

CHAIRMAN'S ADDRESS TO AGM

Good morning all, it is my pleasure to welcome you to the seventh Annual General Meeting of Dacian Gold Ltd.

As with each of the seven years that Dacian Gold has been listed on the ASX, it was another busy year for the Company. The 2019 financial year was however, our first full year as a gold producer having poured the first gold bar from the newly commissioned 2.5Mtpa Mt Morgans treatment plant in late March 2018.

For FY2019, Dacian Gold produced 138,911 ounces of gold which is the highest level of annual production yet recorded from the Mt Morgans gold field which first produced gold in the late 1890s.

The Company made several significant achievements during the course of the year, however it ended the year on a low note after missing its June production guidance.

We have made quite a few changes to our site operating practices following the June production downgrade that we believe will improve our operating performance going forward. These changes include strengthening our technical leadership on site and changing the way we geologically estimate the orebody ahead of its mining, particularly in the underground. Since these changes have been made in July, we have seen a considerable improvement in operating performance across the site.

Mt Morgans is no different to most mine start-ups which often show that as mining continues to evolve, a greater technical understanding of the orebodies is made from that understood at the Feasibility stage. This improved knowledge is fed back into mine planning and scheduling practices so that mining becomes more predictable and sustainable. All new mining operations go through this natural maturing phase at the start of the life of the mine.

We believe the changes we have made in the last few months have made significant inroads into being able to better predict production levels, and it is pleasing to be able to re-affirm again today our FY2020 guidance of 150,000-170,000 ounces of production at a Mt Morgans All-in-Cost (inclusive of all capital) of A\$1,400-1,500/oz.

During the course of our first full year of production at Mt Morgans, the Westralia underground produced over 830,000 tonnes of ore for 85,000 ounces of gold mined and the Jupiter open pit mined 2 million tonnes of ore for 65,000 ounces of gold mined. The Mt Morgans treatment plant had an excellent first year of production with over 2.6 million tonnes of ore treated – already in excess of its 2.5Mtpa nameplate capacity.

We have now mined over 200 underground stopes and completed over 24km of underground development at Westralia. The Jupiter pit is advancing quickly as we have mined 90 vertical metres at Heffernans.

You would have noticed our excellent September quarter of production where over 42,000 ounces of gold was produced – a record quarterly production for Mt Morgans. More importantly, the site

produced over \$20 million in operating cash flow from which we reduced our debt a further \$10.8 million to \$94.7 million. Since the beginning of FY2019, we have paid back \$55.3 million to our lenders.

Early in July we published a new life of mine study that shows 1.1 million ounces of gold produced in the next 8 years, with the first five years averaging 170,000 ounces of gold per annum. All-in-Costs for this 1.1 million ounces of production is estimated to be A\$1,280-1,380/oz. The total Mineral Resource base increased during the year to 3.65 million ounces of gold.

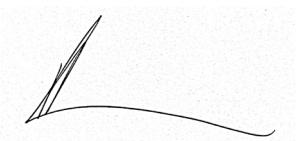
In addition to the life of mine production plan for Mt Morgans, we continue to aggressively explore and have had excellent recent success at a new project called Phoenix Ridge located only 500m north of the Westralia open pit.

At Phoenix Ridge, we have discovered a new high-grade and near-surface deposit which has returned some of our best-ever exploration intercepts including 23.1m @ 30.2g/t Au, 31m @ 6.3g/t Au, 14.3m @ 12.7g/t Au, 1.7m @ 127g/t Au, 2.4m @ 47.5g/t Au and 19.1m @ 5.1g/t Au. We still have a lot of work to do but we are highly encouraged that Phoenix Ridge has the potential to become a new near-term, high-grade production source at Mt Morgans.

In closing I would like to pay tribute to the several groups of people. Firstly, to my fellow directors Rob Reynolds, Barry Patterson and Ian Cochrane and also to Kevin Hart I am very appreciative of your commitment, enthusiasm and guidance over the last 12 months.

To Dacian's employees, and the Mt Morgans workforce which together total 450 people, I extend a grateful thank you to your hard work and diligence. And of course to the shareholders of the Company, I thank you for your continued contribution and support.

Ladies and Gentlemen that concludes my Chairman's address. I will be making a Company presentation after the conclusion of the meeting.



Rohan Williams
Executive Chairman & CEO

For further information please visit www.daciangold.com.au to view the Company's presentation or contact:

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