

16 MAY 2017

## **UNDERGROUND MINING COMMENCES AT BERESFORD**

Dacian Gold Ltd (**Dacian Gold** or **the Company**) (ASX: DCN) is very pleased to announce that underground mining has commenced at Beresford, part of the Westralia Mine Area at the Company's 100%-owned Mount Morgans Gold Project in WA.

The first cut of the Beresford portal has been taken (see Figure 1) from the base of the Westralia open pit and marks the Company's transition from explorer/developer to miner.



**Figure 1:** *First mining of Beresford's portal from the base of the Westralia open pit.*

The Beresford Decline is now focussed on accessing the high grade lodes at the southern end of the Beresford deposit, which is scheduled for November this year.

Dacian Gold's Executive Chairman Rohan Williams said the commencement of underground mining at Beresford was a very significant milestone for the Company.

"This is a tremendous result for the Company, its shareholders and employees," Mr Williams said.

"We started as an exploration IPO just four and a half years ago, and as a result of our exploration success, we are now firmly on the path to becoming Australia's next mid-tier gold producer.

"We are fully funded to first gold production in March next year."

For and on behalf of the Board



Rohan Williams  
**Executive Chairman**

### **About Dacian Gold Limited**

Dacian Gold Ltd listed on the ASX on 14 November 2012 after raising \$20M in its IPO to fund a 3 year exploration program at the Mt Morgans project it had acquired near Laverton, in Western Australia. During the three years of intensive exploration, Dacian Gold discovered two plus one million ounce gold deposits at Westralia and Jupiter; and following the completion of a Scoping Study in September 2015, completed a \$25 million equity raising to complete a 90,000m resource-infill drill out and to fund a definitive Feasibility Study.

On the 21st November 2016, Dacian Gold released the results of the Feasibility Study which showed the Mt Morgans Gold Project to have an Initial Ore Reserve of 1.2 million ounces with an AISC of A\$1,039/oz over an initial 8-year period.

The capital cost to build the project, including a new 2.5 Mtpa CIL treatment facility, is A\$197M which includes A\$149M as the revised site-based infrastructure capital costs, and A\$48M for mine establishment costs at the underground Westralia Mine Area and the open pit at Jupiter. At the same time as releasing the Feasibility Study, the Company released an expansion Pre-Feasibility Study which showed that the MMGP had the potential for 1.7 million ounces at an AISC of A\$970-975/oz.

The Board, which includes Rohan Williams as Executive Chairman and Robert Reynolds, Barry Patterson and Ian Cochrane as non-executive directors, approved the construction of the project which is targeting gold production in the first quarter of CY2018.

Dacian Gold will also maintain an aggressive exploration spend on the project it believes will continue to yield gold discoveries that will increase mine life and project value.

For further information please visit [www.daciangold.com.au](http://www.daciangold.com.au) to view the Company's presentation or contact:

<p>Rohan Williams Executive Chairman Dacian Gold Limited +61 8 6323 9000</p>	<p>Paul Armstrong Investor Relations Read Corporate Pty Ltd +61 8 9388 1474</p>
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## APPENDIX I

Mount Morgans Gold Project Mineral Resources as at 28 July 2016

Deposit	Cut-off Grade	Measured			Indicated			Inferred			Total Mineral Resource		
		Au g/t	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t
King Street*	0.5	-	-	-	-	-	-	532,000	2.0	33,000	532,000	2.0	33,000
Jupiter	0.5	994,000	1.7	54,000	22,889,000	1.4	1,006,000	5,739,000	1.1	197,000	29,623,000	1.3	1,257,000
Jupiter UG	1.5	-	-	-	-	-	-	530,000	2.0	34,000	530,000	2.0	34,000
Jupiter LG Stockpile	0.5	3,494,000	0.5	58,000	-	-	-	-	-	-	3,494,000	0.5	58,000
Westralia	2.0	409,000	5.0	65,000	4,769,000	5.5	840,000	3,449,000	6.5	715,000	8,626,000	5.8	1,621,000
Craic*	0.5	-	-	-	69,000	8.2	18,000	120,000	7.1	27,000	189,000	7.5	46,000
Transvaal	2.0	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
Ramornie	2.0	-	-	-	156,000	4.1	21,000	285,000	3.9	36,000	442,000	4.0	57,000
<b>Total</b>		<b>5,263,000</b>	<b>1.5</b>	<b>246,000</b>	<b>28,287,000</b>	<b>2.1</b>	<b>1,954,000</b>	<b>11,138,000</b>	<b>3.1</b>	<b>1,115,000</b>	<b>44,688,000</b>	<b>2.3</b>	<b>3,315,000</b>

\* JORC 2004

Mt Morgans Gold Project Ore Reserves as at 21 November 2016

Deposit	Cut-off Grade	Proved			Probable			Total		
		Au g/t	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t
Beresford UG	2.0	50,000	4.9	8,000	2,383,000	4.2	323,000	2,433,000	4.2	331,000
Allanson UG	2.0	-	-	-	882,000	5.7	162,000	882,000	5.7	162,000
Transvaal UG	1.4	193,000	4.7	29,000	325,000	3.4	36,000	518,000	3.9	65,000
Jupiter OP	0.5	867,000	1.7	48,000	13,884,000	1.3	595,000	14,751,000	1.4	643,000
<b>INITIAL ORE RESERVE</b>		<b>1,110,000</b>	<b>2.4</b>	<b>85,000</b>	<b>17,475,000</b>	<b>2.0</b>	<b>1,115,000</b>	<b>18,585,000</b>	<b>2.0</b>	<b>1,200,000</b>

### Competent Person Statement

In relation to Mineral Resources and Ore Reserves, the Company confirms that all material assumptions and technical parameters that underpin the relevant market announcement continue to apply and have not materially changed.

### Exploration

The information in this report that relates to Exploration Results is based on information compiled by Mr Rohan Williams who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Williams holds shares and options in, and is a director and full time employee of, Dacian Gold Ltd. Mr Williams has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Williams consents to the inclusion in the report of the matters based on the information compiled by him, in the form and context in which it appears.

### Mineral Resources

The information in this report that relates the Westralia Deposit Mineral Resource (see ASX announcement 28 July 2016), Jupiter Deposit Mineral Resource (see ASX announcement 19 July 2016), Transvaal Deposit Mineral Resource (see ASX announcement 16 September, 2015) and the Ramornie Deposit Mineral Resource (see ASX announcement 24 February, 2015) is based on information compiled by Mr Shaun Searle who is a Member of Australian Institute of Geoscientists and a full-time employee

of RungePincockMinarco. Mr Searle has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Searle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates the Jupiter Low Grade Stockpile (see ASX announcement – 16 September, 2015) and is based on information compiled by Mr Rohan Williams who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Williams holds shares and options in, and is a director and full time employee of, Dacian Gold Ltd. Mr Williams has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Williams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources (other than Westralia, Jupiter, Jupiter Low Grade Stockpile, Transvaal, and Ramornie which are reported under JORC 2012) is based on information compiled by Mr Rohan Williams, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Williams holds shares and options in, and is a director and full time employee of, Dacian Gold Ltd. Mr Williams has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Williams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Where the Company refers to the Mineral Resources and Ore Reserves in this report (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 and Ore Reserve 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.

All information relating to Mineral Resources and Ore Reserves (other than the King Street and Craic) were prepared and disclosed under the JORC Code 2012. The JORC Code 2004 King Street and Craic Mineral Resource has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last updated.

### Ore Reserves

The information in this report that relates to Ore Reserves for the Westralia Mining Area and Transvaal Mining Area (see ASX announcement 21 November 2016) is based on information compiled or reviewed by Mr Matthew Keenan and Mr Shane McLeay. Messrs Keenan and McLeay have confirmed that they have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition). They are

Competent Persons as defined by the JORC Code 2012 Edition, having more than five years experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which they are accepting responsibility. Messrs Keenan and McLeay are both a Member of The Australasian Institute of Mining and Metallurgy and full time employees of Entech Pty Ltd and consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Ore Reserves for the Jupiter Mining Area (see ASX announcement 21 November 2016) is based on information compiled or reviewed by Mr Ross Cheyne. Mr Cheyne confirmed that he has read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition). He is a Competent Person as defined by the JORC Code 2012 Edition, having more than five years' experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is accepting responsibility. Mr Cheyne is a Fellow of The Australasian Institute of Mining and Metallurgy and a full-time employee of Orelogy Consulting Pty Ltd and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.