

**DACIAN SET FOR COMMERCIAL PRODUCTION THIS MONTH WITH  
FIRST ORE MINED AT ALLANSON UNDERGROUND**

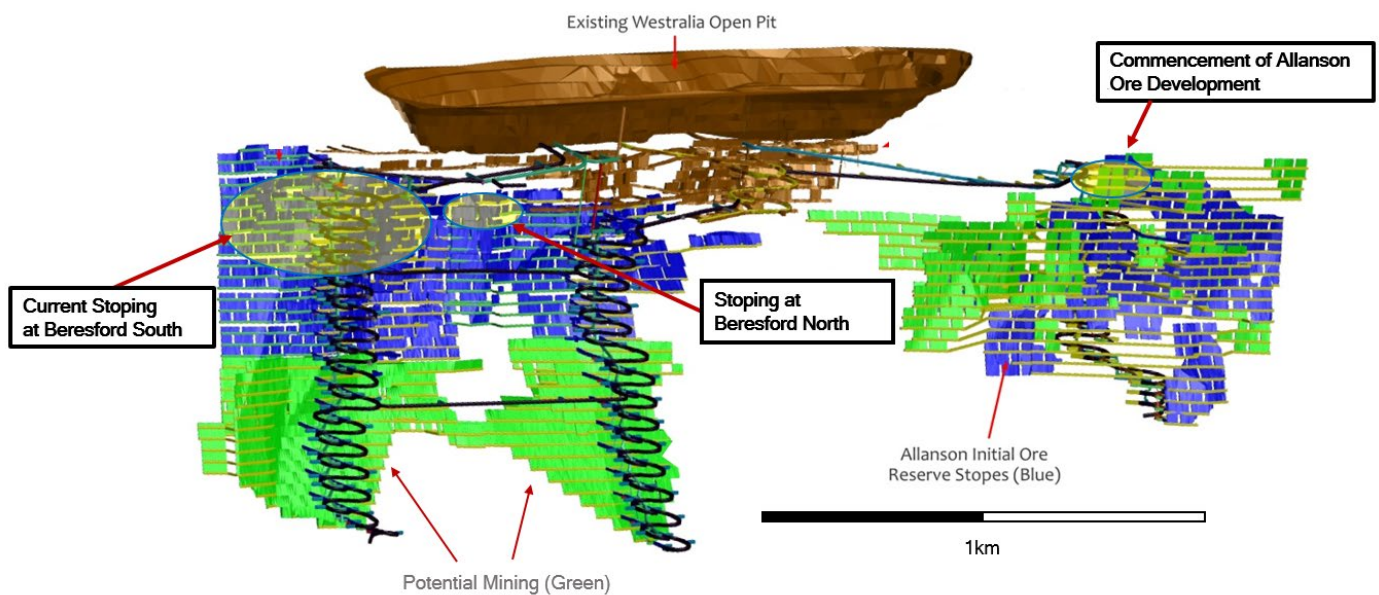
***Plus, first stoping at Beresford North set to start this week ensuring Mt Morgans is on track to meet FY19 production guidance of 180-210,000oz***

Dacian Gold Ltd (“Dacian Gold” or “the Company”) (ASX: DCN) is pleased to advise that it remains on track to achieve commercial production later this month at its 100%-owned Mt Morgans Gold Operation (“MMGO”) near Laverton in Western Australia following the start of ore development at Allanson, the Westralia Mine Area’s third underground production decline.

In addition to the start of ore development at Allanson, the Company is set to mark a second important milestone with the commencement of mining stopes at Beresford North in the coming days.

As mining activities continue across all three production declines at Westralia (Beresford South, Beresford North and Allanson), and open pit mining at Jupiter is advancing well, achieving MMGO’s Commercial Production milestone by end of this month remains on track.

Figure 1 shows the location of the newly intersected ore development at Allanson, the location of the first stope mining scheduled to commence at Beresford North this week and the location of the existing Beresford South stoping operations, all within the Westralia Mine Area (“Westralia”).



**Figure 1:** Long section of the Westralia Mine Area showing the location of the three operational production areas at Westralia: Beresford South stoping, Beresford North stoping and Allanson ore development. Blue shaded mining areas represents Ore Reserve (see ASX release 21 November 2016) and green shading is potential underground mining associated with Inferred Mineral Resources considered in the Westralia PFS.

The three mine production areas now operational at Westralia are spread over a distance of 1.8km making Westralia one of Australia’s largest new underground gold mines.

Executive Chairman, Rohan Williams, said the Company remains on track to achieve its previously announced production guidance for FY2019 of 180-210,000 ounces with production increasing progressively in each quarter through the year.

“The project is ramping up in line with our schedule across both the underground and open pit mining operations,” he said.

“The start of ore development at our third underground production decline at Allanson marks another important step in the ramp-up with mining activities across all three underground mining centres.

“This, together with continued strong progress at the Jupiter open pit, means we are confident of achieving commercial production, as planned, by the end of 2018 as we progressively increase production in each of the successive quarters during the year.

“As previously indicated, production is weighted towards the second half of FY2019 as we mine higher grade open pit ore in the Cornwall Shear Zone at Heffernans within the Jupiter pit and increase the rate of stoping activities at Westralia across the three mining production fronts – including the higher grade Allanson deposit.

“The Company remains in a strong position to complete the ramp-up of Mt Morgans and at the same time continue our aggressive exploration programs with A\$82.1 million in cash and bullion at the of the September quarter.”

MGO’s commercial production milestone is predicated on the Westralia underground mine contributing approximately 3,000 tonnes per day (“**tpd**”) of high-grade ore to the MMGO treatment plant. Under Dacian’s production plan, each underground production decline at Westralia (Beresford South, Beresford North and Allanson) will produce on average 1,000 tpd from combined stoping and development activities. At the end of the September 2018 quarter, the Company was operating at approximately 1,900 tpd from Westralia, with the majority of ore coming from Beresford South stoping and ore development (see ASX release 15 October 2018); and minor ore contribution from Beresford North and no contribution from Allanson.

Open pit mining at Jupiter is progressing well with current mining now underway on the 370RL bench at Heffernans (30m below the surface), the 410RL bench at South Doublejay (near surface) and the 391RL bench at Ganymede (10m below the surface). Figure 2 below is an aerial photograph showing the current open mining activities at Jupiter.



**Figure 2:** Aerial photograph of current mining activities at Jupiter showing Heffernans mining on the 370RL bench and South Doublejay commencing mining operations at the 410RL. Ganymede has also commenced mining south of the Heffernans open pit.

## **UPCOMING NEWSFLOW**

Dacian Gold is set to complete or embark on the following activities, all of which will contribute to near-term news flow:

- Westralia Ore Reserve Update – December 2018
- Cameron Well maiden Ore Reserve – December 2018
- MMGO Commercial Production milestone – targeting end of December 2018
- Westralia and Cameron Well exploration results – ongoing 2018/2019

**For and on behalf of the Board**



**Rohan Williams**  
Executive Chairman & CEO

**ABOUT DACIAN GOLD LIMITED**

Dacian Gold Limited (ASX: DCN) achieved its first gold production milestone at its planned +200,000ozpa, 100%-owned Mt Morgans Gold Operation (**MMGO**), located near Laverton in Western Australia in March 2018. With an initial Ore Reserve of 1.2Moz, a Mineral Resource of 3.5Moz (including Ore Reserves) and highly prospective exploration tenure, Mt Morgans is set to become Australia’s next significant, mid-tier gold producer.

The total capital cost to develop the MMGO was approximately \$A200M with A\$107M dedicated to the construction of a 2.5Mtpa CIL treatment plant. Project construction was completed on time and on budget with first gold poured in the March 2018 quarter.

The key Company focus for the remainder of CY2018 is to complete the ramp-up to commercial production at Mt Morgans. Additionally Dacian Gold will also maintain an aggressive exploration spend at the MMGO as it believes the project will continue to yield new gold discoveries that will increase mine life and Company value.

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 visit [www.daciangold.com.au](http://www.daciangold.com.au) to view the Company’s presentation or 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**

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>

**Table 2: Mt Morgans Gold Operation Ore Reserves as at 30 June 2017**

Deposit	Cut off Grade	Proved			Probable			Total			
		Au g/t	Tonnes	Au g/t	Au oz	Tonnes	Au g/t	Au oz	Tonnes	Au g/t	Au oz
Beresford UG	2.0		50,000	4.9	8,000	2,383,000	4.2	323,000	2,433,000	4.2	331,000
Allanson UG	2.0		-	-	-	882,000	5.7	162,000	882,000	5.7	162,000
Transvaal UG	2.0		193,000	4.7	29,000	325,000	3.4	36,000	518,000	3.9	65,000
Jupiter OP	0.5		867,000	1.7	48,000	13,884,000	1.3	595,000	14,751,000	1.4	643,000
<b>INITIAL ORE RESERVE</b>			<b>1,110,000</b>	<b>2.4</b>	<b>85,000</b>	<b>17,475,000</b>	<b>2.0</b>	<b>1,115,000</b>	<b>18,585,000</b>	<b>2.0</b>	<b>1,200,000</b>

## **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.

### **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 Deposit Mineral Resource (see ASX Announcement 19 July 2016), Transvaal Deposit Mineral Resource (see ASX announcement 16 September, 2015) and the Ramornie Deposit Mineral Resource (see ASX announcement 24 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 – 16 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 (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.h

The information in this report that relates to Ore Reserves for the Jupiter Mining Area (see ASX announcement 21 November 2016) 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.