

QUARTERLY ACTIVITIES REPORT

September 2021

ASX RELEASE

29 October 2021

Issued Capital as at
30 September 2021

967.4M shares outstanding

Market Capitalisation as at
30 September 2021

\$193.5M @ \$0.20

BOARD

Robert Reynolds
Non-Executive Chairman

Leigh Junk
Managing Director

Eduard Eshuys
Non-Executive Director

Mick Wilkes
Non-Executive Director

SUBSTANTIAL SHAREHOLDERS

as at 30 September 2021

Perennial (6.8%)
DGO Gold (6.6%)
Franklin (5.5%)

REGISTERED OFFICE

Level 19, 58 Mounts Bay Road
Perth WA 6000
Australia

Tiered FY2022 production on track following September quarter

Operations

- Investment into the operations continued during the quarter with total development capital spend of \$18.5M on Doublejay pre-stripping and advancing the Redcliffe project, and \$5.1M spent on exploration
- September quarter production of 15,819oz at an AISC of \$2,362/oz, was generally in line with guidance weighted to 2H of FY2022

FY2022 Guidance & Five Year Mine Plan

- FY2022 production guidance of 100,000-110,000oz at an AISC of \$1,550-\$1,700/oz is maintained
- Quarterly production to increase for remainder of financial year as open pit strip ratio reduces and underground mines begin stope production
- Five year mine plan for Mt Morgans released averaging 115,000oz per year at an AISC of \$1,550/oz

Corporate & Finance

- Cash and gold on hand at 30 September 2021 of \$33.2M
- Total debt of \$16.0M following refinancing of project debt facility
- Total forward hedge position reduced to 13,410oz at an average gold price of \$2,236/oz
- Appointment of Mick Wilkes to the Board as a Non-Executive Director

Exploration & Growth

- Drilling beneath Jupiter open pits demonstrates grade and size potential with:
 - 102.9m @ 1.4g/t Au from 436.3m including 14.7m @ 7.2g/t Au from 468m, intersected 160m below Heffernans; and
 - 44.5m @ 1.1g/t Au from 247.1m, intersected 130m below Ganymede
- Total exploration and growth drilling of 19,000m was completed during the quarter
- Updated Mineral Resources of 2.45Moz and Ore Reserves of 0.4Moz

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

Managing Director, Leigh Junk, commented: "The tight labour market conditions continue to be a headwind for the Western Australian mining industry including our operations, however despite challenges our plan for the full year remains achievable. Our ongoing exploration investment is demonstrating the prospectivity of our land position with the recent success beneath the Jupiter open pit highlighting the potential for growth to our operations."

OPERATIONS

OVERVIEW

The Company's 12-month rolling Total Recordable Injury Frequency Rate (TRIFR) was 11.1 at the end of the quarter (30 June 2021: 17.0).

The Mt Morgans Gold Operation (MMGO) recovered 15,819oz during the September quarter at an All In Sustaining Cost (AISC) of \$2,362/oz.

September quarter production was slightly lower than planned, however, was generally in line with the Company's forecast of a tiered production profile increasing quarter-on-quarter over the financial year. The higher AISC is attributable to the lower production for the quarter and is forecast to reduce in line with the increasing production for the remainder of the financial year.

Labour scarcity resulting from a buoyant Western Australian mining sector and State Government imposed interstate travel restrictions due to COVID-19 persisted during the September quarter, impacting open pit mining rates and establishment of the recently appointed underground mining contractor's workforce.

At the Jupiter open pits, despite the labour shortages, schedule has been maintained on the DBJ07 stage of the Doublejay pit that underpins production in the second half of the financial year. At the end of the quarter, progress was in line with the plan.

Throughput of 687kt for the September quarter was lower than the required annualised throughput of 2.9Mt due to an overrun of a planned processing plant shutdown and a lower than planned throughput rate achieved due to a harder feed blend. Changes to operating parameters in response have resulted in the throughput improving to above planned levels during October with the annualised throughput expected to be achieved.

OPEN PIT

A total of 533,587t @ 0.77g/t Au containing 13,185oz was mined from the Heffernans, Doublejay, Ganymede and Mt Marven open pits during the September quarter, with 508,149t @ 0.79g/t Au containing 12,831oz delivered to the processing plant ROM pad for treatment (see Table 1).

Doublejay and Heffernans provided the bulk of the ore feed to the processing plant during the quarter as planned.

Table 1: Key MMGO open pit statistics

Key Open Pit Statistics	Unit	September Q
Ore Mined – to ROM	t	508,149
Mined Grade	g/t Au	0.79
Contained Gold Mined	oz	12,831
Ore Mined – to Stockpile	t	25,438
Mined Grade	g/t Au	0.43
Contained Gold Mined	oz	354
Ore Mined – Total	t	533,587
Mined Grade	g/t Au	0.77
Contained Gold Mined	oz	13,185
Waste Mined	t	5,985,006
Total Material Mined	t	6,518,593
Total Material Mined	bcm	2,358,670
Open Pit Mining Cost	\$/t	4.42

With respect to open pit development, a total of 2.36M bcm of material was mined from all pits during the quarter, of which 2.0M bcm was mined from the Doublejay pit. The Mt Marven pit was completed in early July.

Mining rates have continued to be impacted by both operator and maintenance personnel shortages being experienced throughout the Western Australian mining industry. This resulted in a delay compared to planned for the DBJ15 stage at the Doublejay pit and also at Heffernans, which are now forecast to finish in early November and the end of December, respectively. Development continues of the final DBJ14 stage which is scheduled to deliver ore during FY2023-2024.

Resources are being prioritised to the DBJ07 stage at Doublejay, which underpins production in the second half of the financial year. At the end of the September quarter, progress in DBJ07 remained in line with schedule for the year.

A total of 14,003m of RC grade control drilling was completed during the quarter across the Heffernans and Doublejay open pits.

UNDERGROUND

Following a competitive tender process, a contract was awarded to mining contractor Pit N Portal for the underground mining campaign at Westralia. Pit N Portal mobilised to Mt Morgans during September and development in the Beresford and Allanson mine areas commenced later in the month.

The tight labour market in the Western Australian mining industry contributed to a later than planned start and subsequent slower ramp-up of development activities, however stope production for FY2022 is on track to be completed within the financial year.

Mine development activities are continuing with stoping set to begin towards the end of the December quarter, providing higher grade ore to the feed blend.

PROCESSING

A total of 686,671t of ore was milled during the quarter at an average feed grade of 0.79g/t Au containing 17,343oz (see Table 2).

Processing plant throughput for the quarter was slightly lower than scheduled due to a time overrun on a planned shutdown in July as well as a harder feed blend. The duration of the shutdown was impacted by weather conditions and additional preventative maintenance identified prior to the shutdown.

Changes to processing plant operating parameters were progressively made during the quarter in response

to the harder feed blend, with an improvement in the throughput rate realised. The average throughput rate achieved for the month of September was in line with the plan, with further improvements realised into October. Total throughput for the full financial year is expected to be achieved.

A total of 15,819oz was recovered for the quarter, representing a plant recovery of 91.2%.

Table 2: Key MMGO processing statistics

Key Processing Statistics	Unit	September Q
Ore Milled	t	686,671
Processed Grade	g/t Au	0.79
Contained Gold	oz	17,343
Gold Recovery	%	91.2
Processing Cost	\$/t	22.12
G&A Cost	\$/t	2.40
Gold Recovered	oz	15,819
Gold Sold	oz	18,310
Gold-on-Hand	oz	996
Average Sale Price	A\$/oz	2,277

FY2022 PRODUCTION GUIDANCE

Production guidance for FY2022 of 100,000-110,000oz at an AISC of \$1,550-\$1,700/oz is maintained. As previously guided, production remains weighted to the 2H of FY2022.

FY2022 sees a tiered quarter-on-quarter production profile over the financial year due to accessing significant ore from the shallow dipping Cornwall Shear Zone (CSZ) in DBJ07 at Doublejay in the June quarter and delivery of stoping material from Beresford South and Allanson underground mine areas in the March quarter.

Resources are being prioritised to complete the prestripping activities in DBJ07, which remains on track, to ensure that the significant quantities of ore scheduled (70% of Doublejay FY2022 production) from the CSZ is accessed in the June quarter.

Development of the final Doublejay stage (DBJ14) continues throughout the financial year, producing small quantities of ore, prior to producing high-grade ore in earnest during FY2023-2024.

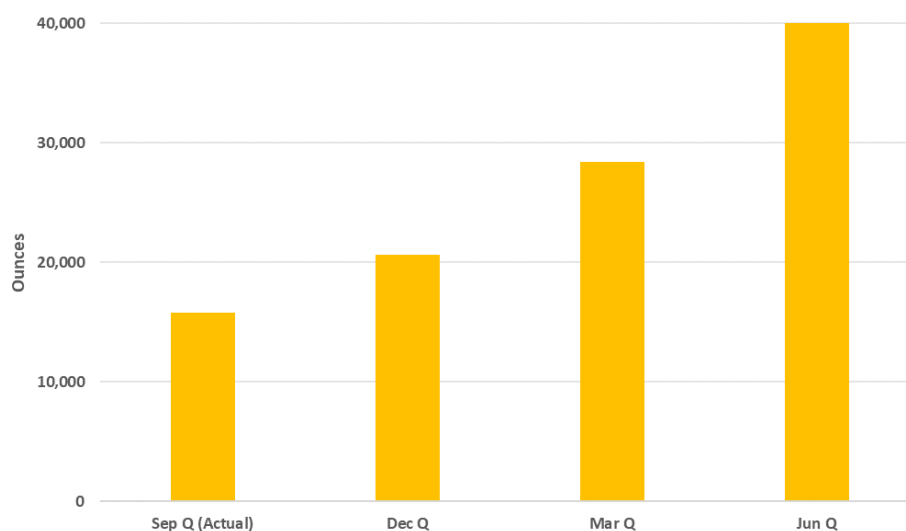


Figure 1: Quarterly breakdown of FY2022 Production Guidance (mid-point)

FIVE YEAR MINE PLAN

During the quarter Dacian released its five-year mine plan for its Laverton operations with open pit and underground production from Mt Morgans supplemented with production from Redcliffe (see ASX announcement 31 August 2021).

The updated mine plan targets average annual gold production of 115,000oz, maintaining 115,000-125,000oz from FY2024 to FY2026. The AISC is expected to average \$1,550/oz with AISC and capital spend declining over the five-year plan.

The Company continues to pursue opportunities to extend and grow the mine plan beyond the current profile with a number of development projects and exploration programs being advanced.

The updated mine plan sets an AISC profile of an annual average of \$1,550/oz, and ranging between \$1,275-\$1,700/oz. The reducing AISC in the later years of the mine plan is driven by a reduction in capital expenditure following an initial period of developing numerous open pit and underground deposits.

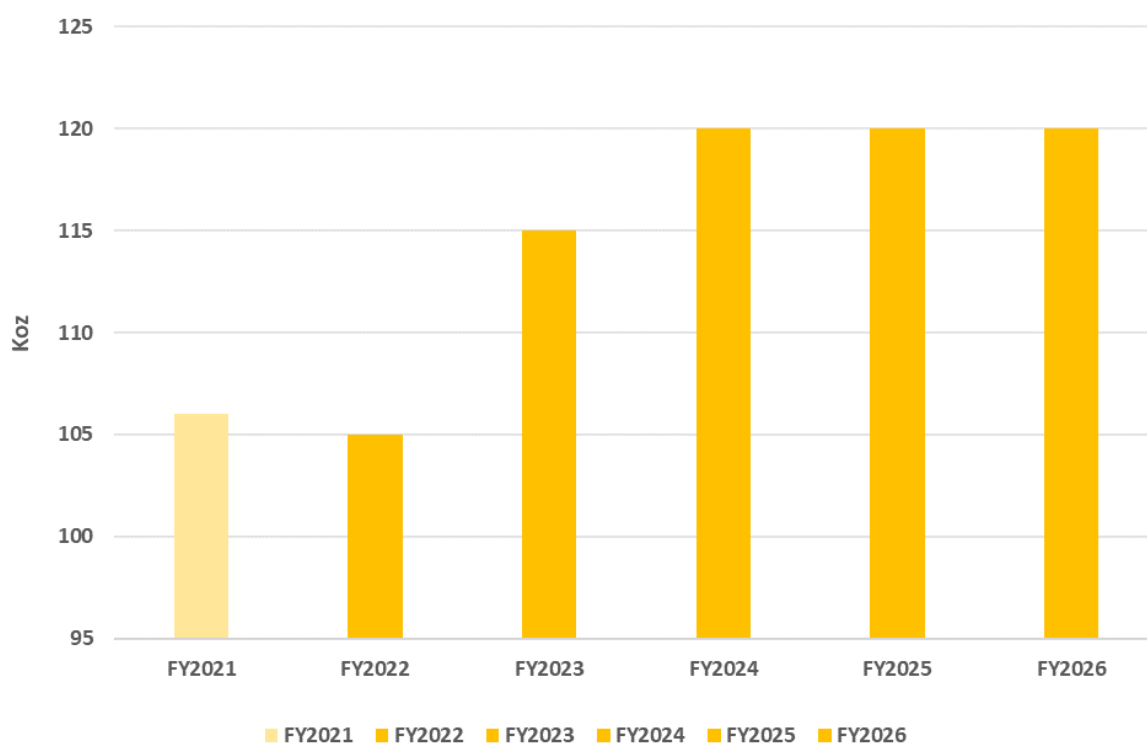


Figure 2: Five year mine plan production (midpoint)

Table 4: Summary of mine plan for Laverton operations

Guidance Range		FY2022	FY2023	FY2024	FY2025	FY2026	Total Midpoint /Avg
Production	Koz	100-110	110-120	115-125	115-125	115-125	580 / 115
AISC	A\$/oz	1,550-1,700	1,550-1,700	1,500-1,650	1,525-1,675	1,275-1,425	1,550
Growth Capital	A\$M	66	40	20	15	-	141

EXPLORATION & GROWTH

During the quarter, the Company invested \$5.1M in exploration and growth activities, with 18,794m drilled across its key targets.

Exploration activities advanced across the following projects:

Jupiter Mining Area

- Exploration drilling below Jupiter's open pits demonstrates grade and size potential with 102.9m at 1.4g/t Au from 436.3m including 14.7m at 7.2g/t Au from 468m intersected below Heffernans, and 44.5m at 1.1g/t Au from 247.1m below Ganymede. A total of 2,676m was drilled in this program for the quarter

Mt Marven Mining Area

- A resource definition drilling program consisting of 2,464m was completed at Mt Marven South, with work on a Mineral Resource estimate update planned for the December quarter, and subsequent inclusion into mining studies

Westralia Mining Area

- Resource definition drilling programs were completed for 3,967m at Beresford and Allanson underground projects

Cameron Well Project Area

- The current phase of RC exploration drilling at Cameron Well's Piccolo Star target was completed, with a total of 3,290m drilled for the quarter and assays pending. Follow up diamond drilling commenced with 733m completed to the end of the quarter

Redcliffe Project

- Various drilling programs were conducted at Hub, GTS and Nambi for a total of 4,225m, with drilling completed for sterilisation, geotechnical, metallurgical and hydrological purposes ahead of maiden Ore Reserve estimates for these deposits and commencement of open pit development

JUPITER EXTENSIONAL DRILLING

During the quarter the Company undertook an initial drilling program at the Jupiter mining complex below the Heffernans and Ganymede open pits, intersecting significant mineralisation within the syenite intrusive system (see ASX announcement 25 October 2021).

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

- 102.9m @ 1.4g/t Au from 436.3m, including intercepts of 14.7m @ 7.2g/t Au from 468.0m

Drilling below the Ganymede open pit intersected 44.5m @ 1.1g/t Au from 247.1m, including:

- 18.3m @ 1.4g/t Au from 247.1m
- 22.2m @ 1.0g/t Au from 269.5m

At both Heffernans and Ganymede, multiple wide intersections point to bulk stockwork mineralisation at the syenite basalt contact, and within the syenite. A follow up drilling program is now underway at Heffernans to test extensions of the mineralisation.

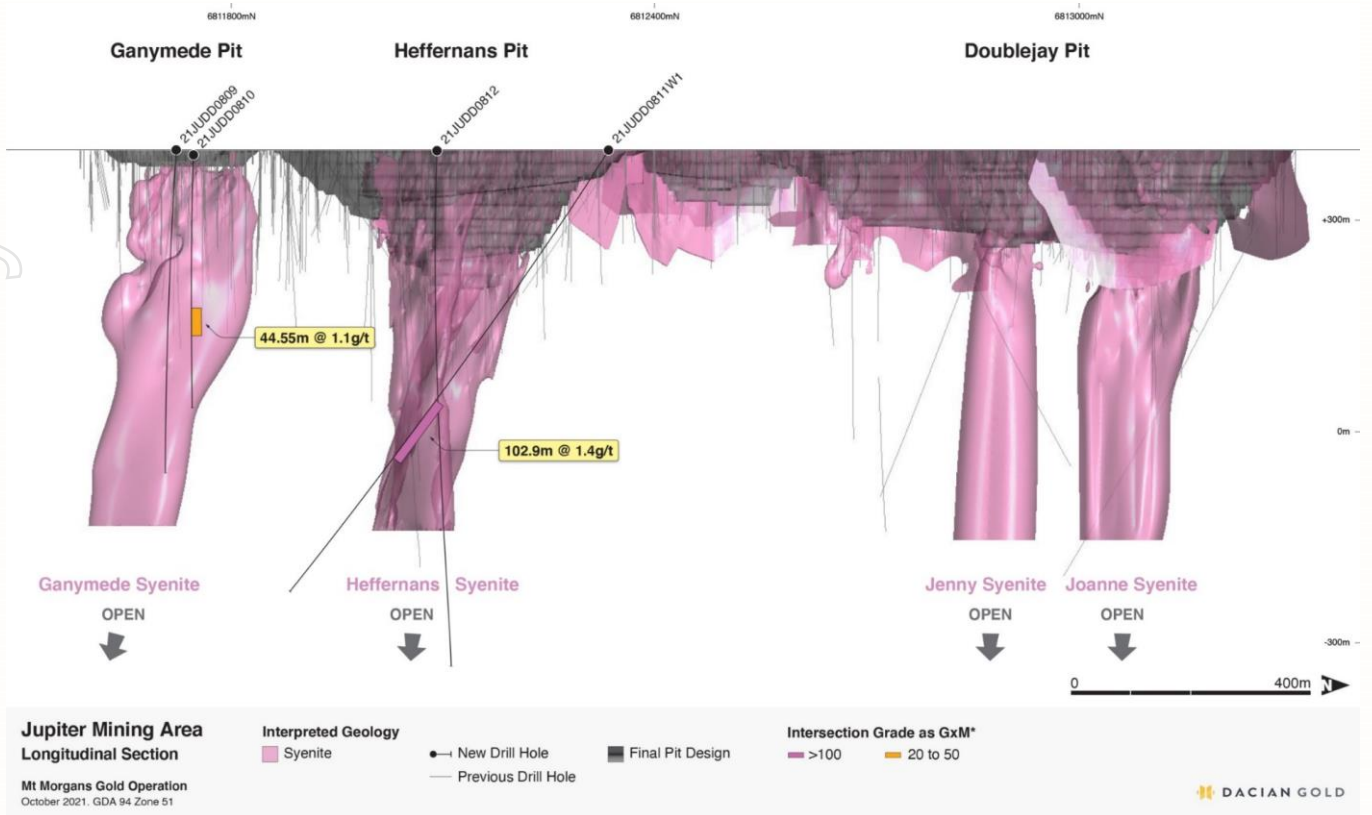


Figure 3: Long section view facing west of the Jupiter syenite complex with the current final pit design

ANNUAL MINERAL RESOURCES AND ORE RESERVES

The Company released updated annual Mineral Resources and Ore Reserves during the quarter (see ASX announcement 31 August 2021).

Total Mineral Resources of 44.3Mt @ 1.7g/t Au for 2.5Moz with Measured and Indicated Mineral Resources of 25.4Mt @ 1.6g/t Au for 1.3Moz.

Total Ore Reserves of 11.3Mt @ 1.1g/t Au for 385,000oz with MMGO open pit Ore Reserves of 5.5Mt @ 1.2g/t Au for 215,000oz and underground Ore Reserves of 0.5Mt @ 4.7g/t Au for 74,000oz.

The Redcliffe Project saw Indicated Mineral Resources at Hub, GTS and Nambi reported with final technical studies expected imminently prior to assessment as potential additions to Ore Reserves.

Table 5: Total Mineral Resource estimate as at 30 June 2021 (after mining depletion)

MINING CENTRE	Deposit/Area	Deposit/Prospect	Cut-off grade (Au g/t)	Measured			Indicated			Inferred			Total Mineral Resource			Reporting date
				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	
MT MORGANS	Westralia Mine Corridor	Beresford	2.0	160	4.72	24,000	1,940	4.02	251,000	1,490	3.01	144,000	3,590	3.63	419,000	11/05/2021
		Allanson	2.0	70	4.18	9,000	570	4.50	82,000	900	3.94	114,000	1,530	4.16	205,000	11/05/2021
		Morgans North - Phoenix Ridge	2.0							330	6.66	72,000	330	6.66	72,000	11/05/2021
	Westralia Satellite deposits	Transvaal	2.0				650	3.76	79,000	1,110	3.54	126,000	1,760	3.62	205,000	30/06/2021
		Crac	2.0				30	8.27	9,000	70	5.93	13,000	100	6.67	22,000	30/06/2021
		Ramondie OP & UG	0.5 & >300RL OR 2.0 & <300RL							730	2.53	59,000	730	2.53	59,000	30/06/2021
	GREATER WESTRALIA MINING AREA	McKenzie Well	0.5							950	1.10	34,000	950	1.10	34,000	16/02/2021
		SUBTOTAL	2.0	220	4.56	33,000	3,190	4.10	421,000	5,570	3.14	562,000	8,990	3.51	1,015,000	
	Jupiter OP*	Heffernans*	0.5				1,610	1.16	60,000	-			1,610	1.16	60,000	30/06/2021
		Doublejay*	0.5	3,620	1.46	170,000	3,440	1.02	112,000	340	0.92	10,000	7,400	1.23	292,000	30/06/2021
		Ganymede*	0.5				2,450	0.95	75,000	250	0.99	8,000	2,700	0.95	83,000	30/06/2021
	JUPITER MINING AREA	Mt Marven*	0.5				1,250	1.22	49,000	580	1.42	27,000	1,860	1.26	76,000	30/06/2021
		Jupiter UG**	2.0	10	2.45	1,000	110	2.42	8,000	910	2.69	79,000	1,030	2.66	88,000	30/06/2021
		SUBTOTAL		3,630	1.46	171,000	8,850	1.07	304,000	2,090	1.84	124,000	14,600	1.28	599,000	
	Cameron Well	Cameron Well*	0.5				2,510	1.10	89,000	370	1.30	16,000	2,880	1.10	105,000	31/12/2019
		Maxwells	0.5				170	0.90	5,000	500	0.75	12,000	660	0.79	17,000	30/06/2021
		SUBTOTAL					2,680	1.09	94,000	870	0.99	28,000	3,550	1.04	119,000	
	CAMERON WELL PROJECT AREA	Mine Stockpiles	0	110	1.03	4,000							110	1.03	4,000	30/06/2021
		IG Stockpiles	0	1,680	0.62	34,000							1,680	0.62	34,000	30/06/2021
		Jupiter IG Stockpiles (Dump Leach)	0	3,490	0.51	57,000							3,490	0.51	57,000	30/06/2021
	STOCKPILES	SUBTOTAL		5,280	0.56	95,000							5,280	0.56	95,000	
		TOTAL MMGO		9,130	1.01	298,000	14,720	1.73	819,000	8,530	2.60	713,000	32,410	1.75	1,827,000	
REDCLIFFE PROJECT AREA	SOUTHERN ZONE OP & UG	GTS	0.5 & >300RL OR 2.0 & <300RL				840	2.00	54,000	1,220	1.20	47,000	2,060	1.53	101,000	30/06/2021
		Hub	0.5 & >300RL OR 2.0 & <300RL				530	4.7	80,000	580	3.2	60,000	1,110	3.91	140,000	30/06/2021
		Bindy	0.5 & >300RL OR 2.0 & <300RL							3,080	1.30	129,000	3,080	1.30	129,000	30/06/2021
		Kelly	0.5 & >300RL OR 2.0 & <300RL							2,350	0.89	67,000	2,350	0.89	67,000	30/06/2021
		SUBTOTAL					1,370	3.04	134,000	7,220	1.30	303,000	8,590	1.58	437,000	
	CENTRAL ZONE OP & UG	Nambi	0.5 & >300RL OR 2.0 & <300RL				190	3.30	20,000	1,350	2.70	117,000	1,530	2.77	137,000	30/06/2021
		Redcliffe	0.5 & >300RL OR 2.0 & <300RL							930	1.19	35,000	930	1.19	35,000	30/06/2021
		Mesa / Westlode	0.5 & >300RL OR 2.0 & <300RL							850	1.04	28,000	850	1.04	28,000	30/06/2021
		SUBTOTAL					190	3.30	20,000	3,130	1.80	181,000	3,320	1.88	201,000	
	TOTAL REDCLIFFE	SUBTOTAL					1,560	3.07	154,000	10,350	1.45	484,000	11,910	1.67	638,000	
		TOTAL		9,130	1.01	298,000	16,280	1.86	973,000	18,880	1.97	1,197,000	44,320	1.73	2,465,000	

* reported with a \$2,400 RPEEE pit shell
** reported below a \$2,400 RPEEE pit shell

Table 6: Total Ore Reserve estimate as at 30 June 2021

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
Jupiter OP	0.5	2,710,000	1.4	124,000	2,848,000	1.0	92,000	5,558,000	1.2	216,000
Westralia UG	*0.4/2.4	40,000	5.8	7,000	453,000	4.6	66,000	492,000	4.7	74,000
Mine Stockpiles	0.5	107,000	1.0	4,000	-	-	-	107,000	1.0	4,000
LG Stockpiles	0.5	5,173,000	0.5	91,000	-	-	-	5,173,000	0.5	91,000
TOTAL ORE RESERVE		8,030,000	0.9	226,000	3,301,000	1.5	158,000	11,330,000	1.1	385,000

*Development and stoping grades respectively. Rounding errors will occur

CORPORATE & FINANCE

During the quarter, Mr Mick Wilkes joined the Board as an independent non-executive director.

As at 30 September 2021, the Company had total cash and unsold gold on hand of \$33.2M. Subsequent to quarter end the Company announced a refinancing of the existing project finance facility with a \$16M corporate-level debt facility with ANZ. This arrangement remains subject to completion of full documentation, payment of customary fees and satisfaction of conditions normally associated with a refinancing of this nature. The Company's project loan facility balance stands at \$16.0M.

Table 7 below summarises the Company's cash, gold-on-hand and debt position.

Table 7: Net cash analysis

Key Cash/Debt Statistics	Unit	30 September 2021	30 June 2021
Cash	\$M	31.0	35.9
Gold-on-Hand	oz	996	2,507
Gold-on-Hand	\$M	2.2	5.9
Total Cash and Gold	\$M	33.2	41.8
Debt	\$M	(16.0)	(16.2)
Net Cash	\$M	17.2	25.6

Figure 4 below summarises the cash movements for the quarter. Total cash and gold-on-hand decreased from 30 June, after accounting for the \$15.2 second tranche placement and SPP funds (net of costs) received in July, and after spending \$5.1M invested in exploration and growth, planned \$1.3M TSF lift and \$16.2M on Doublejay open pit development capital expenditure.

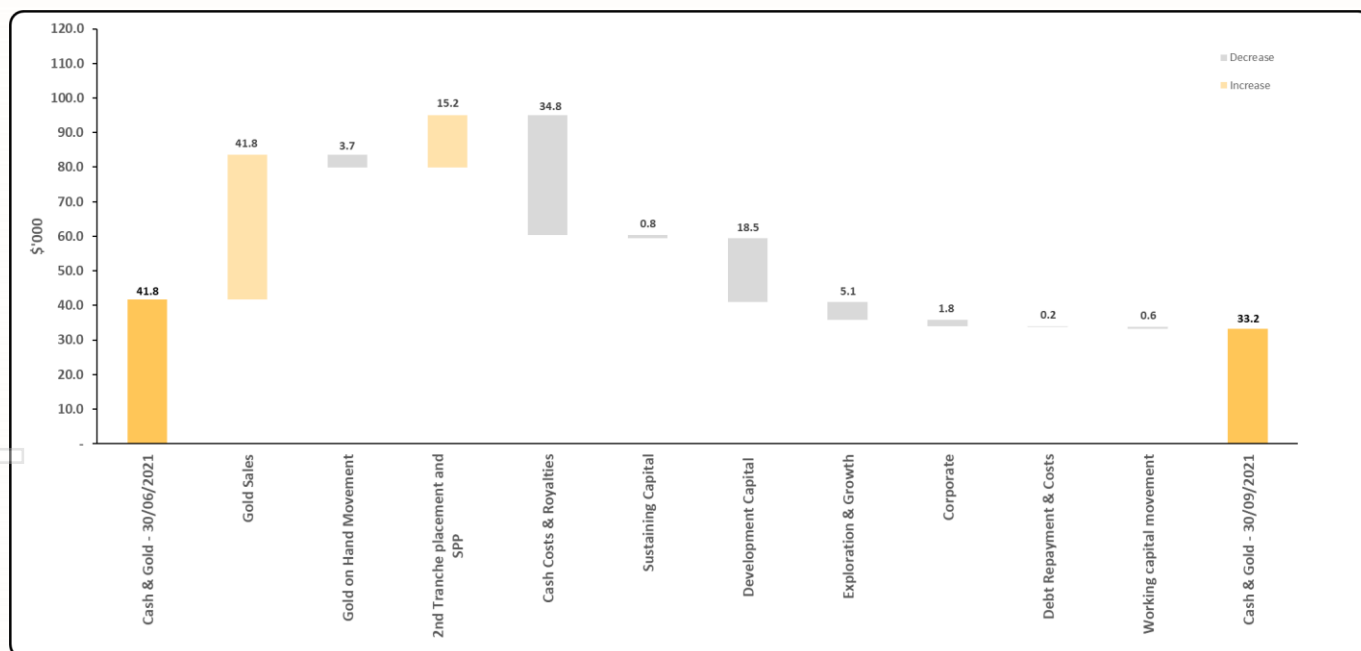


Figure 4: September quarter cash movements

A summary of the key cash costs, AISC and other statistics for the quarter are in Table 8 below.

Table 8: Key cash cost, AISC and other costs for the September quarter (accrual basis)

Key Cost Statistics	\$M	\$/t milled	\$/oz
Mining	15.2	22.2	964
Processing	15.2	22.1	960
Site Administration	1.7	2.4	104
Silver Credits	(0.1)	(0.1)	(7)
Inventory Movement	2.0	2.9	126
Cash Cost¹	34.0	49.5	2,147
Royalties	0.8	1.2	52
Sustaining Capital	0.8	1.1	47
Corporate	1.8	2.6	116
AISC²	37.4	54.4	2,362
Development Capital ³	18.5		
Exploration & Growth	5.1		

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 and Redcliffe development and TSF cell 1 lift.

Gold sold in the quarter was 18,310oz at an average realised price of \$2,277/oz. A total of 13,914oz was delivered into hedge commitments, with the remaining sold at spot prices.

At 30 September 2021 the Company's hedging obligations reduced to 13,410 oz at a weighted average price of \$2,236/oz. On 5 October the Company announced its intention to establish additional gold hedges over the calendar year 2022 to support its capital investment profile over that period.

Table 9: Summary of total outstanding hedge commitments at 30 September 2021

Period	Dec Q	TOTAL
Forward Sales (oz)	13,410	13,410
Hedged Price (A\$/oz)	\$2,236	\$2,236

- 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 and Ore Reserves 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.