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22 FEBRUARY 2017

A\$110M EQUITY RAISING COMPLETES FINANCING FOR CONSTRUCTION OF THE MT MORGANS GOLD PROJECT, FOLLOWING SUCCESSFUL DEBT FUNDING AND GRANT OF ALL KEY REGULATORY APPROVALS

Highlights

- Dacian Gold launches a fully underwritten A\$110 million equity raising comprising an Institutional Placement to raise approximately A\$15.4 million and a 1 for 3.1 Accelerated Non-Renounceable Entitlement Offer to raise approximately A\$94.4 million
- Approximately 55 million new shares to be issued at A\$2.00 per share, representing a 8.9% discount to TERP¹ and a 11.9% discount to the last close of A\$2.27 as at 21 February 2017
- Equity raising to contribute to the development of the Mt Morgans Gold Project (MMGP) following the release of the positive MMGP Feasibility Study and expansion Pre-Feasibility Study (ePFS) to the ASX on 21 November 2016
- Dacian Gold has successfully secured a A\$150 million project debt facility with three tier-one banks, on excellent terms, as announced to the ASX on 21 December 2016
- Post completion of the equity raising Dacian is fully funded to complete the construction of the MMGP through to production
- Construction commenced on the MMGP in January 2017 following the receipt of key regulatory approvals, ensuring the MMGP remains on track for first gold production in Q1 CY2018

¹ The Theoretical Ex-Rights Price (TERP) is the theoretical price at which Dacian shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equate to TERP. The TERP includes New Shares to be issued under the Placement.

Dacian Gold Limited (**Dacian Gold** or the **Company**) is pleased to announce the launch of a fully underwritten A\$110 million equity raising to complete the funding required to fully develop its 100% owned MMGP, located 20km south-west of Laverton in Western Australia.

The Offer

The A\$110 million equity raising will comprise a placement of approximately 8 million new shares to raise A\$15.4 million (**Institutional Placement**) and the issue of approximately 47 million new shares from a 1 for 3.1 accelerated non-renounceable entitlement offer to raise up to A\$94.4 million (**Entitlement Offer**) (together, **the Offer**). The Entitlement Offer will consist of an Institutional Entitlement Offer and a Retail Entitlement Offer. Upon completion of the Offer, the Company will have approximately 201 million shares on issue.

The proceeds of the Offer will be used for:

- A\$77 million for MMGP construction and development expenditure, including;
 - A\$59 million for site infrastructure including a new 2.5Mtpa CIL treatment facility;
 - A\$18 million for mine-establishment costs at Beresford, Allanson and Jupiter;
- A\$15 million for exploration expenditure; and
- A\$18 million for corporate expenditure, working capital and transaction costs.

Development of the MMGP Commenced Following Successful A\$150 Million Debt Funding and Receipt of Key Regulatory Approvals

Following the recent achievement of several key project milestones, proceeds from the Offer will complete the funding of the development of Australia's next high-grade mid-tier gold project.

In December 2016, Dacian Gold secured a project debt finance facility of up to A\$150 million with three tier-one banks, providing a highly flexible and competitively priced financing package to co-fund the development of its 100% owned MMGP (ASX release dated 21 December 2016).

In January 2017, construction activities, including earthworks at both the site of the accommodation village and the Westralia Mine Area, commenced at the MMGP following receipt of the following key regulatory approvals and permits:

- Mine Proposal and Mine Closure Plan;

- Mt Morgans Project Management Plan;
- Native Vegetation Clearing Permit; and
- Works Approval and License (see ASX release dated 12 January 2017).

Dacian Gold's ability to successfully secure project debt funding and commence construction has ensured that the MMGP remains on track to achieve first gold production in Q1 CY2018.

Dacian Gold will maintain an aggressive exploration program in 2017 during construction of the MMGP as the Company believes there is excellent potential to continue to yield gold discoveries that will increase the Ore Reserve life and project value.

Commentary

Dacian Gold's Executive Chairman Rohan Williams said:

The equity raising completes the last piece of the funding package required to complete the construction of the Mt Morgans Gold Project through to first gold production. We can now focus all our attention on continuing project construction and mine development at Westralia and Jupiter, keeping us on track to achieve first gold production in Q1 CY2018.

"It will also fund continued exploration targeting more discoveries on our extensive and highly prospective land-holding at Mt Morgans, where we see significant potential to continue to grow our gold inventory."

Placement and Institutional Entitlement Offer

Eligible institutional shareholders with registered addresses in the offering jurisdictions will be invited to participate in the Placement and Institutional Entitlement Offer, which is being conducted between Wednesday, 22 February 2017 and Thursday, 23 February 2017. Eligible shareholders can choose to take up all, part or none of their entitlement. As the Entitlement Offer is non-renounceable, entitlements cannot be traded.

Together with the Placement, institutional entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and institutional entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to Eligible Institutional Shareholders who apply for New Shares in excess of their entitlement, as well as to certain other eligible institutional investors.

Retail Entitlement Offer

Eligible retail shareholders with retail addresses in Australia and New Zealand will be invited to participate in the Retail Entitlement Offer at the same price as the Placement and Institutional Entitlement Offer. The Retail Entitlement Offer will open on 28 February 2017 and close at 5:00pm (AEST) on 20 March 2017.

Further information will be sent to Eligible Retail Shareholders in a booklet (Retail Offer Booklet) expected to be lodged with ASX and despatched on or around 28 February 2017. The Retail Offer Booklet and the accompanying personalised entitlement and acceptance form (Application Form) will contain instructions on how to apply. Application Forms and payments are due by no later than 5:00pm (AEST) on 20 March 2017.

Key Dates

Key dates for the Offer are outlined in the timetable below:

| Key Event | Date ¹ |
|--|----------------------------------|
| Announcement of Outcome Under Placement and Institutional Entitlement Offer | Friday, 24 February 2017 |
| Trading in Dacian Gold Shares Recommences on an Ex-entitlement Basis | Friday, 24 February 2017 |
| Record Date for Entitlement Offer | 10:00pm Friday, 24 February 2017 |
| Retail Entitlement Offer Opens | Tuesday, 28 February 2017 |
| Retail Offer Booklet Dispatched | Tuesday, 28 February 2017 |
| Settlement of New Shares Issued Under Placement and Institutional Entitlement Offer | Friday, 3 March 2017 |
| Allotment and Trading of New Shares Issued Under Placement and Institutional Entitlement Offer | Monday, 6 March 2017 |
| Retail Entitlement Offer Closes | 5:00pm Monday, 20 March 2017 |
| Announcement of Outcome Under the Retail Entitlement Offer | Wednesday, 22 March 2017 |
| Settlement of New Shares Issued Under Retail Entitlement Offer | Friday, 24 March 2017 |
| Allotment of New Shares Issued Under Retail Entitlement Offer | Monday, 27 March 2017 |
| Dispatch of Holding Statements and Trading of New Shares Issued Under Retail Entitlement Offer | Tuesday, 28 March 2017 |

Note: (1) The above timetable is indicative only and subject to change. Dacian Gold, in conjunction with the Sole Lead Manager, reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws. All times and dates are in reference to AEDT.

Additional Information

Additional information regarding the Equity Raising is contained in the investor presentation released to the ASX today. The Retail Offer Booklet will be released separately and mailed to eligible retail shareholders.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should seek appropriate professional advice before making any investment decision.

Macquarie Capital (Australia) Limited is acting as Sole Lead Manager, Bookrunner and Underwriter. Argonaut Securities Pty Limited has been appointed as Co-Lead Manager to the Offer.

Treadstone Resource Partners acted as strategic and financial advisor to Dacian Gold.

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 3 years of intensive exploration, Dacian 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.

In November 2016, Dacian 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. Based on the Feasibility Study, the capital cost to build the project, including a new 2.5 Mtpa CIL treatment facility, is A\$220M which includes A\$172M of site-based infrastructure and A\$48M of mine establishment costs for the underground Westralia Mine Area and the open pit at Jupiter. Dacian's latest estimate for site based infrastructure post the Feasibility Study reduces capital cost to A\$157m (from A\$172M). 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 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 on the equity raising please visit www.daciangold.com.au to view the Company's presentation or contact:

| | |
|--|---|
| Rohan Williams Executive Chairman Dacian Gold Limited +61 8 6263 9000 | Paul Armstrong Investor Relations Read Corporate +61 8 9388 1474 |
|--|---|

Appendix I

Mount Morgans Gold Project Mineral Resources at 28 July 2016

| | COG | Measured | | | Indicated | | | Inferred | | | Total Mineral Resource | | |
|----------------------|-----|------------|------------|------------|-------------|------------|--------------|-------------|------------|--------------|------------------------|------------|--------------|
| | | Au g/t | Mt | Au g/t | Koz Au | Mt | Au g/t | Koz Au | Mt | Au g/t | Koz Au | Mt | Au g/t |
| King Street* | 0.5 | - | - | - | - | - | - | 0.5 | 2.0 | 33 | 0.5 | 2.0 | 33 |
| Jupiter | 0.5 | 1.0 | 1.7 | 54 | 23 | 1.4 | 1,006 | 5.7 | 1.1 | 197 | 29.6 | 1.3 | 1,257 |
| Jupiter UG | 1.5 | - | - | - | - | - | - | 0.5 | 2.0 | 34 | 0.5 | 2.0 | 34 |
| Jupiter LG Stockpile | 0.5 | 3.5 | 0.5 | 58 | - | - | - | - | - | - | 3.5 | 0.5 | 58 |
| Westralia | 2.0 | 0.4 | 5.0 | 65 | 4.8 | 5.5 | 840 | 3.5 | 6.5 | 715 | 8.6 | 5.8 | 1,621 |
| Craic* | 0.5 | - | - | - | 0.1 | 8.2 | 18 | 0.1 | 7.1 | 27 | 0.2 | 7.5 | 46 |
| Transvaal | 2.0 | 0.4 | 5.8 | 68 | 0.4 | 5.3 | 69 | 0.5 | 4.7 | 73 | 1.3 | 5.2 | 210 |
| Ramomie | 2.0 | - | - | - | 0.2 | 4.1 | 21 | 0.3 | 3.9 | 36 | 0.4 | 4.0 | 57 |
| TOTAL | | 5.3 | 1.5 | 246 | 28.3 | 2.1 | 1,954 | 11.1 | 3.1 | 1,115 | 44.7 | 2.3 | 3,315 |
| * JORC 2004 | | | | | | | | | | | | | |

*Refer to ASX release – 28 July 2016

Mount Morgans Gold Project Initial Ore Reserves

| | COG (g/t) | Proved Ore Reserves | | | Probable Ore Reserves | | | Total Initial Ore Reserves | | |
|----------------------------|-----------|---------------------|------------|-----------|-----------------------|------------|--------------|----------------------------|------------|--------------|
| | | Tonnes (Kt) | Au g/t | Au (Koz) | Tonnes (Kt) | Au g/t | Au (Koz) | Tonnes (Kt) | Au g/t | Au (Koz) |
| Beresford UG | 2.0 | 50 | 4.9 | 8 | 2,383 | 4.2 | 323 | 2,433 | 4.2 | 331 |
| Allanson UG | 2.0 | - | - | - | 882 | 5.7 | 162 | 882 | 5.7 | 162 |
| Transvaal UG | 1.4 | 193 | 4.7 | 29 | 325 | 3.4 | 36 | 518 | 3.9 | 65 |
| Jupiter OP | 0.5 | 867 | 1.7 | 48 | 13,884 | 1.3 | 595 | 14,751 | 1.4 | 643 |
| INITIAL ORE RESERVE | | 1,110 | 2.4 | 85 | 17,475 | 2.0 | 1,115 | 18,585 | 2.0 | 1,200 |

*Refer to ASX release – 21 November 2016

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.

Competent Person Statement

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 Prospect (see ASX Announcement 19 July 2016) and Transvaal Mineral Resources (see ASX announcement 16th September, 2015) and Ramornie Mineral Resources (see ASX announcement 24th 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 – 16th 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 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 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.

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