

## **FY2020 GUIDANCE AND UPDATED 8-YEAR LIFE OF MINE PLAN FOR MT MORGANS GOLD OPERATION**

*Average annual production of 170,000oz<sup>1</sup> at an All-In-Cost of A\$1,340 - A\$1,440/oz (inclusive of all capital) for the next 5 years underpins a +1 million oz LOM plan; Strong potential to increase mine life through resource conversion and existing discoveries*

### **UPDATED LIFE OF MINE (LOM) PLAN<sup>1</sup>**

- LOM delivers average annual production of 170,000oz over the first 5 years at an All-In-Cost of A\$1,340 – A\$1,440/oz (including all capital spend)
- Total gold production over the 8-year LOM (FY2020-FY2027) is 1.1 million ounces<sup>1</sup> at an All-In-Cost of A\$1,280 – A\$1,380/oz (including all capital spend)
- Consolidated All-in-Cost over the 8-year LOM is A\$1,330-A\$1,430/oz
- At A\$1,800/oz gold price, discounted (5%) pre-tax MMGO cash flows exceed A\$420 million<sup>1</sup> based on the 8-year LOM
- 92% of the total LOM is underpinned by 2018 Ore Reserves and 8% by Inferred Mineral Resource<sup>1</sup>
- 88% of 2018 Ore Reserves (net of mine depletion) are used in the LOM
- 60% of Westralia Ore Reserves used in the LOM are grade control drilled, providing a high degree of confidence in the mine plan
- Significant potential to extend ~170,000oz pa production rates beyond 5 years through conversion of existing Mineral Resources not used in the LOM plan to Ore Reserves; resource growth at Westralia and Cameron Well; and new discoveries at Morgans North and Basin Margin

### **FY2020 OPERATING GUIDANCE**

- FY2020 production guidance of between 150,000-170,000oz<sup>1</sup> at an MMGO All-in-Cost of A\$1,400-\$1,500/oz (including all MMGO capital spend)
- 80% of FY2020 planned production at Westralia is grade control drilled providing high degree of confidence in the mine plan
- Consolidated All-in-Cost over FY2020 is A\$1,450-A\$1,550/oz

<sup>1</sup>Cautionary Statement: The Life of Mine plan is based partly on Inferred Mineral Resources (8% of the LOM) – please refer to page 6 for a Cautionary Statement regarding the low level of geological confidence in Inferred Mineral Resource

## **CORPORATE UPDATE**

- **Cash and bullion at June 30 is expected to be approximately A\$45 million**
- **Total project debt now stands at A\$105.5 million, following an \$18 million repayment completed at the end of June**
- **Total scheduled debt repayments for FY2020 is \$33.3 million**
- **The Company has received a strong response from the previously announced strategic review process, now underway**
- **24,000oz of additional hedging in place at A\$2,019/oz**

The Company advises it will hold a teleconference for the investment community to discuss this update. Investors, brokers, analysts and media can join the teleconferences, which will be held at **10:00am AEST, Wednesday 10<sup>th</sup> July 2019**.

Dacian Gold Ltd (**Dacian Gold or the Company**) (ASX: DCN) is pleased to provide an updated Life of Mine (**LOM**) plan and FY2020 operating guidance for its Mt Morgans Gold Operation (**MMGO**) located near Laverton in Western Australia, together with a financial and corporate update.

The updated mine plan confirms that the MMGO is a significant gold production centre with strong operating cash flows forecast for at least the next 8-years. The Company is forecasting over one million ounces of gold production with the first 5 years averaging 170,000 ounces per annum<sup>1</sup>.

Given that Mt Morgans is centred over the highly prospective Mt Margaret anticline within the prolific Laverton goldfields, the Company is confident that there is excellent potential to increase the mine plan well beyond the current 8-year life through ongoing exploration success.

Dacian Gold Executive Chairman, Rohan Williams said: “This updated Life of Mine review confirms the strong production and cash flow generating capacity of Mt Morgans over the next eight years.

“We have taken learnings from our first full year of production at Mt Morgans and applied it to the current Ore Reserve to deliver a high-margin gold production profile over the next 8 years.

“With forecast gold production of over one million ounces<sup>1</sup> for the next 8-years, based almost exclusively on Ore Reserves, and an MMGO All-in-Cost base of between \$A1,280-A\$1,380/oz, which includes all capital, we are confident that the Mt Morgans operation will deliver strong margins and cash flow.

“Additionally there is an excellent opportunity to grow the forecast production base through conversion of existing resources not used in the LOM, drilling out recently announced discoveries at Morgans North, Basin Margin and elsewhere throughout the highly prospective project area – which for the most part remains under-explored.”

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<sup>1</sup>Cautionary Statement: The Life of Mine plan is based partly on Inferred Mineral Resources (8% of the LOM) – please refer to page 6 for a Cautionary Statement regarding the low level of geological confidence in Inferred Mineral Resource

## **UPDATED LIFE OF MINE PLAN<sup>1</sup>**

**MT MORGANS UPDATED LOM MINE PLAN DEMONSTRATES SUSTAINABLE AVERAGE ANNUAL PRODUCTION OF 170,000oz OVER THE FIRST 5 YEARS AT AN MMGO ALL-IN-COST OF A\$1,340-A\$1,440/oz (INCLUSIVE OF ALL CAPITAL)**

**THE TOTAL MMGO LOM PRODUCES OVER 1 MILLION OZ AT AN ALL-IN-COST OF A\$1,280-A\$1,380/OZ (INCLUSIVE OF ALL CAPITAL) OVER 8 YEARS**

**AT A\$1,800/OZ GOLD PRICE, DISCOUNTED (5%) PRE-TAX MMGO CASH FLOWS EXCEED A\$420 MILLION<sup>1</sup> BASED ON THE 8-YEAR LOM**

**88% OF THE 2018 MMGO ORE RESERVE IS USED IN THE MMGO LOM MINE PLAN**

The updated MMGO LOM presented in this announcement is for the 8-year period FY2020 – FY2027. Over the 8-year LOM period a total of 1.08 million ounces is forecast to be produced<sup>1</sup>. The All-in-Cost for this production is A\$1,280-A\$1,380/oz (inclusive of all capital).

The corresponding All-in-Cost on a consolidated basis over the 8 year LOM period is A\$1,330-A\$1,430/oz (inclusive of all capital, corporate and exploration expenditure).

Based on an assumed gold price of A\$1,800/oz and a discount rate of 5%, the discounted pre-tax MMGO cash flows is forecast to be in excess of A\$420 million over the 8-year LOM.

### **Listing Rule 5.16.1**

Pursuant to Listing Rule 5.16.1, the Company makes the following representations in respect of the material assumptions made in the LOM mine plan production target:

(i) Mining

The LOM mine plan production target assumes a combination of underground mining from the Westralia and Transvaal underground mines and open pit mining from the Jupiter, Cameron Well, King St, Mt Marvin and Morgans North open pits.

All mining is completed by contract mining companies with Dacian Gold personnel designing and overseeing all mining activities.

Underground mining uses a footwall decline to access the ore horizons. Ore extraction utilises a top-down mining method using conventional mechanised sub-level long-hole open stoping with rib pillars and sill pillars left for void stability and ore dilution control.

Sub-level development is 17m with ore development via 4m x 4m drives. Minimum mining widths for stoping are 1.1m with 0.2m dilution on both the hangingwall and the footwall included in the mine design. Mining recoveries are estimated at 95% of mined stopes.

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<sup>1</sup>Cautionary Statement: The Life of Mine plan is based partly on Inferred Mineral Resources (8% of the LOM) – please refer to page 6 for a Cautionary Statement regarding the low level of geological confidence in Inferred Mineral Resource

Production levels are based on utilisation of an underground mining fleet according to the equipment manufacturers' recommendations.

Dacian Gold has been successfully mining underground at Westralia since October 2017 by applying the same mining assumptions described above for the LOM mine plan production target reported in this announcement.

Open pit mining is undertaken using a conventional mechanised excavator and trucking fleet with production levels based on equipment manufacturers' recommendations.

Ten metre benches are mined in two 5m flitches across a minimum bench width of 30m. Ore dilution is typically 8% and mining recovery is approximately 98% of the Ore Reserve. Geotechnical analysis is completed by independent engineers on a mine by mine basis.

Dacian Gold has been successfully mining the Jupiter open pit since December 2017 by applying the same mining assumptions described above for the LOM mine plan production target reported in this announcement.

#### (ii) Processing

The LOM mine plan assumes the Mt Morgans treatment plant has a throughput rate of 2.9Mtpa. The treatment plant began gold production in April 2018 at its nameplate throughput rate of 2.5Mtpa. Since then, the treatment plant has performed very well and has been operating at the elevated throughput rate of 2.9Mtpa. It is common for treatment plants to operate at levels up to 20% above the nameplate capacity. At a 2.9Mtpa throughput, this equates to a 16% above nameplate throughput rate which is considered reasonable.

The operating costs of the treatment plant at approximately \$16/t are lower than that estimated in the 2016 Feasibility Study (see ASX release of 21 November 2016) due to the higher throughput rate achieved (lower fixed costs per tonne treated) and that power is supplied by a gas-fired power station, whereas the Feasibility Study assumed a diesel-fired power station.

#### (iii) Metallurgical

The LOM mine plan assumes a metallurgical recovery of 94.3%. As noted above the Mt Morgans treatment plant commenced gold production in April 2018. Since then the treatment plant has performed very well with metallurgical recoveries exceeding the 2016 Feasibility Study assumption of 90.7%. For the 3 months to June 2019 the average metallurgical recovery for the treatment of all ores in that period was 94.3%.

On the basis that the treatment plant has demonstrated an average metallurgical recovery of 94.3%, the same recovery has been applied to the treatment of the ores that comprise the LOM mine plan production target.

Figure 1 below summarises the updated LOM mine plan annual production profile and associated All-in-Costs (inclusive of all capital) for MMGO to FY2025. Note the aggregate production in FY2026 and FY2027 of approximately 100,000 ounces is predominantly from the treatment of low grade stockpiles.

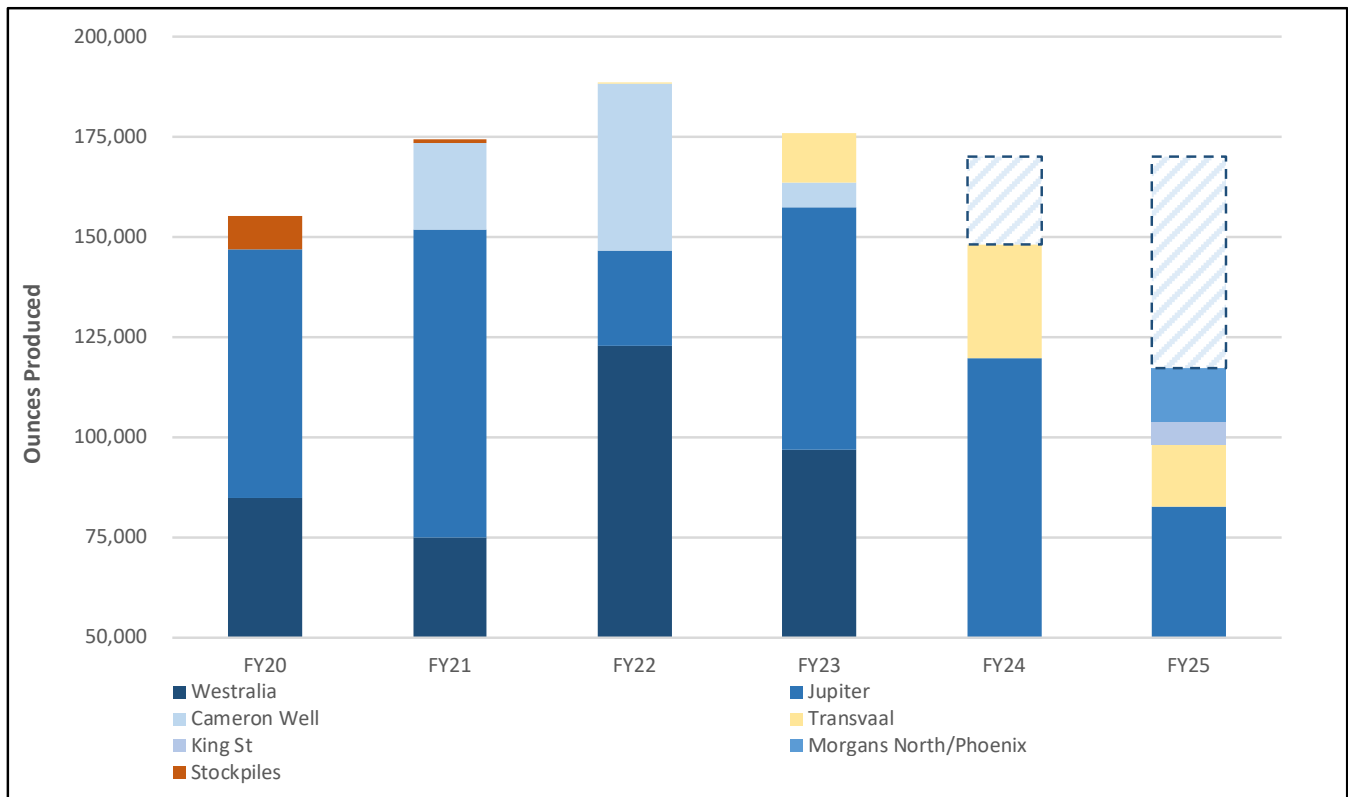
The mine plan demonstrates an average annual production rate of 170,000oz over the first 5-years<sup>1</sup> through to FY2024 at an average MMGO All-In-Cost (inclusive of all capital) (AIC) of A\$1,340 – A\$1,440/oz.

Production in year 6 (FY2025) is forecast at 117,000oz at an MMGO All-in-Cost of A\$1,025- A\$1,125/oz.

		FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY20-24 Average
Production	(Koz)	150-170	174	189	176	148	117	65	40	170
MMGO AIC	(A\$/oz)	1,350-1,450	1,225-1,325	1,350-1,450	1,325-1,425	1,400-1,500	1,025-1,125	1,140-1,240	1,025-1125	1,390

**Figure 1 – Updated MMGO LOM Mine Plan Annual Production and All-in-Cost Profile**

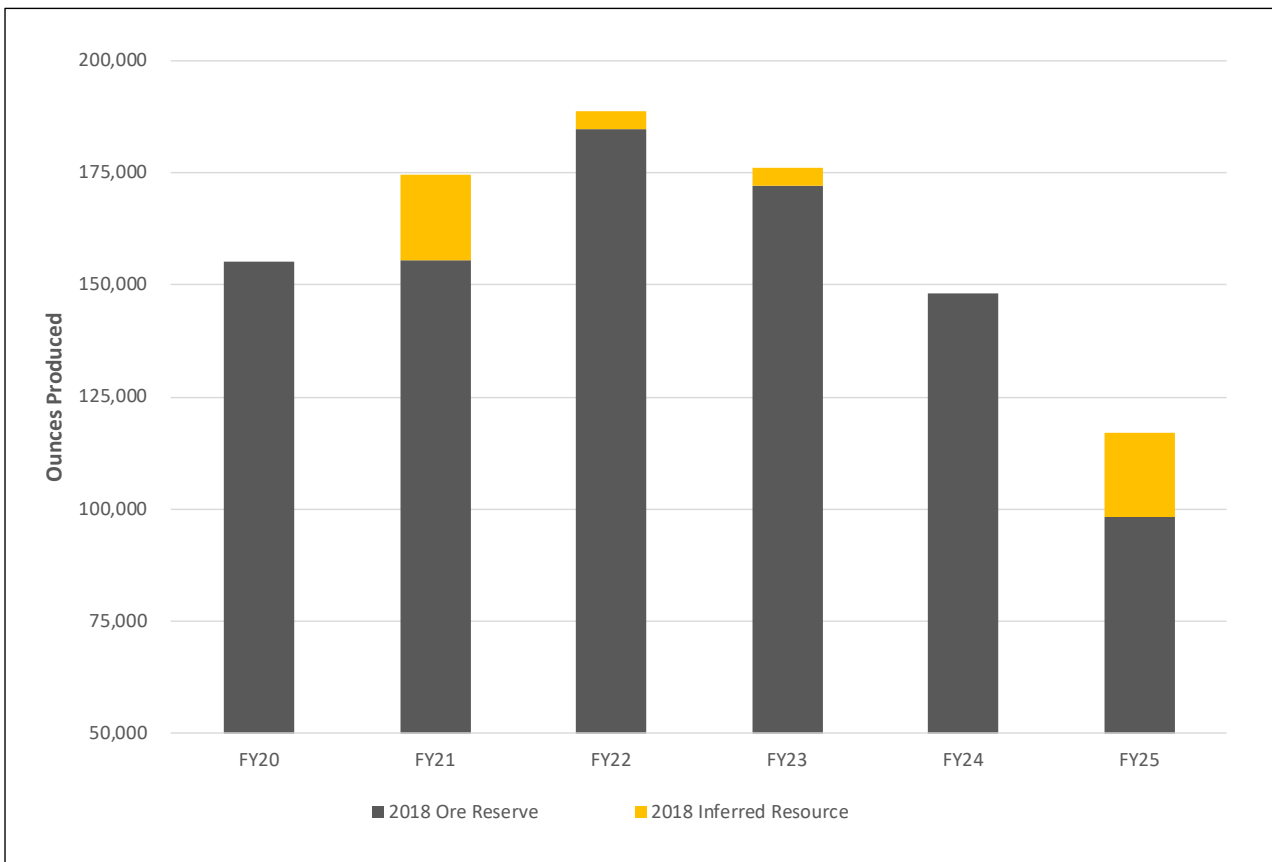
Figures 2 and 3 below show the individual production sources for the 6 years to FY2025 and what proportion of each of those years is underpinned by Ore Reserve and Inferred Mineral Resource.



**Figure 2 – Updated MMGO LOM Mine Plan by Production Source. Note the Cross-Hatched Areas Shown in FY24 and FY25 Are Not Included in the Production Target in This Announcement**

Cautionary Statement: The Life of Mine (LOM) plan is a Production Target that contains 92% Ore Reserve and 8% Inferred Mineral Resource. 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 to Indicated Mineral Resource or that the Production Target itself will be realised.

100% of the forecast production from Westralia and Jupiter in the MMGO LOM mine plan is based on Ore Reserves. Importantly, 60% of the Westralia Ore Reserve (used in the LOM) has undergone grade control drilling providing a high level of confidence in the Westralia mine plan.



**Figure 3 – MMGO LOM Mine Plan Production Source by Classification**

As noted in the Company's ASX release of 5 June 2019, 85% of the gold contained in that part of the 2018 Ore Reserve estimate that represented the first 14 months of mining at Westralia and Jupiter was recovered from the processing plant. The Company considers this 85% reconciliation as a reasonable result for a mine start-up involving two new underground mines and a new open pit.

88% of the MMGO 2018 Ore Reserve, net of depletion for FY2019 production, has been scheduled in the updated LOM mine plan presented in this announcement. Correspondingly, 85% of the 2018 Westralia and Jupiter Ore Reserve, net of depletion for FY2019 production, has been scheduled in the updated LOM mine plan.

Figures 2 and 3 above show that the LOM mine plan has a consistent base load of Westralia and Jupiter Ore Reserves of approximately 150,000oz per annum through to FY2023 at which time the

current Ore Reserves at Westralia are depleted and underground production turns to the Transvaal Ore Reserve (see Figure 2). Peak gold production is in FY2022 with 189,000oz sourced from Westralia, Jupiter and Cameron Well.

The Company is confident it can convert existing Mineral Resources and identify extensions to known Ore Reserves to increase production levels from FY2024 and beyond, as shown in Figure 2. Sources of Ore Reserve extension and conversion of existing Mineral Resources are potentially available at Westralia (see Figure 6 below), Cameron Well and Jupiter.

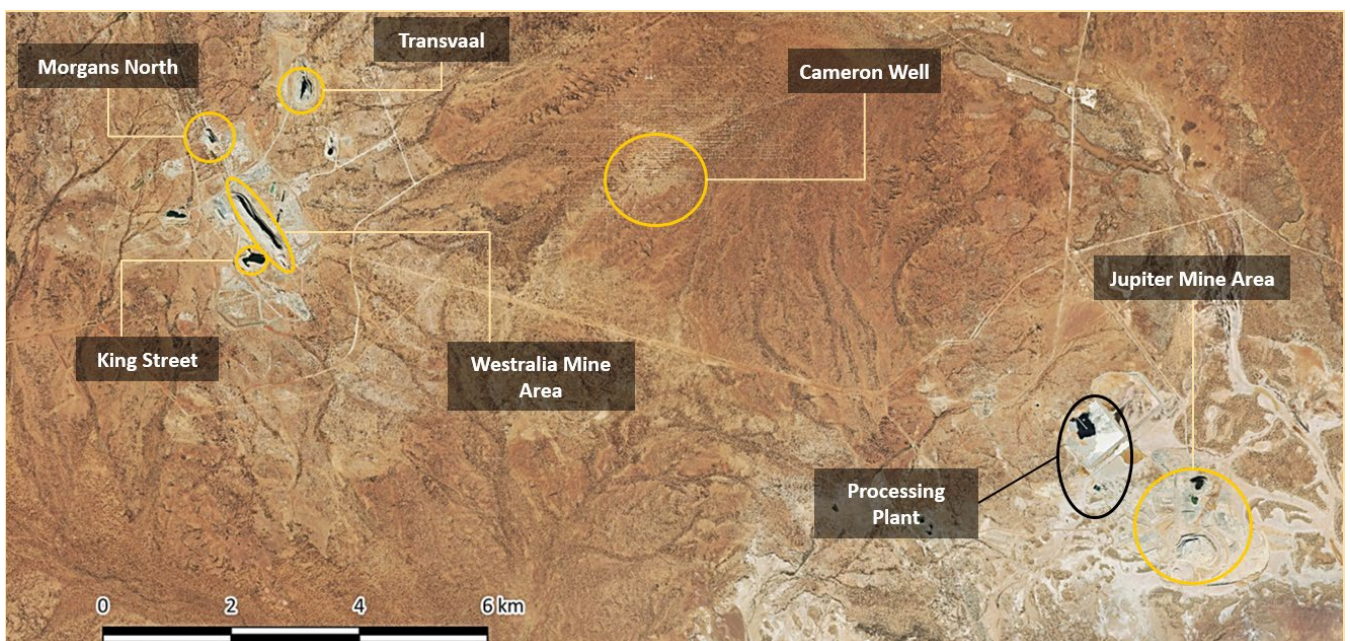
Over the full 8 years of LOM production, Ore Reserves comprise 92% of all gold production (21% Proved Ore Reserve, 79% Probable Ore Reserve) and Inferred Mineral Resource comprises 8% (see also Figure 3 above).

Figure 4 below shows the key operating outputs from the MMGO mine plan. The MMGO treatment plant has consistently operated above nameplate operating rates of 2.5Mtpa in various ore types since commissioning, and the Company expects these processing levels to continue.

		FY20	FY21	FY22	FY23	FY24	FY25	FY20-24 Average
Processed	(Mtpa)	2.7	2.9	2.9	2.9	2.9	2.9	2.9
Grade	(g/t)	2.0	2.0	2.2	2.0	1.7	1.3	2.0
Recoveries	(%)	94	94	94	94	94	94	94
Production	(Koz)	150-170	174	189	176	148	117	170

**Figure 4 – Key Operating Summary Outputs for MMGO**

The location of all production sources shown in Figures 2 and 3 above are shown in Figure 5 below. Note the close proximity of the processing plant to all LOM mine plan production sources.

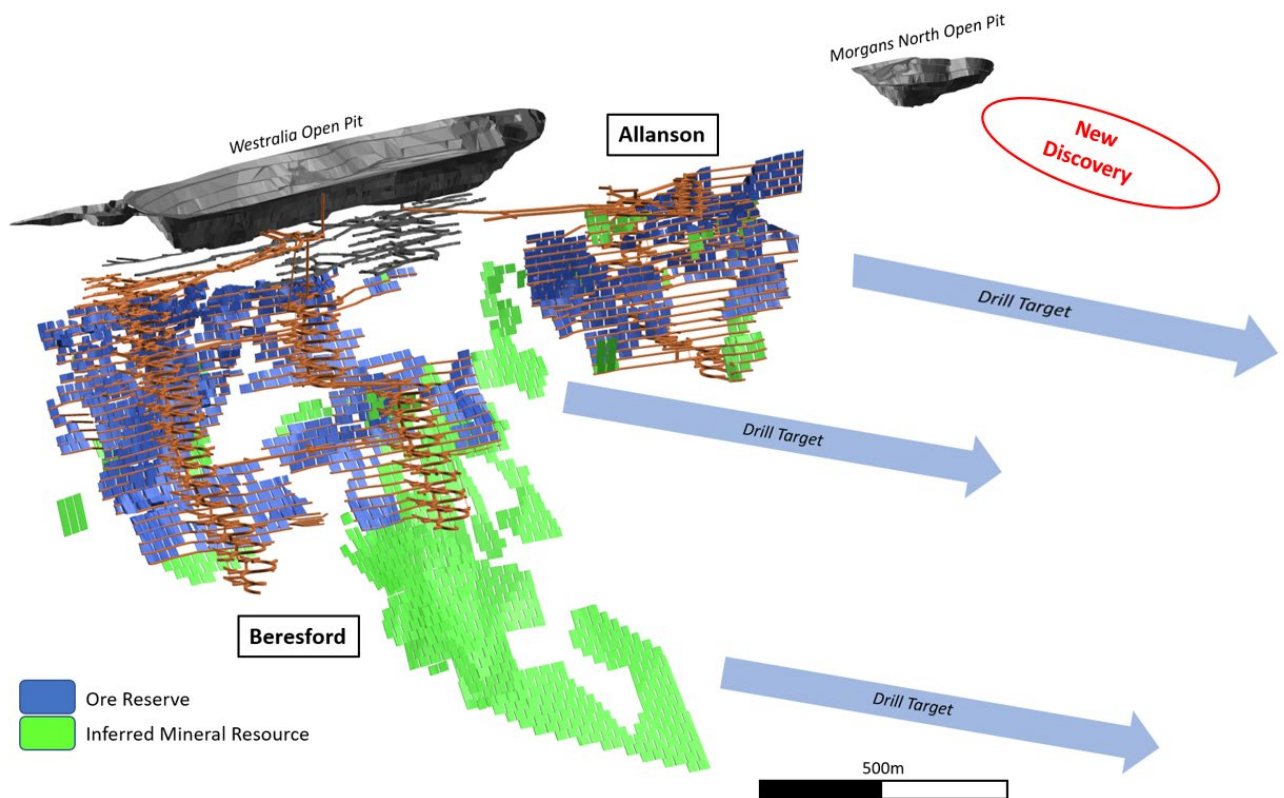


**Figure 5 – Location Map of MMGO LOM Mine Plan Production Sources**

As discussed above the Company is confident that through ongoing Mineral Resource conversion and extensional drilling, specifically at Westralia, sustaining an annual production rate of 170,000ozpa through to FY2025, as well as extending mine life, is achievable.

In this regard, the Company is focused on ongoing conversion of Inferred Mineral Resource (shown in green in Figure 6) and is pursuing the targeted areas to the north of Beresford and Allanson for potential resource growth.

Recent drilling success at Morgans North (see ASX release dated 20 June 2019, and in Figure 6 below), as well as at Cameron Well, provides strong validation that the Company’s current exploration model will bear fruit for potential new areas of production.



**Figure 6 – Long Section of Westralia Showing Location of Ore Reserves, Inferred Mineral Resource Not Included in the LOM Mine Plan and Identified Drill Targets for Potential Resource Extension. Note the Location of the Recent Discovery Below the Morgans North Open Pit**



## **FY2020 PRODUCTION GUIDANCE**

### **PRODUCTION OF 150,000-170,000oz AT AN MMGO ALL-IN-COST OF A\$1,400-\$1,500/oz**

The Company forecasts production for FY2020 of 150,000-170,000oz at an MMGO All-in-Cost of A\$1,400-A\$1,500/oz.

Following a concerted effort to rebuild operating momentum at the Westralia underground during the June quarter, the Company anticipates a continued focus on accelerating planned development rates at Westralia during the 1HFY2020. This effort will position the Company favourably from the beginning of 2HFY2020 with production as a result expected to be weighted to the 2HFY2020.

MMGO All-in-Cost guidance of A\$1,400-A\$1,500/oz for FY2020 is inclusive of all forecasted capital spend at MMGO with no incremental capital planned.

The consolidated All-in-Cost guidance of A\$1,450-A\$1,550/oz for FY2020 is inclusive of all forecasted capital spend at MMGO and includes budgeted spend for corporate and exploration expenditure.

## **CORPORATE AND FINANCIAL UPDATE**

At the end of the June quarter, the Company's cash and bullion position totalled approximately A\$45 million with total debt now standing at A\$105.5 million after making an A\$18 million repayment at the end of June.

The Company's FY2020 debt repayment obligations total A\$33.3 million. The Company advises that it remains in good standing with its financiers and expects this to continue.

At the end of the June quarter, the Company implemented additional hedging commitments of 24,000oz at A\$2,019/oz. Total hedge commitments over the next two years now total 147,449oz at A\$1,810/oz.

The Company also advises that it has received a strong response to its previously announced strategic review process (see ASX release 5 June 2019). The Company makes no assurances that any discussions will eventuate in a transaction occurring.

June quarter operating results are expected to be released during the week of 8 July 2019.

## **INVESTOR CALL AND WEBCAST**

A teleconference regarding this announcement will be held for the investment community on **Wednesday 10th July 2019 commencing at 8.00am (AWST) / 10.00am (AEST)**. Investors, brokers, analysts and media can join the teleconference by clicking on the following link:

<https://s1.c-conf.com/diamondpass/daciangold-10001181-invite.html>

A live webcast of the teleconference will also be available via the BRR Media service website at the following link (with a recording to be available at the same link later today):

<https://webcasting.boardroom.media/broadcast/5d22808411608861983670cb>

**For and on behalf of the Board**



**Rohan Williams**  
**Executive Chairman & CEO**

## **ABOUT DACIAN GOLD LIMITED**

Dacian Gold Limited (ASX: DCN) has cemented its position as a significant new mid-tier Australian gold producer with the declaration of Commercial Production at its 100%-owned Mt Morgans Gold Operation (MMGO), located near Laverton in Western Australia, on 1 January 2019.

With an Ore Reserve of 1.4Moz, a Mineral Resource of 3.5Moz (including Ore Reserves) and highly prospective exploration tenure, Mt Morgans is one of the largest new gold mines to come on stream in Australia over the last ten years.

The Board comprises Rohan Williams as Executive Chairman & CEO; and Robert Reynolds, Barry Patterson and Ian Cochrane as non-executive directors.

For further information please contact:

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## APPENDIX 1

### 2018 MINERAL RESOURCES & ORE RESERVES STATEMENT (DCN: 100%)

**Table 1: Mt Morgans Gold Operation Mineral Resources as at 31 July 2018**  
 (Refer ASX release dated 6 August 2018)

#### Mt Morgans Gold Operation Mineral Resources as at 31 July 2018

Deposit	Cut-off Grade Au g/t	Measured			Indicated			Inferred			Total Mineral Resource		
		Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz
Westralia	2.0	1,304,000	5.3	222,000	4,662,000	5.1	767,000	4,018,000	4.1	528,000	9,985,000	4.7	1,518,000
Jupiter	0.5	2,363,000	1.3	101,000	21,979,000	1.3	954,000	5,353,000	1.1	188,000	29,695,000	1.3	1,242,000
Jupiter UG	1.5	-	-	-	-	-	-	525,000	2.0	34,000	525,000	2.0	34,000
Jupiter LG Stockpile	0.5	3,494,000	0.5	58,000	-	-	-	-	-	-	3,494,000	0.5	58,000
Cameron Well	0.4	-	-	-	3,465,000	1.1	117,000	2,808,000	1.4	127,000	6,273,000	1.2	245,000
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	-	-	-	160,000	4.1	21,000	422,000	4.0	55,000	582,000	4.1	76,000
Maxwells	0.5	-	-	-	413,000	1.2	16,000	309,000	0.9	9,000	722,000	1.1	25,000
Craic*	2.0	-	-	-	69,000	8.2	18,000	120,000	7.1	27,000	189,000	7.5	46,000
King St*	0.5	-	-	-	-	-	-	532,000	2.0	33,000	532,000	2.0	33,000
Low Grade Stockpiles	0.5	-	-	-	1,276,000	0.7	30,000	-	-	-	1,276,000	0.7	30,000
Mine Stockpiles	0.5	151,000	0.9	4,000	-	-	-	-	-	-	151,000	0.9	4,000
<b>Total</b>		<b>7,678,000</b>	<b>1.8</b>	<b>453,000</b>	<b>32,428,000</b>	<b>1.9</b>	<b>1,992,000</b>	<b>14,570,000</b>	<b>2.3</b>	<b>1,075,000</b>	<b>54,676,000</b>	<b>2.0</b>	<b>3,520,000</b>

\* JORC 2004 Resource. Rounding errors will occur.

Other than Cameron Well, all Mineral Resource estimates are as of 30 June 2018. Cameron Well Mineral Resource estimate is of 31 July 2018

**Table 2: Mt Morgans Gold Operation Ore Reserves as at 1 July 2018**  
 (Refer ASX release dated 18 December 2018)

#### Mt Morgans Gold Operation Ore Reserves as at 1 July 2018

Deposit	Cut-off Grade Au g/t	Proved			Probable			Total		
		Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz
Beresford UG	1.2 / 2.1*	749,000	4.3	104,000	2,355,000	3.5	265,000	3,104,000	3.7	369,000
Allanson UG	1.2 / 2.1*	-	-	-	1,175,000	5.0	188,000	1,175,000	5.0	188,000
Westralia UG Low Grade	0.5 / 1.8*	-	-	-	458,000	1.2	18,000	458,000	1.2	18,000
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	2,213,000	1.2	88,000	13,049,000	1.3	523,000	15,262,000	1.2	611,000
Cameron Well OP	0.4	-	-	-	1,300,000	1.1	45,000	1,300,000	1.1	45,000
Jupiter Low Grade Stockpile	0.5	3,494,000	0.5	58,000	-	-	-	3,494,000	0.5	58,000
Low Grade Stockpiles	0.5	-	-	-	1,276,000	0.7	30,000	1,276,000	0.7	30,000
Mine Stockpiles	0.5	151,000	0.9	4,000	-	-	-	151,000	0.9	4,000
<b>ORE RESERVE</b>		<b>6,799,000</b>	<b>1.3</b>	<b>284,000</b>	<b>19,938,000</b>	<b>1.7</b>	<b>1,105,000</b>	<b>26,737,000</b>	<b>1.6</b>	<b>1,389,000</b>

\* Development and Stopping cut-off grades. Rounding errors will occur.

## 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. The Ore Reserve and Mineral Resource estimates underpinning the production targets in this announcement were prepared by a Competent Person in accordance with the JORC Code 2012.

### 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 to Mineral Resources for Westralia, Jupiter, Cameron Well, Ramornie, Mine and Low Grade Stockpiles (See ASX release 6 August 2018), and Transvaal (see ASX release 16 September 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 Ashmore Advisory. 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 to Mineral Resources for Craic and King Street 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.

### Ore Reserves

The information in this report that relates to Ore Reserves for the Westralia Mining Area is based on information compiled or reviewed by Mr James Howard. Mr Howard has 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). Mr Howard 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 they are accepting responsibility. Mr Howard is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of Dacian Gold Limited and 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 Ore Reserves for the 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 and Cameron Well Area is based on information compiled or reviewed by Mr Mathew Lovelock. Mr Lovelock has 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 Lovelock is a member of The Australasian Institute of Mining and Metallurgy and a full-time employee of Dacian Gold Limited and 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.