

13 April 2017

DACIAN SET TO AWARD KEY UNDERGROUND MINING CONTRACT AT MT MORGANS TO RUC MINING

Two key contracts now in place – ensuring Dacian remains on track to be pouring first gold within 12 months

Dacian Gold Limited (ASX: DCN) (**Dacian Gold** or the **Company**) is pleased to advise that it has issued a conditional Letter of Intent for the award of the underground mining contract at its 100%-owned Mt Morgans Gold Project (**MMGP**) in Western Australia to WA-based underground mining contractor, RUC Cementation Mining (**RUC**), marking another important step towards the project's development.

The conditional Letter of Intent relates to the underground development and production stoping from the Beresford and Allanson underground mines, which together comprise the Westralia Mine Area.

It is intended that the conditional Letter of Intent will be replaced by a formal Underground Mining Services Contract following agreement to the final terms and conditions in the contract and the receipt of approval from the Dacian Gold Board.

Works under the Underground Mining Services Contract, which will have an initial term of 3 years with two discretionary 1-year extensions, are to include:

- Establishment of a new portal for Beresford;
- Rehabilitation of the existing portal and decline for Allanson;
- All decline and level development;
- All ore driving; and
- All stope production.

The Letter of Intent follows the recent completion of Dacian Gold's fully underwritten \$110 million equity raising (see ASX Announcements, 22 and 24 February 2017) and the issue of a conditional Letter of Intent to GR Engineering Services Ltd for the engineering, procuring and construction (**EPC**) of a new 2.5Mtpa CIL treatment facility (ASX Announcement, 6 March 2017).

It is envisaged commencement of construction of the new treatment facility and mobilisation of RUC to Mt Morgans will both occur later this month, with underground mining set to commence in May.

RUC is a WA-based mining services contractor that specialises in underground mining and shaft-sinking. It is a subsidiary of leading international mining services group Murray & Roberts Holdings Limited.

Dacian Gold's Executive Chairman Rohan Williams said: "We are rapidly ticking the boxes on the path to becoming Australia's next significant mid-tier gold producer."

"With a Letter of Intent issued last month to GR Engineering to build the new 2.5Mtpa treatment plant and now to experienced WA-based underground mining services group RUC Mining for the underground mining contract, we now have two of the key contracts in place which are required to bring Mt Morgans into gold production in less than 12 months."



“During the construction phase and initial mining phase at Mount Morgans we will maintain our aggressive exploration programs aimed at discovering new gold resources,” Mr Williams said. “As a result, we expect to be providing strong news flow over the coming months.”

For further information please visit www.daciangold.com.au or contact:

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For and on behalf of the Board

Rohan Williams

Executive Chairman