DACIAN GOLD

ASX CODE: DCN

Gold in 12 months - Australia's next significant mid-tier producer

Euroz Securities Institutional Conference

March 16 2017

Rohan Williams – Executive Chairman

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Competent Person Statements

- 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.
- The information in this report that relates the Westralia Mineral Resource (see ASX announcement – 28 July 2016), the Jupiter Mineral Resource (see ASX announcement – 19 July 2016), the Transvaal Mineral Resource (see ASX announcement – 16 September 2015), and the Ramornie Mineral Resource (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 RPM. 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, Transvaal Jupiter Low Grade Stockpile 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 in this report (referencing the 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 resource estimate with that announcement continue to apply and have not materially changed.
- The information in this report that relates to Ore Reserves for the Westralia Mine Area and the Transvaal underground mine is based on information compiled by Mr Matthew Keenan and Mr Shane McLeay, both full time employees of Entech Pty Ltd and Members of The Australasian Institute of Mining and Metallurgy. The information in this report that relates to Ore Reserves for the Jupiter Mine Area is based on information compiled by Mr Ross Cheyne, a full time employee of Orelogy Consulting Pty Ltd a Fellow of The Australasian Institute of Mining and Metallurgy. Messrs Keenan, McLeay and Cheyne have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Messrs Keenan, McLeay and Cheyne consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.
- 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 Mineral Resource and Ore Reserves have 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.

Cautionary Statement

- Dacian Gold has concluded it has a reasonable basis for providing the forward looking statements that relate to the Mt Morgans Feasibility Study and the expansion Pre-Feasibility Study (expansion PFS) that are included in this presentation. The detailed reasons for that conclusion are outlined in ASX announcement dated 21 November 2016, which has been prepared in accordance with the JORC Code (2012) and the ASX Listing Rules. The Company advises that the Production Targets and Forecast Financial Information contained in the Mt Morgans expansion PFS in this announcement are preliminary in nature as the conclusions are based, in part, on low-level technical and economic assessments, and are insufficient to support the estimation of Ore Reserves or to provide an assurance of economic development at this stage. There is a low level of geological confidence associated with Inferred Mineral Resources (comprising 23% of the expansion PFS) used in this report and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realised. The stated Production Target is based on the Company's current expectations of future results or events and should not be relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.
- The Company confirms that all material assumptions underpinning the production target and forecast financial information contained in the Company's ASX announcement released on 21 November 2016 continue to apply and have not materially changed.

Corporate Overview

Pro-forma Capital Structure*

201 million	Shares on Issue
13.0 million	12.3m Options 0.7m Performance Rights
A$390 million	Market Cap (A$1.95/sh)
A$137 million	Cash

Recent Share Price Performance – ASX Code: DCN

ASX 300 Company

Major shareholders*

Top 20 hold 60%

Directors – 8%

Institutions – 50%

- Australia 34%
- North America 9%
- UK 5%

Board of Directors

Rohan Williams	Executive Chairman *(Avoca / Alacer Gold, WMC)*
Barry Patterson	Non-Executive Director *(Sonic, Silex, GR Engineering, Eltin)*
Rob Reynolds	Non-Executive Director *(Avoca / Alacer Gold, Delta Gold)*
Ian Cochrane	Non-Executive Director *(Cochrane Lishman, Ausdrill)*

** Post Placement & ANREO announced 22 February 2017*

2016 - A Transformational 12 months – Key Achievements

Mount Morgans Gold Project

- Completed 90,000m resource in-fill and extensional drill program
- Increased global resource inventory to 3.3Moz with 73% increase in Measured and Indicated Resources to 2.2Moz
- Completed Feasibility Study delivering an initial Ore Reserve of 1.2Moz
- Completed PFS delivering 1.7Moz of potential production (incl Ore Reserves)
- Commenced Mine Construction

Corporate

- Mt Morgans Project fully funded:
  - Raised $136M of equity (retail rights issue* underwritten for $18M)
  - Signed $150M Project Facility – excellent terms
- Increased market capitalisation from $100M to $390M
- Investment by leading institutions – 50% of share register
- Strengthened board and management with key appointments

** Closes 5pm 20 March 2017*

Mount Morgans – Initial Ore Reserve of 1.2Moz

Australia's next significant high-grade mid-tier gold project

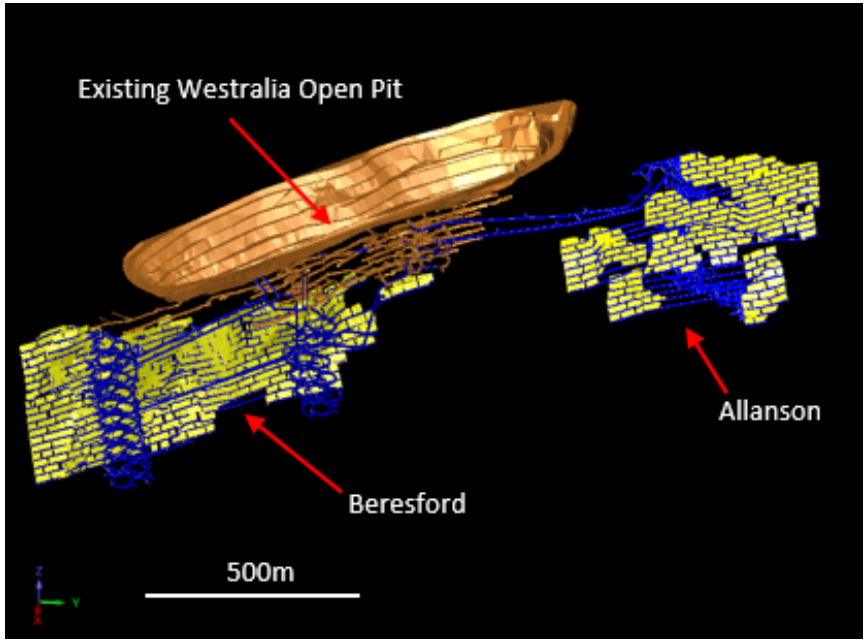
- MMGP Feasibility Study completed
- Initial Ore Reserve[1] of 18.6Mt @ 2.0g/t Au for 1.2Moz, includes:
  - *Westralia Mine Area (Beresford and Allanson underground mines) Ore Reserve of 492Koz at an [2]AISC of A$837/oz ([3]US$628/oz), and*
  - *Jupiter Open Pit of 643Koz at an AISC of A$1,193/oz (US$895/oz)*
  - *Initial 8 year mine and treatment period. First 4 years averages 186Koz produced*
  - *MMGP AISC of A$1,039/oz (US$779/oz)*
- Capital Expenditure of A$220M (US$165M), which includes:
  - *Infrastructure costs of A$172M (US$129M) comprising new 2.5Mtpa CIL treatment & TSF facility, new 416-person accommodation village, mine services facilities at Westralia and Jupiter; administration complex; overland power reticulation, raw-water supply, re-establish existing haul and service roads; integrated data and communication systems across site*
  - *Mine-establishment costs of A$48M (US$36M) provides early mine start-up so that processing plant commences treatment at the nameplate 2.5Mtpa throughput rate*
- Board approved to proceed with Project Finance (Q4 CY2016) and construction (Q1 CY2017)
- Gold production targeted in Q1 CY2018, 12 months from now
- Payback period: 21 months

[1] Refer to ASX Release 21 November 2016
[2]AISC = C1 Cash cost + royalties + sustaining capital costs
[3]USD:AUD Exchange rate set at $0.75USD=A$1.00

Mount Morgans – Westralia Mine Area Initial Ore Reserve

Two new high-grade underground gold mines

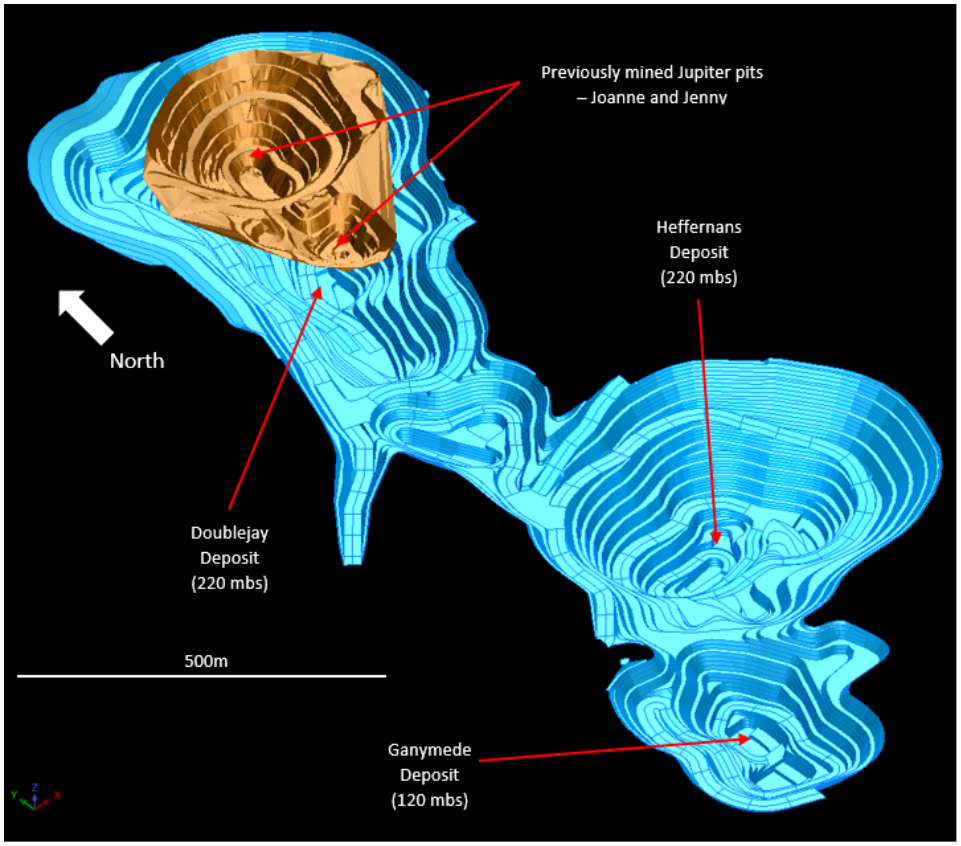
- Beresford Initial Ore Reserve of:
  - *2.4Mt @ 4.2g/t Au for 331Koz at a forecast AISC of A$845/oz (US$634/oz)*
- Allanson Initial Ore Reserve of:
  - *0.9Mt @ 5.7g/t Au for 162Koz at a forecast AISC of A$819/oz (US$614/oz)*
- Combined Westralia Mine Area Ore Reserve of:
  - *3.3Mt @ 4.6g/t Au for 492Koz at a forecast ASIC of A$837/oz (US$626/oz)*
- WA-standard underground mining techniques (SLOS)
- Westralia ores prioritised for treatment



Mount Morgans – Jupiter Mine Area Initial Ore Reserve

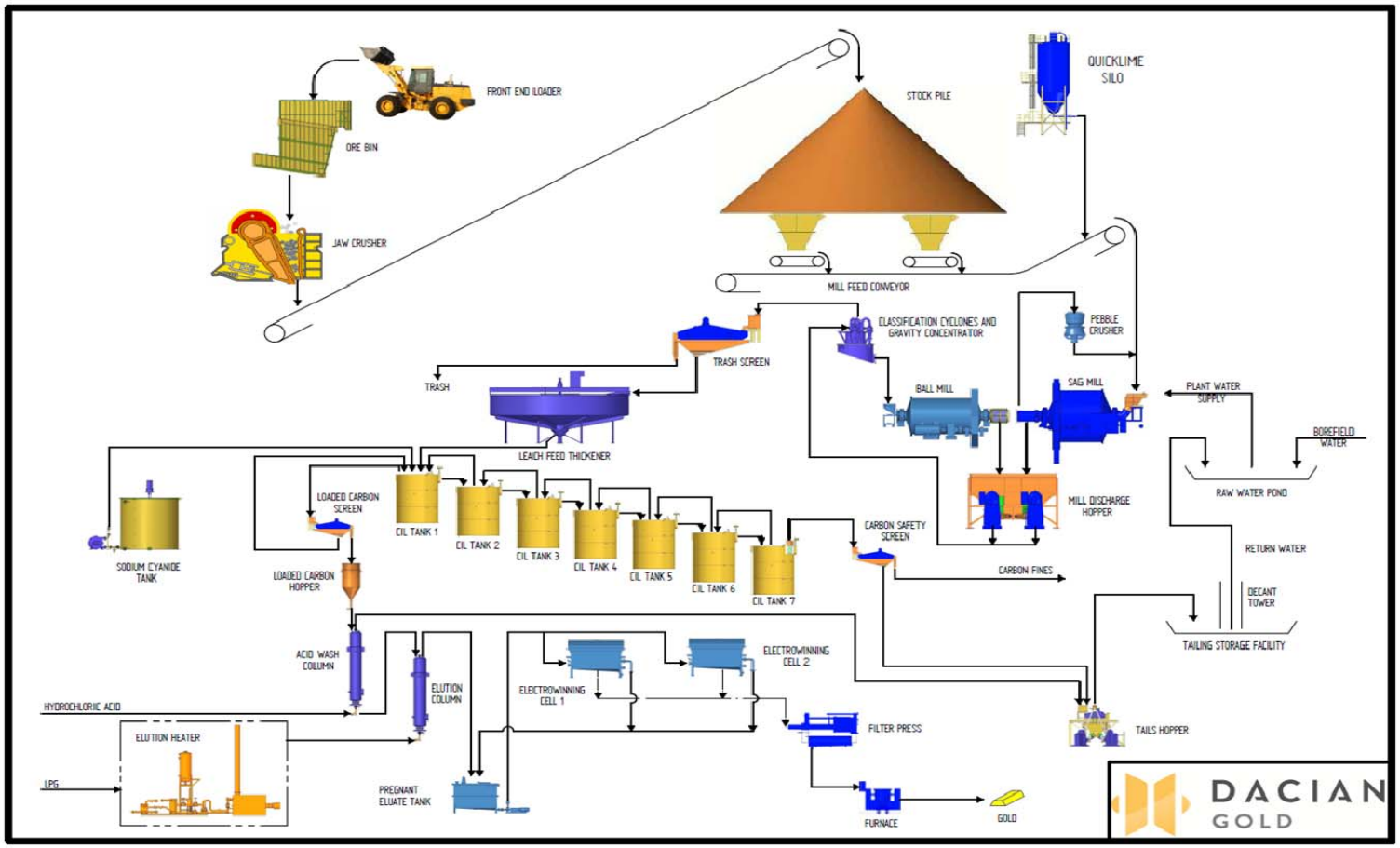
Single, large open pit 1.8km long, up to 650m wide and 220m deep

- Maiden Ore Reserve of
  - *14.8Mt @ 1.4g/t Au for 643Koz*
- Forecast AISC A$1,193/oz (US$875/oz)
- Three sub-pits:
  - *Heffernans – 323Koz at AISC of A$1,108/oz (Q1/18-Q1/25)*
  - *Doublejay – 268Koz at AISC of A$1,241/oz (Q1/18-Q3/23)*
  - *Ganymede – 52Koz at AISC of A$1,485/oz (Q4/21-Q1/24)*
- Average strip ratio of 7.5
- Subordinated treatment priority to Westralia Mine Area



Mount Morgans – Processing & Metallurgy

- Standard WA goldfields CIL treatment plant
  - *Similar to historic Mt Morgans plant*
- SABC configuration
- 106 micron grind
- CWi 23.6, BWi 18.5kWh/t
- Gravity gold 30-50%
- 28hr residence time
- Recovery 90.7%
  - *Historically 91.4% based on 10Mt of processing the same ore types during 1990s producing 740Koz*
- Treatment cost A$17.88/t



Mount Morgans – Project Infrastructure Capital

Feasibility Study - Total Project Infrastructure Capital of A$172M, <u>but is less now</u>

- New 2.5Mtpa CIL treatment facility and associated infrastructure
  - *A$134M Capital Cost*
  - *Build adjacent to Jupiter Pit*
- Other infrastructure, including:
  - *New accommodation village (A$21M)*
  - *Mine service facilities at Westralia and Jupiter (A$7M)*
  - *Communications (A$4M)*
  - *Roads & Earthworks (A$4M)*
- Booked capital savings on village (-$9M), LVs (-$4M), comms (-$1M) and EPC (tba)

Mount Morgans – Mine-Establishment Capital

Total Mine-Establishment Capital of A$48M. Targeting plant to operate at 2.5Mtpa nameplate from commissioning

- Beresford (A$30M). Commencing Q2 CY2017
  - *Westralia pit dewatering*
  - *Mining contractor mobilisation*
  - *1990s decline refurbishment*
  - *Commence development of southern decline*
  - *First ore Q4 CY2017*
- Allanson (A$4M). Commencing Q1 CY2018
  - *Commence new decline*
  - *First Ore Q3 CY2018*
- Jupiter (A$14M). Commencing Q1 CY2018
  - *Mining contractor mobilisation*
  - *First Ore Q1 CY 2018*

Mount Morgans – Project Finance Completed and Permitted

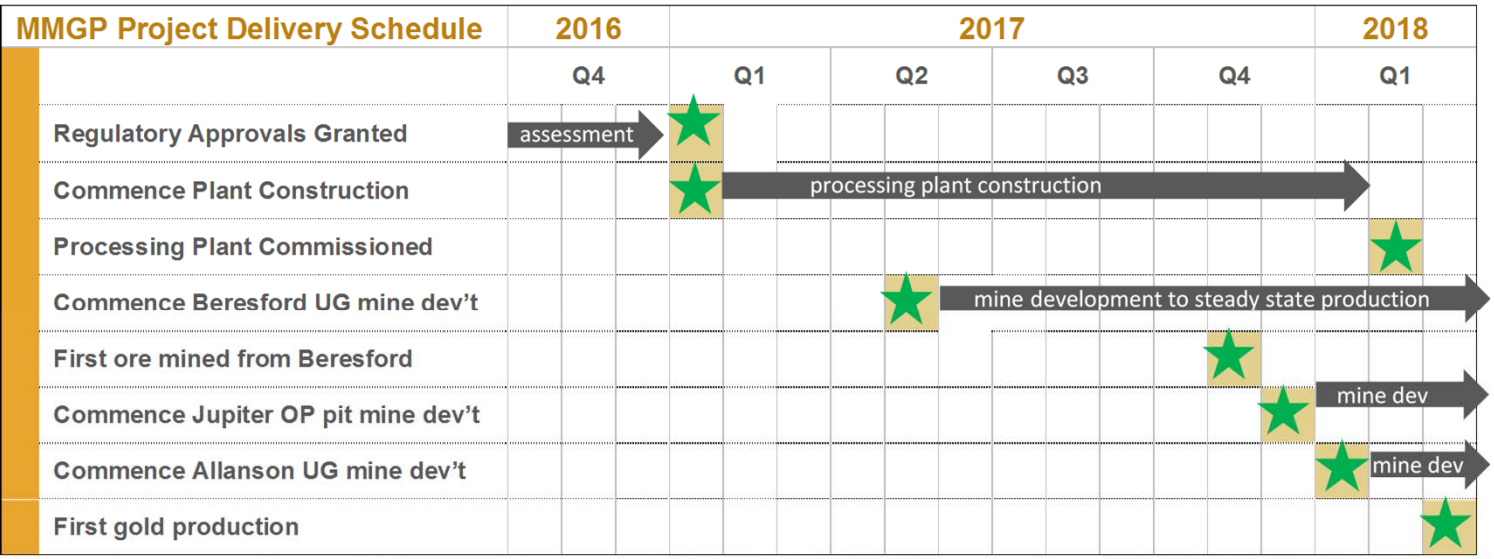
Project Financing

- A$150M Project Facility signed with Westpac / ANZ / BNP Paribas. Excellent terms:
  - *Low interest rates*
  - *No penalty for early payback or not fully drawn*
  - *Cash share mechanism, ie no cash sweeping*
  - *No mandatory hedging*
  - *First ranking charge over DCN subsidiary that holds asset and debt*
  - *First draw down anticipated to be in Q2 CY2017*
- A$136M equity completed
  - *$110M fully underwritten issue at $2.00/sh (Feb 2017)*
  - *$26M issue at $2.50/sh (Dec 2016)*

Permitting

- Relevant regulatory approvals:
  - ✓ *Mining Proposal and Mine Closure Plan*
  - ✓ *Native Vegetation Clearing Permit*
  - ✓ *Project Management Plan*
  - ✓ *Works Approval and License*
- No registered Native Title Claim over the MMGP and no Native Title agreement in place
- ALL tenure required under the Mining Act 1978 granted

Mount Morgans – Project Delivery Schedule: Works Commenced



February 2017

January 2017

March 2017

Mount Morgans – Contract / Tender Schedule

Contracts Signed

- Supply and delivery of SAG mill
- Supply and delivery of Ball mill
- Design and construction of accommodation village
- Installation of various Westralia *Mine Service Area* infrastructure (workshops and HV power retic etc)
- Telstra mobile phone infrastructure
- Conditional Letter of Intent to award EPC for new 2.5Mtpa CIL treatment plant. Contract to be signed shortly.

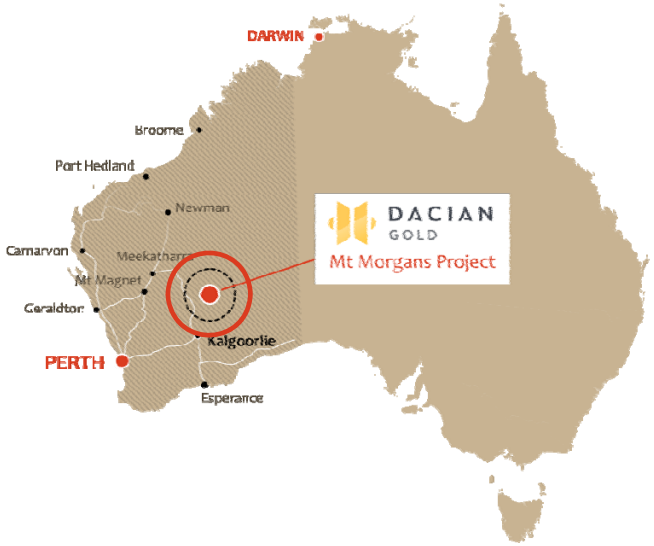
Tenders

- Underground mining contract review in process
- Westralia MSA Admin complex
- Westralia MSA LV reticulation
- Westralia power station
- Diesel fuel supply
- Jupiter power station tender imminent
- Catering for accommodation imminent

Mount Morgans – Expansion PFS Shows Potential of 1.7Moz

Australia's next significant high-grade mid-tier gold project

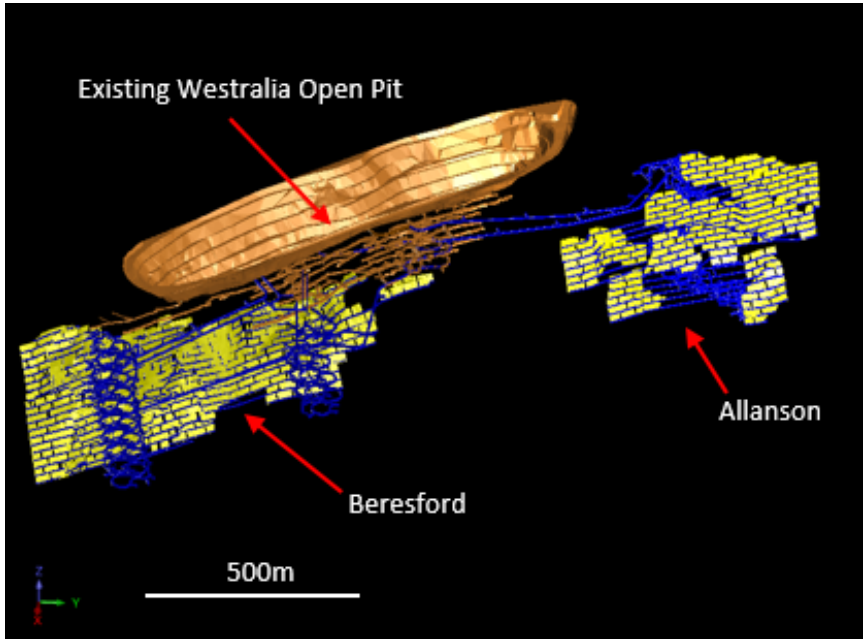
- MMGP Expansion PFS also completed
- [4]Potential for 21.4Mt @ 2.4g/t Au for 1.7Moz, includes:
  - *Westralia Mine Area (Beresford and Allanson underground mines) potentially increases to 938Koz at an AISC of A$795-805/oz (US$595-605/oz), and*
  - *No change to Jupiter Ore Reserve of 643Koz at an AISC of A$1,193/oz (US$895/oz)*
  - *Expanded 9 year mine and treatment period. Potential average annual production of 197Koz for first 7 years*
  - *MMGP AISC could improve to A$970-975/oz (US$730-735/oz)*
- Expansion PFS assumes additional capex of A$3M (increase capacity of TSF)
- Expansion PFS underpinned by 1.2Moz of defined Ore Reserves (73%)
- Expansion PFS assumes potential of minor contribution (27%) of high grade Inferred Mineral Resource lying contiguous with Allanson and Beresford Ore Reserves



[4]Production Target described herein comprises 1.2Moz of Ore Reserve and the potential mining of Inferred Mineral Resource that is contiguous with the Ore Reserve. There is a low level of geological confidence associated with Inferred Mineral Resource and there is no certainty that further exploration work will result in the conversion of Inferred Mineral Resource to Ore Reserves, or that the Production Target itself will be realised.

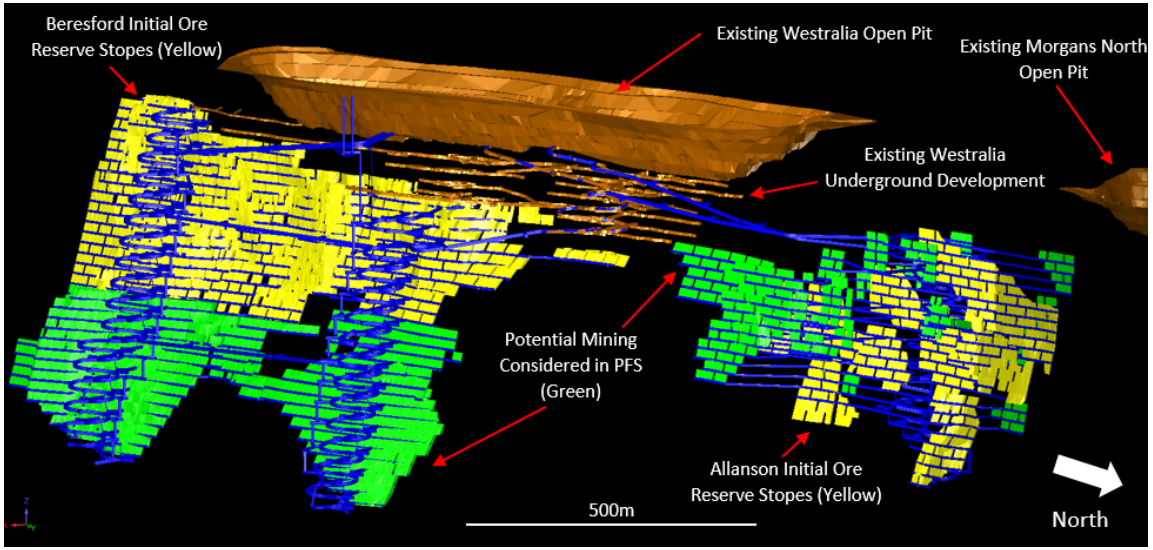
Mount Morgans – Expansion PFS for MMGP

Westralia Mine Area Initial Ore Reserve



- Initial Westralia Mine Area Ore Reserve of:
  - *3.3Mt @ 4.6g/t Au for 492Koz at a forecast ASIC of A$837/oz (US$626/oz)*

Potential Westralia Mine Area Expansion PFS



- Potential Westralia Mine Area Expansion PFS:
  - *6.1Mt @ 4.9g/t Au for 938Koz at a potential forecast ASIC of A$795-805/oz (US$595-605/oz).*

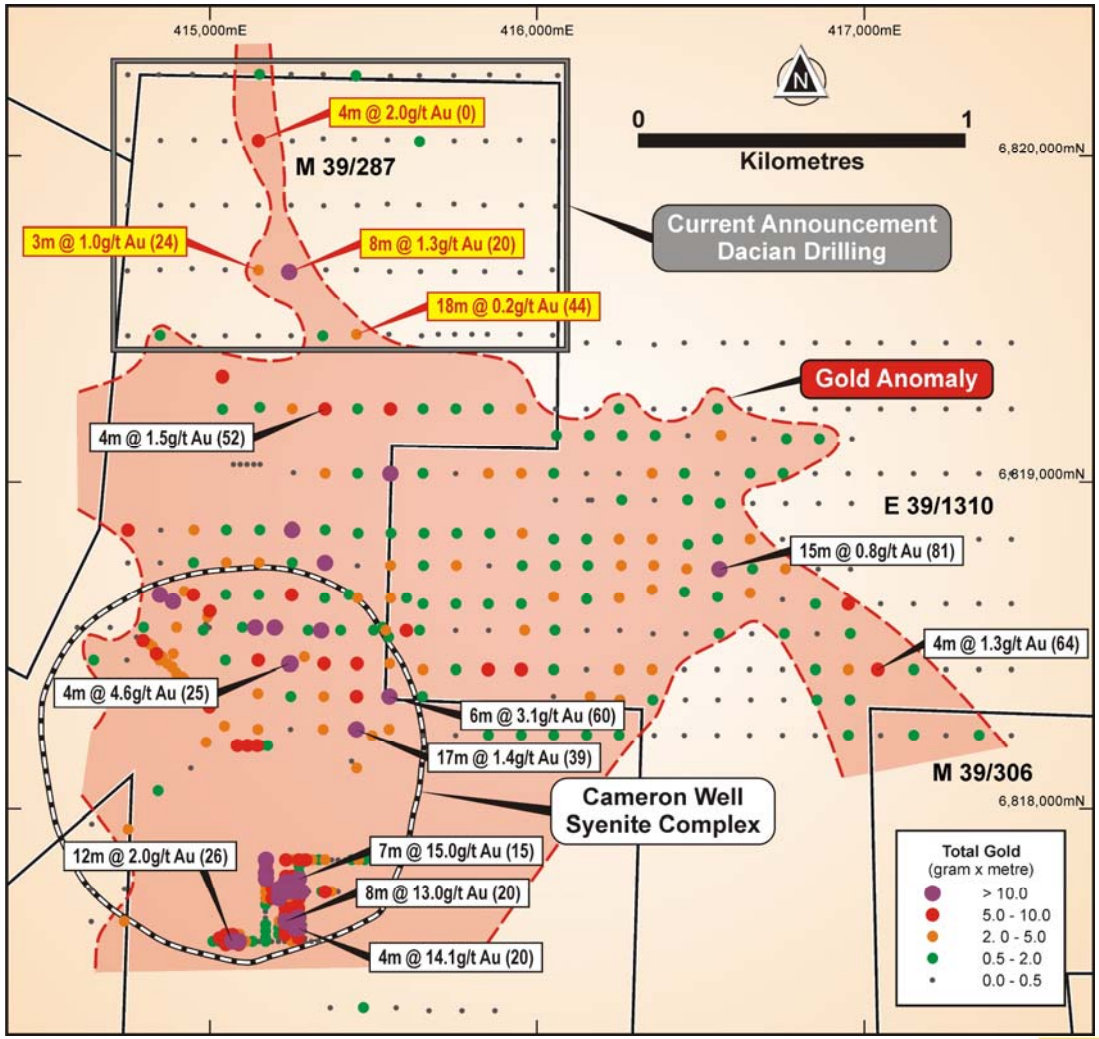
Mount Morgans Exploration

- Outstanding discovery potential remains with controls on mineralisation now well understood

Regional Exploration and Growth – Cameron Well

Another significant regional discovery opportunity[5]

- 6km^2 gold-in-regolith anomaly defined by 385 dominantly shallow RAB/aircore holes.
  - *Anomaly defined over 2.6km x 2.4km using broad 200m x 100m and 100m x 100m drilling grids*
  - *Numerous examples of multi-gram mineralisation identified*
- Gold anomaly underlain by clear circular magnetic high called Cameron Well Syenite Complex
  - *Another Mt Morgans example of significant gold mineralisation / anomalism associated with syenite*

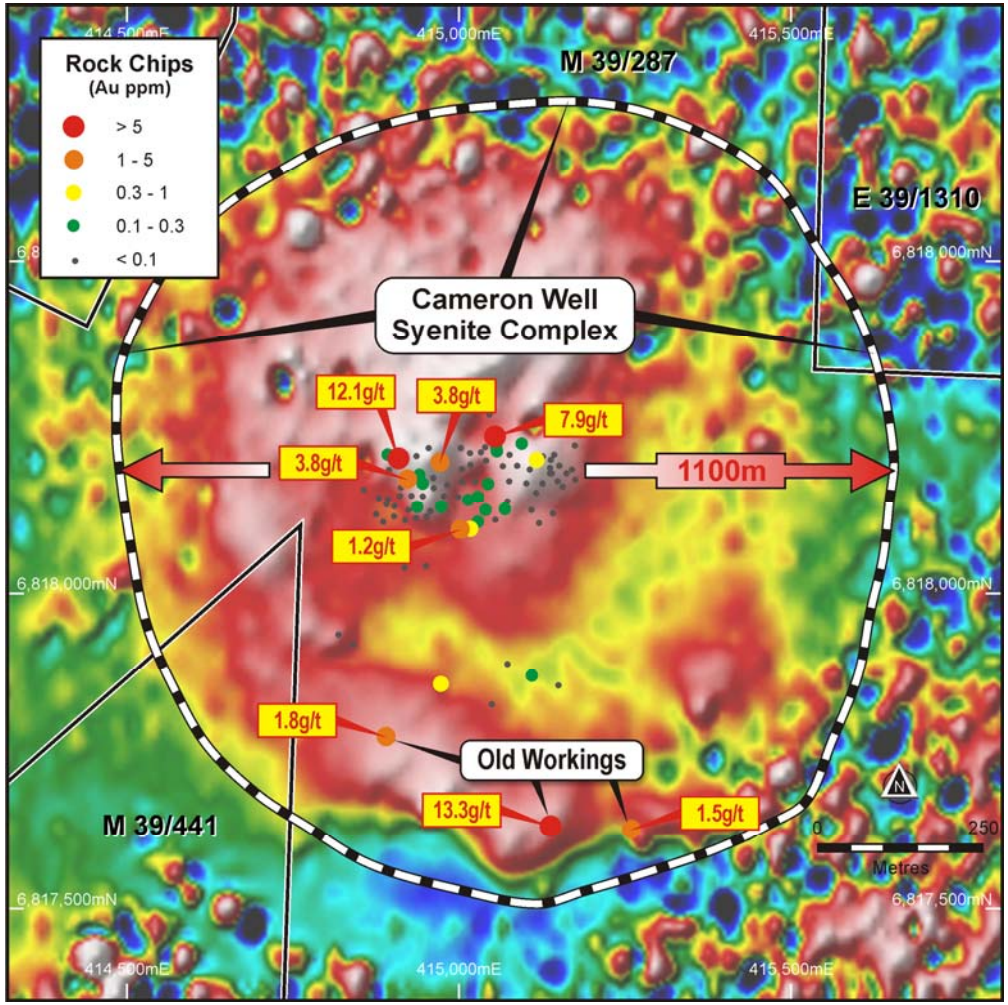


[5]*Refer to ASX release – 7 February 2017*

Regional Exploration and Growth – Cameron Well

Another significant regional discovery opportunity[5]

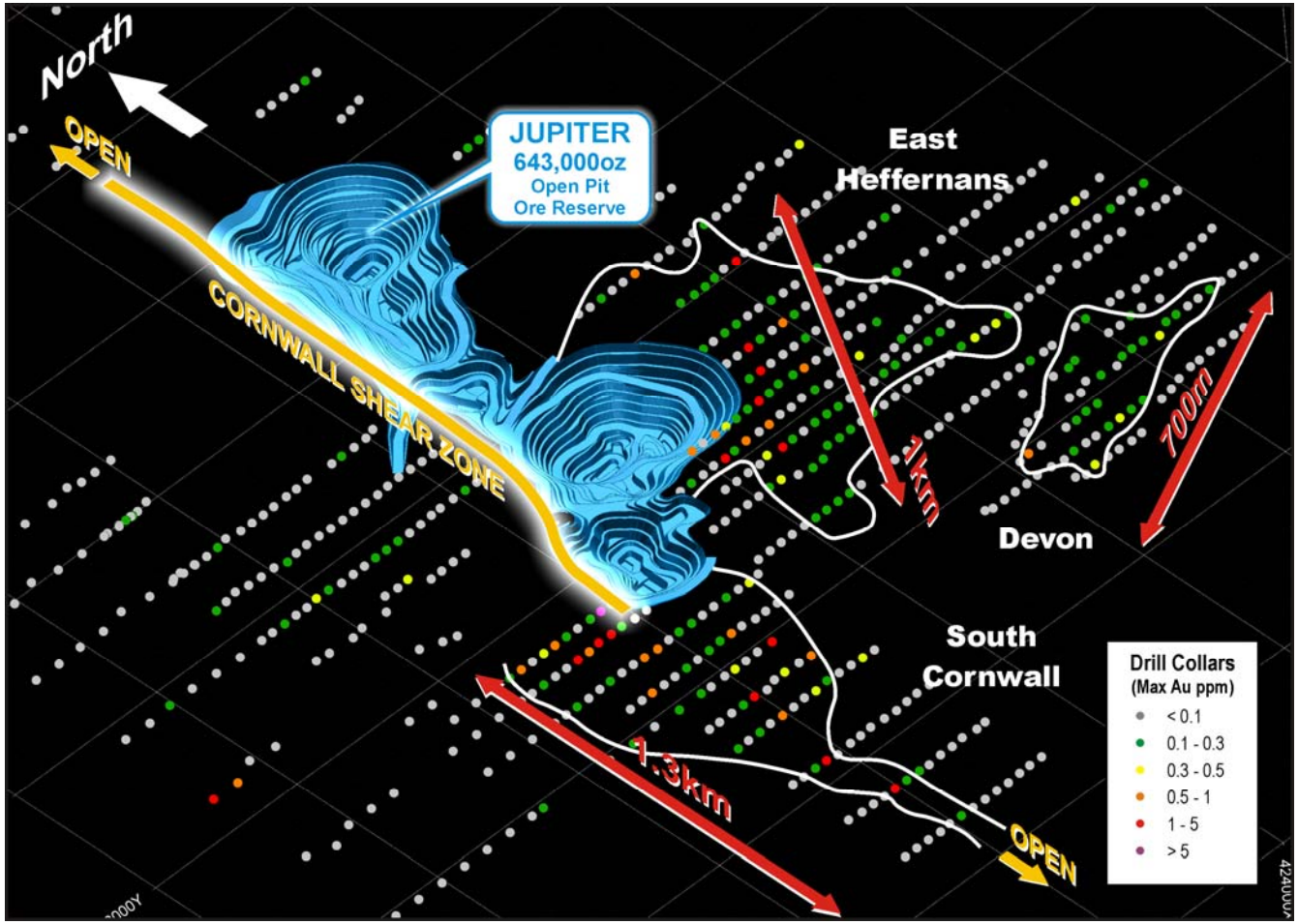
- Circular magnetic high lying beneath the 6km^2 gold-in-regolith anomaly is the Cameron Well Syenite Complex
  - *Large intrusive complex, 1.1km diameter*
- Core of the magnetic anomaly is outcropping syenite. Rock chips show:
  - *Syenite assays up to 12.1g/t Au*
  - *In-situ quartz veins assay up to 7.9g/t Au*
- Southern margin of circular magnetic complex shows outcropping syenite with old workings. Rock chips show:
  - *Quartz veining up to 13.3g/t Au*
- Cameron Well syenite very similar in appearance to Jupiter syenite (host to 1.4Moz)



[5]*Refer to ASX release – 7 February 2017*

Jupiter Mine Area – Outstanding Near-Mine Exploration Potential

Major New Zones of Shallow Gold Mineralisation Discovered Adjacent to the 1.4Moz Jupiter Deposit[6]



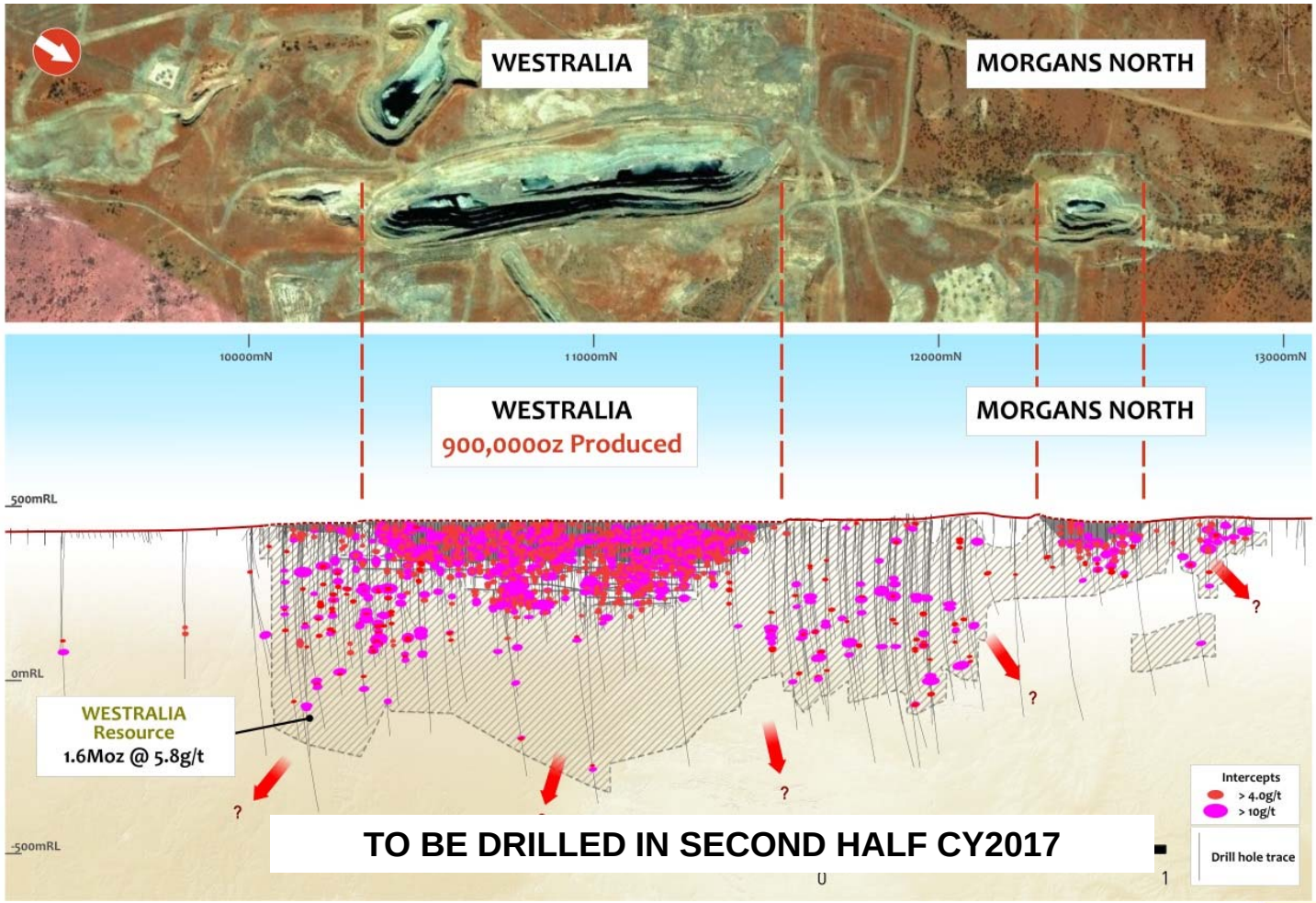
- Two new +1km long gold trends
  - *South Cornwall*
  - *East Heffernans*
- South Cornwall
  - *1.3km long and represents southern expression of highly endowed CSZ*
  - *Results include 16m @ 1.6 g/t from 12m, 4m @ 4.5 g/t from 16m, 4m @ 3.2g/t from 4m and 8m @ 2.2g/t from 4m*
- East Heffernans
  - *1km x 600m wide next to pit wall*
  - *Results include 4m @ 3.6g/t from 20m, 4m @ 3g/t from 12m and 4m @ 1.5 g/t from 24m*

[6]*Refer to ASX release – 23 January 2017*

Westralia – A Huge System….and Growing

Westralia is a much bigger system then previously understood

- July 2016 Mineral Resource[7]
  8.6Mt @ 5.8 g/t for 1.6Moz
- November 2016 initial Ore Reserve
  3.3Mt @ 4.6g/t Au for 492Koz
- November 2016 Potential Expansion PFS suggests **6.1Mt @ 4.8g/t Au for 938Koz** may be possible
- Westralia is continuously mineralised for 3km at/near surface and *arbitrarily* closed off at ~600m depth
- No drilling below resource boundary; and very limited drilling south of resource boundary
- Excellent potential for depth extension of resource.
  - *To be tested in H2CY2017*



[7]*Refer to ASX release 28 July 2016*

Appendix – Mineral Resources and Ore Reserves

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	Koz Au
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
Ramornie	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*

MineralResources are reported inclusive of Ore Reserves

Mount Morgans Gold Project Initial Ore Reserves

		Proved Ore Reserves			Probable Ore Reserves			Total Initial Ore Reserves		
	COG (g/t)	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*