

QUARTERLY ACTIVITIES REPORT

September 2023



SEPTEMBER 2023 QUARTERLY ACTIVITIES REPORT

ASX RELEASE

26 October 2023

Issued Capital as at

25 October 2023

1,216.8M shares outstanding

Market Capitalisation as at

25 October 2023

\$346.8M @ \$0.285 per share

BOARD

Craig McGown

Non-Executive & Independent Chair

Sue-Ann Higgins

Non-Executive & Independent Director

Morgan Ball

Non-Executive Director

Gerry Kaczmarek

Non-Executive Director

Troy Irvin

Non-Executive Director

SUBSTANTIAL SHAREHOLDERS

as at 25 October 2023

Genesis Minerals Limited 94.53%

REGISTERED OFFICE

Level 7, 40 The Esplanade

Perth WA 6000

Australia

Operations

- No production during the quarter with the processing plant and associated infrastructure in care and maintenance

Project development

- Work continued on activities for a restart of production at Mt Morgans including mining studies, ore purchase/toll treating arrangements and expansion of water supply and tailings storage capacity
- During the quarter an access agreement was executed with the Department of Defence for the Redcliffe Project and Ministerial consent to mine received
- Final mining approvals have been received for the high-grade Hub open pit deposit, part of the Redcliffe Project
- Next steps at Redcliffe include planning of surface infrastructure and evaluation of processing options

Exploration & Growth

- Exploration continues to advance targets identified as having the potential to deliver the next generation of large-scale gold mineral deposits for advanced studies and testing during FY24

Finance

- Cash at 30 September 2023 of \$16.0 million, before creditor and other commitments

Genesis Minerals takeover offer

- Genesis Minerals Limited takeover offer for the remaining 20% of Dacian shares is declared best and final with acceptance of 94.53% at 25 October 2023
- Genesis intends to compulsorily acquire Dacian shares it does not already own

Dacian Non-Executive and Independent Chair Craig McGown said:

“Genesis’ offer, now best and final, provides Dacian shareholders with a significant premium, plus the opportunity to become shareholders in a Company with the management capability, financial flexibility and investor mandate to build a significant Australian gold business from the combined Dacian and Genesis assets.

“The Independent Board Committee of Dacian encourages all Dacian shareholders to accept Genesis offer without delay, in the absence of a superior proposal and subject to an Independent Expert concluding and continuing to conclude that the offer is fair and reasonable or not fair but reasonable.”

Dacian Gold Limited (Dacian or the Company) (ASX: DCN) provides its operating and financial results for the quarter ending 30 September 2023.

OPERATIONS & DEVELOPMENT

OVERVIEW

Care and Maintenance activities continued at Mt Morgans during the quarter.

Activities were focussed on process water supply design/approvals, ore purchase/toll treating arrangements. Several additional water supply options have been developed with the required approvals identified. Design work for the currently identified water resources are progressing. Design works for the additional tailings storage capacity have commenced with preferred locations identified.

Table 1: Key processing statistics

Key Processing Statistics	Unit	Sept 23 Q	Jun 23 Q
Ore Milled	t	-	-
Processed Grade	g/t Au	-	-
Contained Gold	oz	-	-
Gold Recovery	%	-	-
Processing Cost	\$/t	-	-
G&A Cost	\$/t	-	-
Gold Recovered	oz	-	-
Gold Sold	oz	-	2,039
Gold-on-Hand	oz	-	-
Average Sale Price	A\$/oz	-	2,990

REDCLIFFE DEVELOPMENT

Mertondale Station access agreement has been executed with the Department of Defence and Ministerial consent received for the Redcliffe Project.

EXPLORATION & GROWTH

During the quarter, the Company invested \$1.8 million in exploration and growth activities.

The exploration team reviewed existing exploration data to enable the assessment and ranking of all exploration targets over the Mt Morgans and Redcliffe tenure to identify those targets with the best possibility of exploration success. This exercise has identified the Maritiema, Jenkinson, and Celia targets at Mt Morgans and the Hub and Aliso/Canjada prospects at Redcliffe as worthy of focused exploration attention. Drill testing of targets is expected to commence in FY24.

At Redcliffe, an aeromagnetic survey was completed, with results currently being processed. This survey is expected to be 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.

CORPORATE & FINANCE

On 16 October 2023 a takeover offer from Genesis Minerals Limited for the remaining 20% of shares in Dacian that it does not already own was announced. On 20 October 2023 Genesis Minerals announced that the offer for Dacian was best and final with Genesis holding a relevant interest in 93.41% of Dacian and the right to compulsorily acquire the shares it does not already own. As at 25 October 2023 Genesis hold 94.53% of Dacian.

At 30 September 2023, the Company had total cash of \$16.0 million (30 June 2023: \$25.4 million), before creditor and accruals of approximately \$1.9 million.

Figure 1 below summarises the cash movements for the September quarter. Total cash reduced during the quarter as a result of Care and Maintenance costs of \$1.9 million and a \$4.6 million payment for the stamp duty related to the 2021 acquisition of Redcliffe Project.

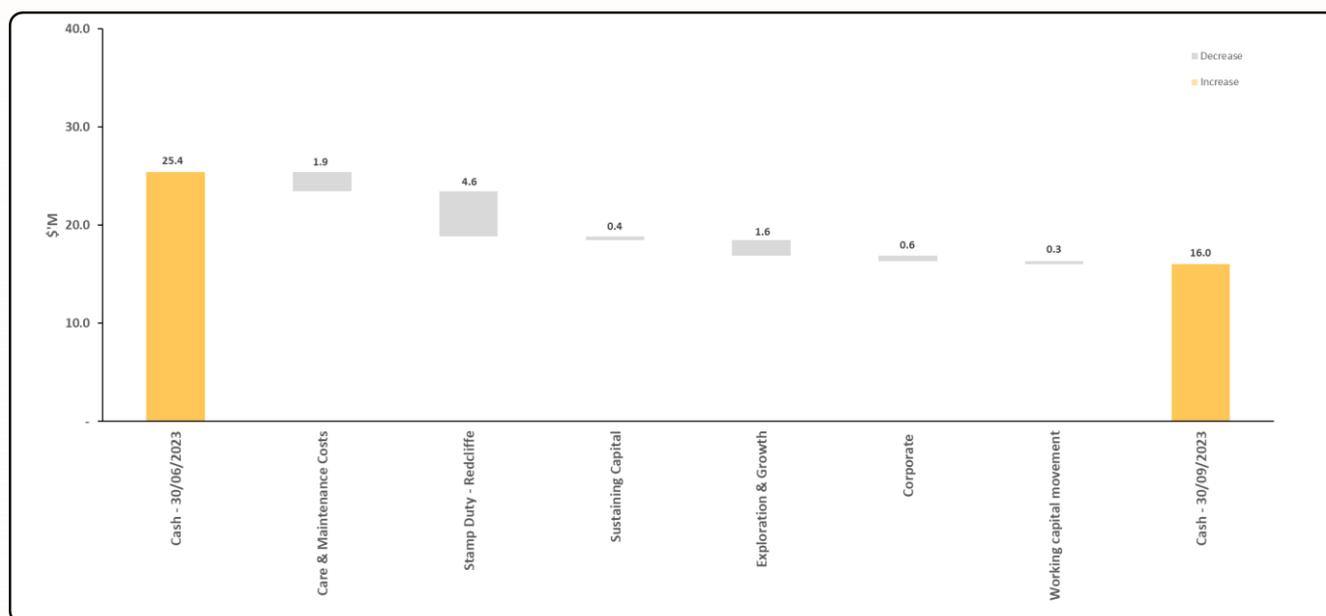


Figure 1: September quarter cash movements

Included in the Appendix 5B section 6.1 are amounts paid to the Non-Executive Directors of the Company during the September quarter totalling \$92,000 comprising Director fees and superannuation.

During the quarter Genesis and Dacian continued to share resources to reduce outflows and extract group synergies. For the period Dacian invoiced Genesis \$0.8 million and Genesis invoiced Dacian \$1.1 million for these arrangements.

In addition, during the quarter Dacian sold surplus assets for fair value to Genesis realising \$0.8 million.

- 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.

APPENDIX 1 – TENEMENT SCHEDULE

Project	Location	Tenement ID	Interest at Start of Quarter (%)	Interest at End of Quarter (%)
Redcliffe	Western Australia	E37/1205	100	100
Redcliffe	Western Australia	E37/1252	100	100
Redcliffe	Western Australia	E37/1259	100	100
Redcliffe	Western Australia	E37/1270	100	100
Redcliffe	Western Australia	E37/1284	100	100
Redcliffe	Western Australia	E37/1285	100	100
Redcliffe	Western Australia	E37/1288	100	100
Redcliffe	Western Australia	E37/1289	100	100
Redcliffe	Western Australia	E37/1356	100	100
Redcliffe	Western Australia	E37/1451	100	100
Redcliffe	Western Australia	E37/1471	Pending Grant	Pending Grant
Redcliffe	Western Australia	E37/1473	Pending Grant	Pending Grant
Dacian	Western Australia	E38/2951	100	100
Dacian	Western Australia	E38/3211	Note 1	Note 1
Dacian	Western Australia	E38/3272	Note 1	Note 1
Dacian	Western Australia	E38/3649	100	100
Mt Morgans	Western Australia	E38/3684	Pending Grant	Pending Grant
Dacian	Western Australia	E39/1310	100	100
Dacian	Western Australia	E39/1713	100	100
Dacian	Western Australia	E39/1787	100	100
Dacian	Western Australia	E39/1950	100	100
Dacian	Western Australia	E39/1951	100	100
Dacian	Western Australia	E39/1967	100	100
Dacian	Western Australia	E39/2002	100	100
Dacian	Western Australia	E39/2004	100	100
Dacian	Western Australia	E39/2017	100	100
Dacian	Western Australia	E39/2020	100	100
Redcliffe	Western Australia	L37/255	100	100
Mt Morgans	Western Australia	L39/57	100	100
Mt Morgans	Western Australia	L39/244	100	100
Mt Morgans	Western Australia	L39/246	100	100
Dacian	Western Australia	L39/286	100	100
Redcliffe	Western Australia	L39/317	100	100
Mt Morgans	Western Australia	L39/342	Pending Grant	Pending Grant
Mt Morgans	Western Australia	L39/349	Pending Grant	Pending Grant
Mt Morgans	Western Australia	L39/350	Pending Grant	Pending Grant
Redcliffe	Western Australia	M37/1276	100	100
Redcliffe	Western Australia	M37/1285	100	100
Redcliffe	Western Australia	M37/1286	100	100
Redcliffe	Western Australia	M37/1295	100	100
Redcliffe	Western Australia	M37/1348	100	100
Dacian	Western Australia	M38/395	100	100
Dacian	Western Australia	M38/396	100	100

Project	Location	Tenement ID	Interest at Start of Quarter (%)	Interest at End of Quarter (%)
Dacian	Western Australia	M38/548	100	100
Dacian	Western Australia	M38/595	100	100
Dacian	Western Australia	M38/848	100	100
Mt Morgans	Western Australia	M39/18	100	100
Mt Morgans	Western Australia	M39/36	100	100
Mt Morgans	Western Australia	M39/208	100	100
Mt Morgans	Western Australia	M39/228	100	100
Mt Morgans	Western Australia	M39/236	100	100
Mt Morgans	Western Australia	M39/240	100	100
Mt Morgans	Western Australia	M39/248	100	100
Mt Morgans	Western Australia	M39/250	100	100
Mt Morgans	Western Australia	M39/261	100	100
Mt Morgans	Western Australia	M39/264	100	100
Mt Morgans	Western Australia	M39/272	100	100
Mt Morgans	Western Australia	M39/273	100	100
Mt Morgans	Western Australia	M39/282	100	100
Mt Morgans	Western Australia	M39/287	100	100
Dacian	Western Australia	M39/291	100	100
Dacian	Western Australia	M39/295	100	100
Mt Morgans	Western Australia	M39/304	100	100
Mt Morgans	Western Australia	M39/305	100	100
Dacian	Western Australia	M39/306	100	100
Dacian	Western Australia	M39/333	100	100
Dacian	Western Australia	M39/380	100	100
Mt Morgans	Western Australia	M39/390	100	100
Dacian	Western Australia	M39/391	100	100
Dacian	Western Australia	M39/392	100	100
Dacian	Western Australia	M39/393	100	100
Dacian	Western Australia	M39/394	100	100
Mt Morgans	Western Australia	M39/395	100	100
Mt Morgans	Western Australia	M39/403	100	100
Mt Morgans	Western Australia	M39/441	100	100
Mt Morgans	Western Australia	M39/442	100	100
Dacian	Western Australia	M39/443	100	100
Dacian	Western Australia	M39/444	100	100
Dacian	Western Australia	M39/497	100	100
Dacian	Western Australia	M39/501	100	100
Dacian	Western Australia	M39/502	100	100
Dacian	Western Australia	M39/503	100	100
Mt Morgans	Western Australia	M39/504	100	100
Mt Morgans	Western Australia	M39/513	100	100
Mt Morgans	Western Australia	M39/745	100	100
Dacian	Western Australia	M39/746	100	100
Dacian	Western Australia	M39/747	100	100
Dacian	Western Australia	M39/799	100	100
Dacian	Western Australia	M39/937	100	100

Project	Location	Tenement ID	Interest at Start of Quarter (%)	Interest at End of Quarter (%)
Dacian	Western Australia	M39/938	100	100
Dacian	Western Australia	M39/993	100	100
Mt Morgans	Western Australia	M39/1107	100	100
Dacian	Western Australia	M39/1120	100	100
Dacian	Western Australia	M39/1122	100	100
Dacian	Western Australia	M39/1129	100	100
Dacian	Western Australia	M39/1137	100	100
Dacian	Western Australia	P38/4466	100	100
Dacian	Western Australia	P38/4486	100	100
Dacian	Western Australia	P39/5469	100	100
Dacian	Western Australia	P39/5498	100	100
Dacian	Western Australia	P39/5823	100	100
Dacian	Western Australia	P39/5825	100	100
Dacian	Western Australia	P39/5826	100	100
Dacian	Western Australia	P39/5827	100	100
Dacian	Western Australia	P39/5828	100	100
Dacian	Western Australia	P39/5829	100	100
Dacian	Western Australia	P39/5830	100	100
Dacian	Western Australia	P39/5865	100	100
Dacian	Western Australia	P39/6060	100	100
Dacian	Western Australia	P39/6121	100	100
Dacian	Western Australia	P39/6122	100	100
Dacian	Western Australia	P39/6123	100	100
Dacian	Western Australia	P39/6241	100	100
Dacian	Western Australia	P39/6242	100	100
Dacian	Western Australia	P39/6290	100	100
Dacian	Western Australia	P39/6291	100	100
Dacian	Western Australia	P39/6292	100	100
Dacian	Western Australia	P39/6293	100	100
Dacian	Western Australia	P39/6294	100	100
Mt Morgans	Western Australia	P39/6359	Pending Grant	Pending Grant
Mt Morgans	Western Australia	P39/6360	Pending Grant	Pending Grant
Mt Morgans	Western Australia	P39/6361	Pending Grant	Pending Grant
Mt Morgans	Western Australia	P39/6362	Pending Grant	Pending Grant
Mt Morgans	Western Australia	P39/6363	Pending Grant	Pending Grant
Mt Morgans	Western Australia	P39/6364	Pending Grant	Pending Grant
Mt Morgans	Western Australia	P39/6365	Pending Grant	Pending Grant
Mt Morgans	Western Australia	P39/6406	Pending Grant	Pending Grant
Mt Morgans	Western Australia	P39/6407	Pending Grant	Pending Grant

Notes:

- 1: The Company has earned a 90 per cent interest in the New Bore Joint Venture

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Dacian Gold Limited

ABN

61 154 262 978

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1	1
1.2 Payments for		
(a) exploration & evaluation	(1,587)	(1,587)
(b) development	-	-
(c) production	-	-
(d) staff costs	(508)	(508)
(e) administration and corporate costs	(50)	(50)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	268	268
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (Care & Maintenance Costs)	(1,941)	(1,941)
1.9 Net cash from / (used in) operating activities	(3,818)	(3,818)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(352)	(352)
(d) exploration & evaluation	-	-
(e) investments ¹	(4,604)	(4,604)
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	40	40
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(4,916)	(4,916)

¹ Stamp Duty assessment finalised and paid in August 2023 for the 2021 acquisition of Redcliffe Project.

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (repayment of leases)	(607)	(607)
3.10	Net cash from / (used in) financing activities	(607)	(607)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	25,381	25,381
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,818)	(3,818)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,916)	(4,916)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(607)	(607)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	16,040	16,040

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	16,040	25,381
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	16,040	25,381

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	92
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(3,818)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(3,818)
8.4 Cash and cash equivalents at quarter end (item 4.6)	16,040
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	16,040
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.2
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 26 October 2023

Authorised by: The Board of Dacian Gold Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.