

16 NOVEMBER 2017

MT MORGANS GOLD PROJECT PICTORIAL UPDATE

PROCESSING PLANT NOW 70% COMPLETE, ON TIME AND ON BUDGET AS DACIAN CLOSES-IN ON FIRST GOLD PRODUCTION

Underground mining 650m ahead of schedule with ore intersected on three levels at Beresford by the week's end and eight drilling rigs operating on site; First gold on track for March 2018

Dacian Gold Ltd (**Dacian Gold** or **the Company**) (ASX: DCN) is pleased to provide an updated photographic presentation of recent site construction activities at its 100%-owned Mount Morgans Gold Project, located near Laverton in Western Australia.

Dacian Gold Executive Chairman Rohan Williams said the photos (contained in the accompanying presentation) clearly reflect the outstanding progress which had been achieved on numerous fronts at Mt Morgans since the last pictorial update in early September, including:

- Construction of the 2.5Mtpa CIL treatment plant is now **70% complete**, on schedule and on budget;
- Underground mining at Beresford and now Allanson is 650m ahead of the corresponding Feasibility Study mining schedule;
- Ore has been intersected on a second level at Beresford on the 2314 level, and a third level intersection of ore (2280 level) is expected by the end of the week;
- Ore development on the 2297 level at Beresford has achieved 93m to date;
- Construction of the Accommodation Village is complete, except for some minor works including final landscaping: all 400 rooms are operational;
- Access tracks associated with installation of the 4km gas pipeline lateral has commenced;
- Power station construction and hardware installation is progressing well;
- Construction of the Jupiter Mine Service Area, including the administration complex, workshops and mines rescue/first aid centre has commenced;
- Clearing of Heffernans Hill at Jupiter is complete and RC grade control drilling has commenced ahead of open pit mining scheduled to start next month;
- Two underground grade control diamond drill rigs are continuing at Beresford, with strong results returned;
- RC resource-estimation drilling for oxide mineralisation at Cameron Well is underway; and
- Three diamond drill rigs operating at Westralia are infill-drilling the Inferred Mineral Resource to Indicated Mineral Resource, as well as commencing deeper resource-extension drilling.

"Achieving these significant milestones six weeks out from the Christmas break is a remarkable achievement and a real credit to the construction, development and mining teams on site at Mount Morgans – all of whom are doing a fantastic job," Mr Williams said.

“Construction of the new 2.5Mtpa CIL treatment plant is now well past the halfway point with the site currently a hive of activity and the very impressive structure shown in the attached photographs now well and truly taking shape,” he said.

“The construction program remains on time and on budget and we are confident we will achieve our target of pouring our first gold in March next year.

“At the same time, with first gold production now very much in sight we are continuing to aggressively pursue new growth of the Mount Morgans operation.

“We are increasing our resource-focused drilling with four rigs now working around the clock at both Westralia and Cameron Well, in addition to a further three rigs undertaking grade control drilling at Beresford and Jupiter. And we have recently commenced reconnaissance aircore drilling at our next exploration target, called Basin Margin.”



Rohan Williams
Executive Chairman

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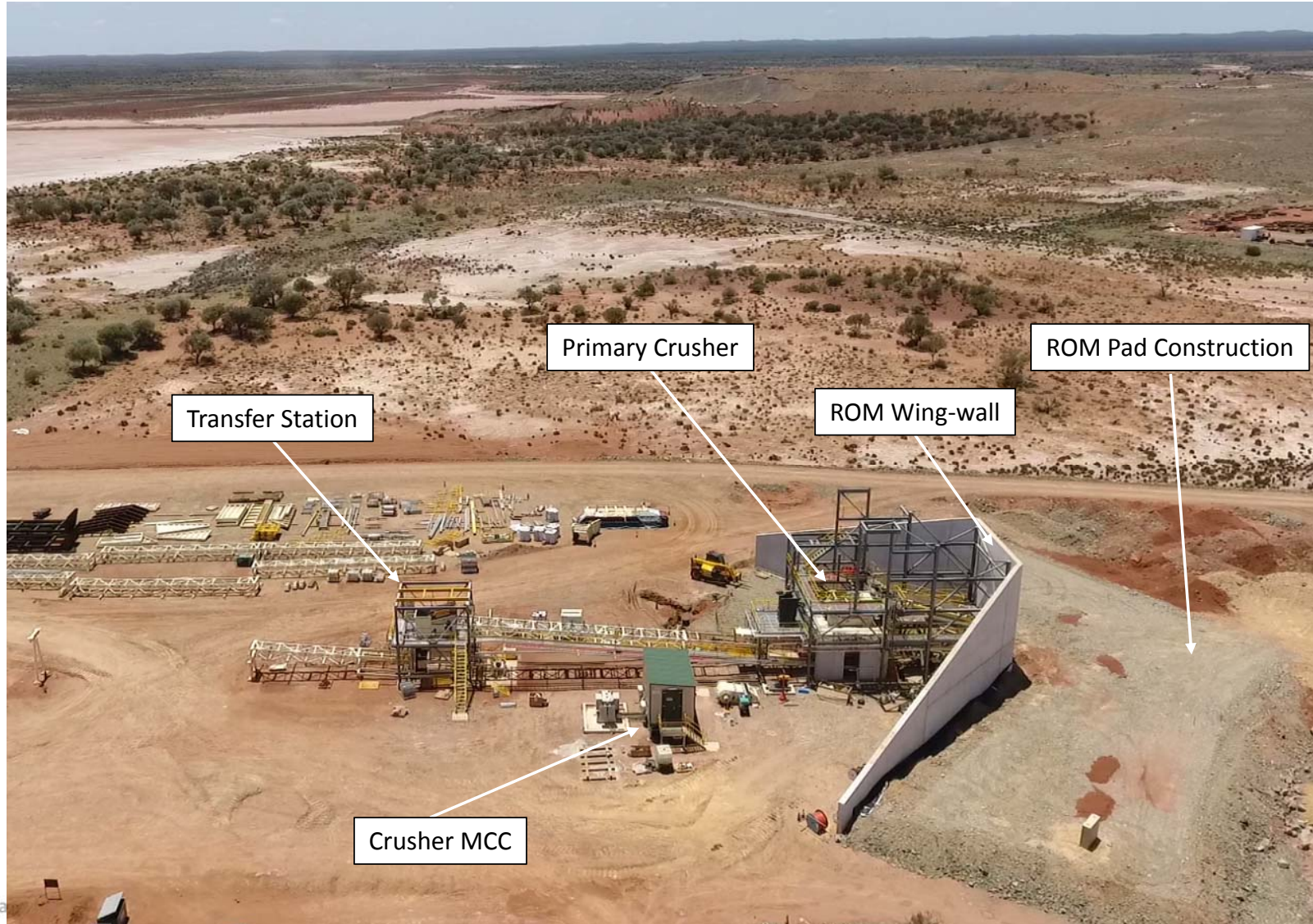
Mt Morgans Gold Project Photographic Update

16 November 2017

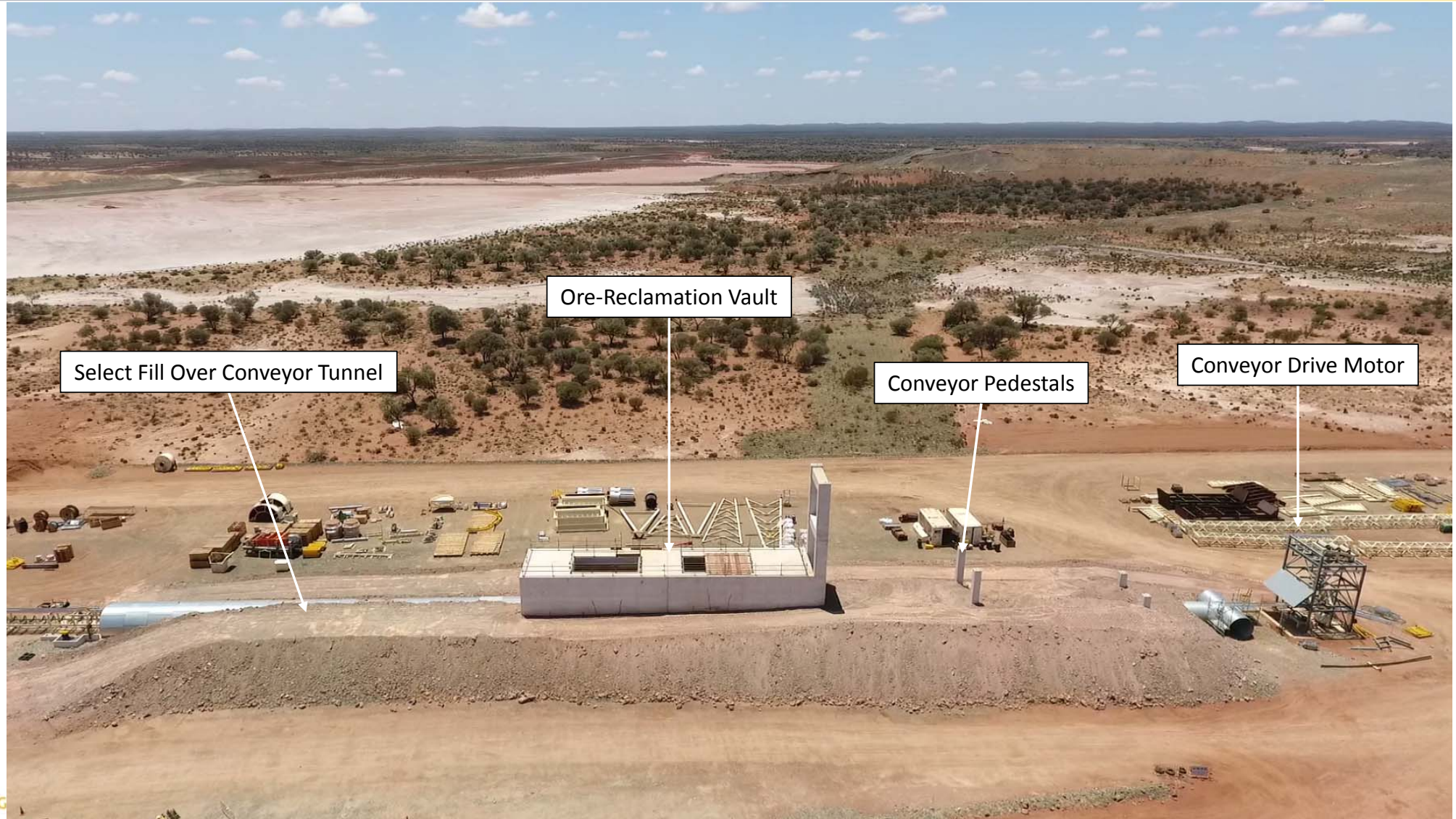


Fitting SAG Mill Head to Shell

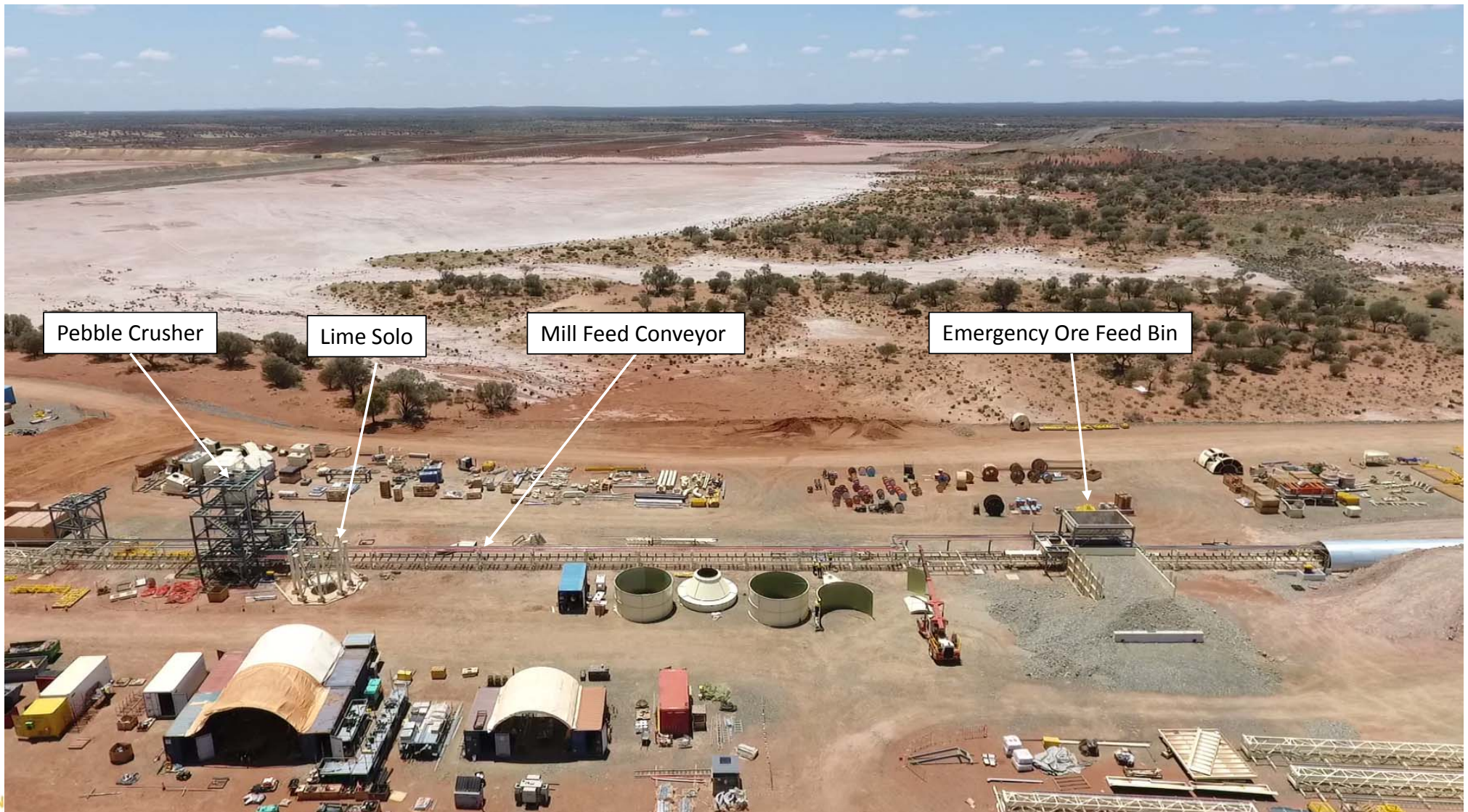
ROM Pad and Primary Crusher



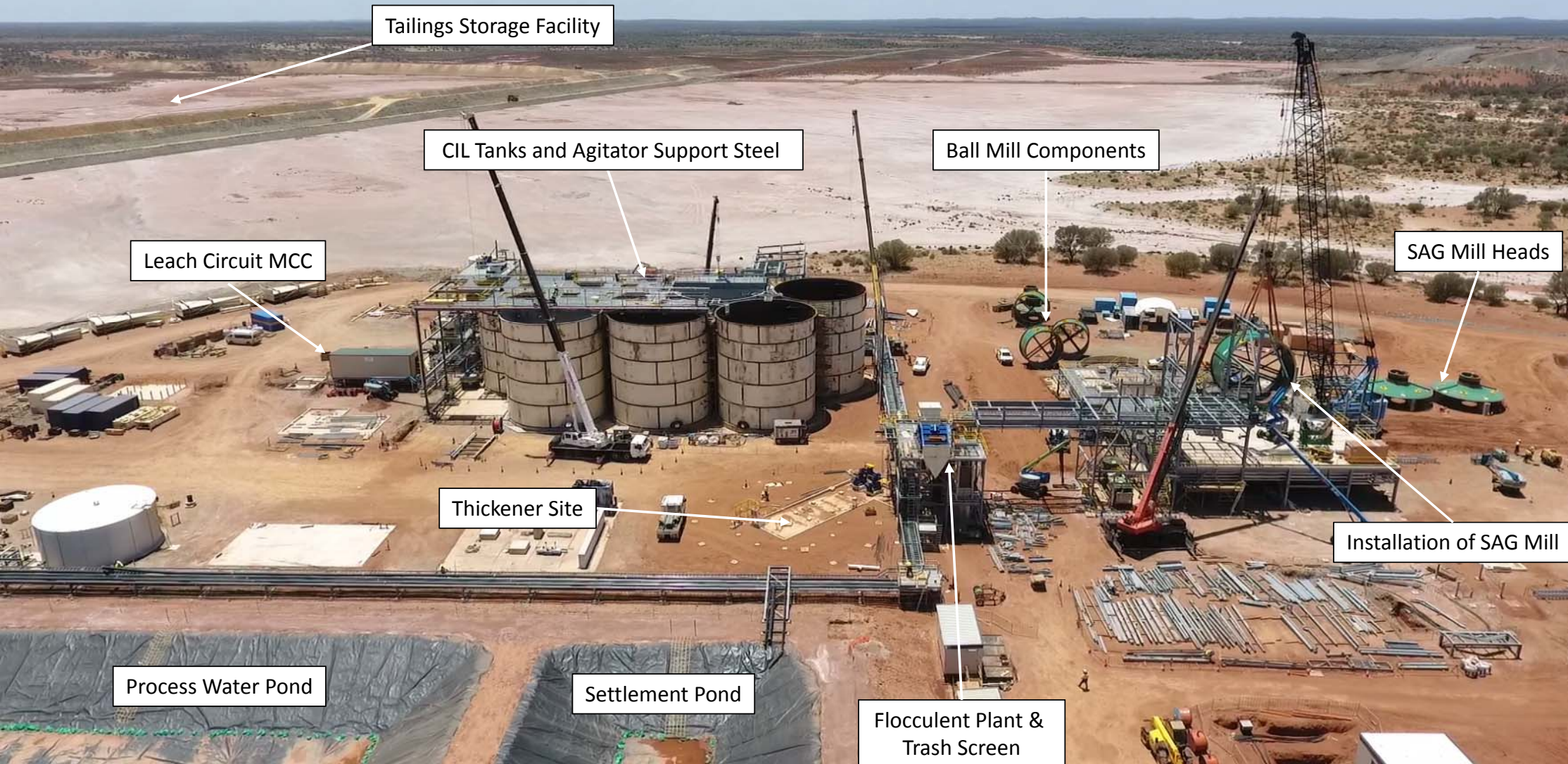
Ore-Reclamation and Stockpile



Emergency Feed, Mill Conveyor and Pebble Crusher



Milling, Leach & Adsorption; Gold Recovery and Tailings



TSF and Gas Pipeline Route



Heffernans Hill Cleared and RC Grade Control Commenced

