Processed Grade	g/t Au	0.61	0.60
Contained Gold	oz	11,429	13,995
Gold Recovery	%	80.5	86.0
Processing Cost	\$/t	30.03	25.27
G&A Cost	\$/t	2.80	2.45
Gold Recovered	oz	9,197	12,039
Gold Sold	oz	9,727	12,889
Gold-on-Hand	oz	959	1,512
Average Sale Price	A\$/oz	2,763	2,667

CARE AND MAINTENANCE

At the end of March, operations at the Mt Morgans mill were suspended and work advanced on placing the mill into care and maintenance. Final gold recovery will be completed over coming weeks.

Sufficient power will be maintained to the operations to facilitate, amongst other functions, lighting and security arrangements, maintenance of major components in a semi ready state to maximise the potential for a near term restart. The reduction of staffing commenced in March and will be completed in the June quarter as the transition to care and maintenance is completed.

REDCLIFFE DEVELOPMENT

The Company continues to progress approval conditions and is exploring processing alternatives closer to the Redcliffe project site.

EXPLORATION & GROWTH

During the quarter, the Company invested \$2.1 million in exploration and growth activities, with the primary focus being at the Jupiter and Mt Marven deposits. Drilling activities at both these projects was completed during the quarter.

At Mount Morgans, a total of 2,092m was drilled across the exploration and growth projects during the quarter. The Jupiter Phase 2 extension program was completed in January with the final 228m of in-pit drilling closing out the program. A reverse circulation resource definition drilling program was completed at the Mt Marven deposit, where a total of 1,864m was drilled, aimed at providing improved geological control on the mineralised lodes within the existing Mineral Resource estimate.

At the Southern tenements targets, interpretation of geophysical data was refined at 1:25,000 scale, with the results submitted for geomechanical modelling. Final data was received from infill soil geochemical sampling and analysed. This data resulted in the design of a first pass air core drilling program designed to test prospective targets identified in the datasets in FY23 Q4.

At Redcliffe, an audit of the geophysical data was conducted, which focused on the completeness and quality of data. The results of this audit will be assessed and may result in additional geophysical data acquisition and data processing as a cornerstone of future generative exploration work over Redcliffe.

Exploration planning continued to investigate previously identified sources of water that have the potential to provide water for the future re-start of the Mt Morgans Mill.

JUPITER MINERAL RESOURCE ESTIMATE UPDATE

On 30 March 2023 the Company released its Updated Jupiter Mineral Resources Estimate¹ of 24Mt @ 1.1g/t for 830koz, up 133% from the 30 June 2022 MRE of 355 koz. The update was reported within an A\$2,400/oz optimised pit shell, and above a 0.5 g/t cut-off grade, consistent with the Mineral Resource estimate of 30 June 2022. Importantly the update included a measured and indicated mineral resource of 390koz providing the focus for an ore reserve estimate for the June quarter as a cornerstone for re-start of operations at Mt Morgan.

¹ ASX release titled "Updated Jupiter Mineral Resource Estimate" dated 30 March 2023

Table 2: Jupiter Mineral Resource estimate by prospect reported above a lower cut-off of 0.5 g/t Au and above a A\$2400 pit optimisation shell defining “Reasonable prospect for eventual economic extraction” (RPEEE)

Prospect	Measured			Indicated			Inferred			Total Mineral Resource		
	Tonnes (kt)	Au g/t	Au Oz	Tonnes (kt)	Au g/t	Au Oz	Tonnes (kt)	Au g/t	Au Oz	Tonnes (kt)	Au g/t	Au Oz
Doublejay	625	1.2	24,000	8,400	1.1	288,000	7,500	1.1	265,000	16,500	1.1	577,000
Heffernans				1,600	1.1	55,000	3,600	1.2	132,000	5,200	1.1	187,000
Ganymede				900	0.8	24,000	1,500	0.9	42,000	2,400	0.9	66,000
TOTAL	625	1.2	24,000	10,900	1.0	366,000	12,600	1.1	439,000	24,100	1.1	830,000

Note: RPEEE pit optimisation parameters are detailed within the document.
Rounding of figures has caused total imbalances

EXPLORATION TARGETING

With Jupiter extension drilling complete the exploration focus turns to generative exploration. Advanced target areas are being assessed for drilling at the Mt Morgans project during FY24.

During FY23, geophysical data auditing and acquisition, followed by reprocessing of new and existing data was undertaken over MMGO regional and the Southern Tenements target area. Subsequent data interpretation resulted in a refined structural deformation framework being developed over the Southern Tenements at a 1:25,000 scale. Geochemical multi element sampling and processing was completed over the prospective areas, providing anomalous geochemical results co-incident with structurally prospective targets identified from geophysical interpretation. Finally, geomechanical modelling was completed, with the results informing planning of a first pass aircore drilling program to be conducted in Q4 FY23.

Evaluation of the Maritiema target has commenced with geophysical interpretation and soil geochemical sampling and processing underway. The Company is focusing on advancing this target to drill testing during FY24.

CORPORATE & FINANCE

The Genesis takeover offer (**Offer**) announced 5 July 2022 closed 20 February with Genesis controlling 80.08% of the fully paid-up ordinary shares of the Company.

Employee redundancies commenced in February and March following moving Mt Morgans into care and maintenance. This process will continue during Q4 with a reduction of overhead costs moving forward.

During the quarter the Company made the final debt facility repayment extinguishing bank security over Dacian’s assets.

At 31 March 2023, the Company had total cash and unsold gold on hand of \$37.8 million, before creditor and accruals of approximately \$13.4 million (31 Dec 22: \$19.8 million).

The table below summarises the Company’s cash, gold-on-hand and debt position.

Table 3: Net cash analysis

Key Cash/Debt Statistics	Unit	31 Mar 23	31 Dec 22
Cash	\$M	34.9	40.0
Gold-on-Hand	oz	959	1,512
Gold-on-Hand	\$M	2.9	4.0
Total Cash and Gold	\$M	37.8	44.0
Debt ¹	\$M	-	(0.2)
Cash after debt²	\$M	37.8	43.8

1 – excluding lease commitments

2 – before creditor and accruals

The figure below summarises the cash movements for the quarter.

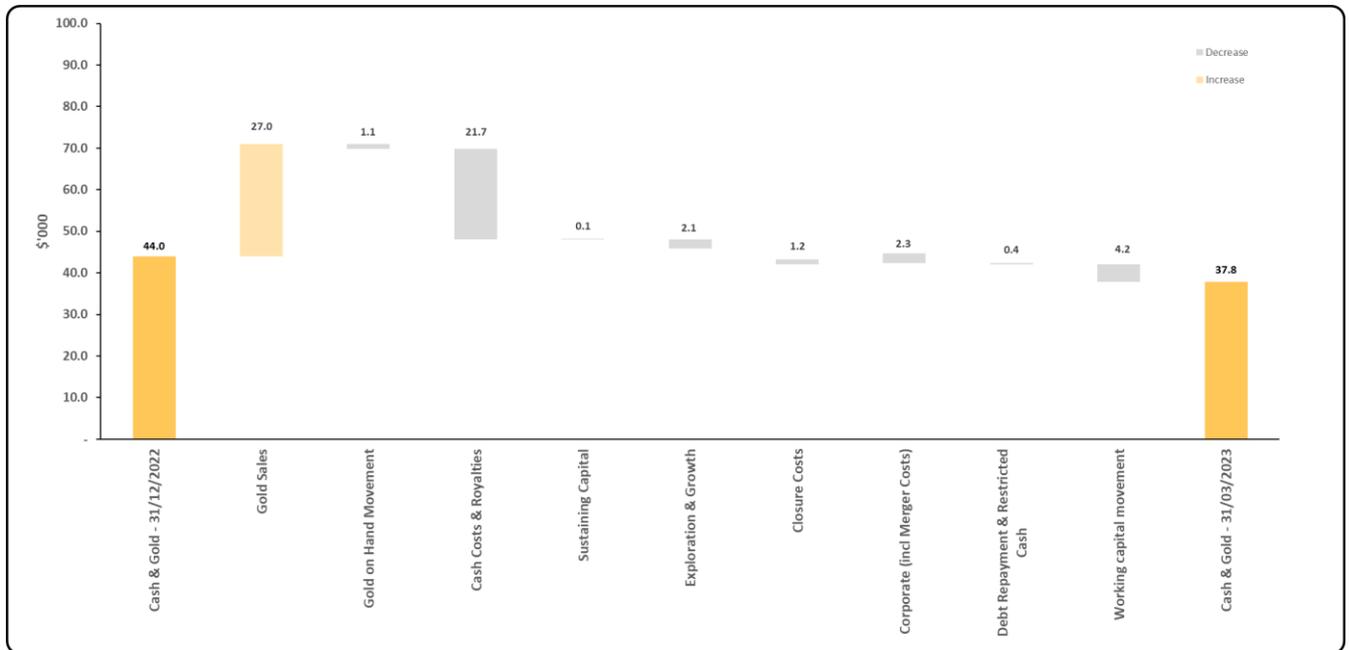


Figure 1: March quarter cash movements

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

Table 4: Key cash cost, AISC and other costs for the March quarter

Key Cost Statistics	\$M	\$/t milled	\$/oz
Mining and LG Haulage	1.8	3.0	192
Processing	17.5	30.0	1,906
Site Administration	1.6	2.8	178
Silver Credits	(0.1)	(0.1)	(6)
Inventory Movement	0.2	0.3	17
Cash Cost¹	21.0	36.0	2,287
Royalties	0.7	1.2	76
Sustaining Capital	0.1	0.1	9
Corporate	0.7	1.3	80
AISC²	22.5	38.6	2,452
Exploration & Growth	2.1		

1. Cash cost represent the cost of mining, processing, and administration after accounting for inventory movements. It includes net proceeds from silver by-product credits, but excludes cost of royalties, capital costs, growth expenditure, and non-cash movements.
2. AISC is made up of the Cash Cost plus royalty expense, corporate expenditure (but excludes \$1.5 million of one off merger costs) and sustaining capital. For the March quarter \$1.2 million of closure costs were excluded from the AISC calculations.

Gold sold in the quarter was 9,727 ounces, at an average realised spot price of \$2,763/oz.

During the quarter Genesis and Dacian shared resources to reduce outflows and extract group synergies. For the period Dacian invoiced Genesis \$522,985 and Genesis invoiced Dacian \$89,818 for these arrangements. Dacian employees will continue to transition to Genesis during the final quarter of FY23 to facilitate further integration and sharing of overhead. This will result in further reduction of the Dacian corporate overhead.

- ENDS -

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

For further information please contact:

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OTHER INFORMATION

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