

14 June 2017

DACIAN CAPITALISES ON STRONG GOLD PRICE BY HEDGING 52,000 OUNCES AT A\$1,782/oz

Mt Morgans Gold Project now just nine months away from first production

Dacian Gold Limited (ASX: DCN) (**Dacian Gold** or the **Company**) is pleased to advise that it has entered into its first gold hedging contract for the 100%-owned Mount Morgans Gold Project (**MMGP**) in Western Australia, forward selling 52,000oz at an average price of A\$1,782/oz.

Dacian can deliver into the contract between July 1, 2019 and June 30, 2020, with the hedge representing just 26 per cent of forecast gold production at Mount Morgans during this period.

Dacian is on track to start production at Mt Morgans in March next year, with the forward sales contract providing certainty of gold price revenue at a time when it is envisaged the Company will be undertaking waste stripping at the Doublejay pit, which is part of the Jupiter open pit mining complex.

Each of the three banks that comprise the Company's syndicated senior debt financing group (Westpac Banking Corporation, BNP Paribas and Australia and New Zealand Banking Group Limited; together **Financiers**) participated equally in the hedge. There is no mandatory hedging requirement under the Company's debt facility agreement with the Financiers, however Dacian has the right to implement hedging on a discretionary basis.

Dacian Executive Chairman Rohan Williams said the 52,000oz forward sales contract reflected the Company's strategy to balance risk and reward.

"With first production now just nine months away, we believe it was prudent to capitalise on the historically high Australian dollar gold price to underpin forecast project revenues at a time of waste-stripping part of the Jupiter open pit" Mr Williams said.

"The forward sales contract provides some security and does so at a price which is almost A\$200/oz more than the assumed price in our Feasibility Study – an excellent result for the project."

For further information please visit www.daciangold.com.au or contact:

Rohan Williams Executive Chairman Dacian Gold Limited +61 8 6323 9000	Paul Armstrong Investor Relations Read Corporate +61 8 9388 1474
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For and on behalf of the Board



Rohan Williams
Executive Chairman