



DACIAN GOLD | LIMITED

ABN 61 154 262 978

## RETAIL OFFER BOOKLET

Details of a 1 for 3.1 accelerated non-renounceable entitlement offer of new Dacian Gold Limited shares at an offer price of A\$2.00 per new share to raise approximately A\$94.4 million.

The Retail Entitlement Offer closes at 5:00pm (AEDT) on Monday, 20 March 2017 (unless extended).

The Entitlement Offer is fully underwritten by Macquarie Capital (Australia) Limited.

Lead Manager  
Macquarie Capital (Australia) Limited

Co-Lead Manager  
Argonaut Securities Pty Ltd

### NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This is an important document which is accompanied by a personalised Entitlement and Acceptance Form and should be read in its entirety. This document is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities & Investments Commission (ASIC).

If you do not understand any part of this Retail Offer Booklet or are in doubt as to what you should do, you should consult your stockbroker, accountant, financial or other professional adviser immediately.

## Important Notice

This document and the accompanying information (**Information**) has been prepared by Dacian Gold Limited ACN 154 262 978 (**Dacian**). This Retail Offer Booklet is dated 24 February 2017.

The Entitlement Offer to which this document relates complies with the requirements of sections 708AA of the Corporations Act as notionally modified by ASIC Class Orders 2016/84 and 2016/73. This document is not a prospectus under the Corporations Act and has not been lodged with ASIC.

### Not investment or financial product advice

The Information is not investment or financial product advice, does not purport to contain all the information that you may require in evaluating a possible acquisition of New Shares in Dacian and has been prepared without taking into account the investment objectives, financial situation, tax position and needs of you or any particular investor.

Before deciding whether to apply for New Shares, you should conduct your own independent review, investigation and analysis of Dacian and the New Shares in light of your personal circumstances (including financial and taxation issues). You should obtain any professional advice you require to evaluate the merits and risks of an investment in Dacian before making any investment decision based on your investment objectives.

### Information about Dacian

The information included in this Retail Offer Booklet provides information about Dacian's activities current as at the date of this document. It should be read in conjunction with Dacian's other periodic and continuous disclosure announcements, Dacian's annual report for the year ended 30 June 2016, and Dacian's other announcements to ASX available at [www.asx.com.au](http://www.asx.com.au) or on Dacian's website at [www.daciangold.com.au](http://www.daciangold.com.au).

### Past performance

Investors should note that Dacian's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) Dacian's future performance, including Dacian's financial position or future share price performance.

### Forward looking statements

This Retail Offer Booklet contains certain 'forward looking statements'. Forward looking statements include those containing words such as: 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'consider', 'foresee', 'aim', 'will' and other similar expressions. Any forward looking statements, opinions and estimates provided in this Retail Offer Booklet are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of Dacian, including the risks and uncertainties described in the 'Key risks' section of the Investor Presentation included herein. This includes any statements about market and industry trends, which are based on interpretations of current market conditions.

Forward looking statements may include indications, projections, forecasts and guidance on sales, earnings, dividends and other estimates. Forward looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which those statements are based. These statements may assume the success of Dacian's business strategies.

The success of any of these strategies is subject to uncertainties and contingencies beyond Dacian's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward looking statements and except as required by law or regulation, Dacian assumes no obligation to update these forward looking statements. To the maximum extent permitted by law, Dacian and its directors, officers, employees, agents, associates and advisers disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions, do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of such information, or likelihood of fulfilment of any forward looking statement or any event or results expressed or implied in any forward looking statement, and disclaim all responsibility and liability for these forward looking statements (including, without limitation, liability for negligence).

### Foreign jurisdictions

The information in this Retail Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the New Shares, or otherwise permit a public offering of the New Shares, in any jurisdiction outside of Australia and New Zealand.

The distribution of this Retail Offer Booklet and the accompanying materials (including electronic copies) outside of Australia and New Zealand may be restricted by law. If you come into possession of the information in this Retail Offer Booklet, you should observe such restrictions, including those set forth in the section captioned "International Offer Restrictions" in the Appendix to the Investor Presentation.

Because of legal restrictions, you must not send copies of this Retail Offer Booklet or any material in relation to the Entitlement Offer to any person outside of Australia and New Zealand. Failure to comply with these restrictions may result in violations of applicable securities laws.

### New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of Dacian with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This Retail Entitlement Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Retail Entitlement Offer Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### United States disclaimer

This Retail Offer Booklet and material accompanying it may not be released or distributed in the United States. This Retail Offer Booklet or any material accompanying it does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons who are, or are acting for the account or benefit of, a person in the United States and the New Shares may not be offered or sold in the United States, or for the account or benefit of a person in the United States except in transactions exempt from, or not subject to the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction of the United States.

The New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" in reliance on Regulation S under the US Securities Act.

**No representations**

No party other than Dacian has authorised or caused the issue of the information in this Retail Offer Booklet, or take responsibility for, or makes, any statements, representations or undertakings in this Retail Offer Booklet or for any action you take in reliance on this Retail Offer Booklet. No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Retail Offer Booklet. Any information or representation that is not in this Retail Offer Booklet may not be relied on as having been authorised by Dacian or its related bodies corporate in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of Dacian, or any other person, warrants or guarantees the future performance of Dacian or any return on any investment made pursuant to this Retail Offer Booklet.

Neither the Lead Manager nor any of its respective related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents have authorised or caused the issue of, and take no responsibility for, this Retail Offer Booklet. To the maximum extent permitted by law, the Lead Manager and its respective related bodies corporate and affiliates and each of their respective directors, officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this information being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. Neither the Lead Manager nor any of its respective related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the Entitlement Offer, nor do they make any representations or warranties to you concerning this Entitlement Offer or any such information, and you represent, warrant and agree that you have not relied on any statements made by the Lead Manager or any of its respective related bodies corporate and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the New Shares or the Offer generally.

Determination of eligibility of investors for the purposes of the institutional and retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company and/or the Lead Manager, and each of the Company and the Lead Manager and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

**Times and Dates**

Times and dates in this Retail Offer Booklet are indicative only and subject to change. Unless otherwise indicated all times and dates refer to AEDT. Refer to section 3 for more details.

**Financial data**

All dollar values are in Australian dollars (A\$).

**Defined terms**

Terms used in this Retail Offer Booklet are defined in the glossary in section 8.

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## 1. Chairman's Letter

24 February 2017

Dear Shareholder,

### **Dacian Gold Limited – Accelerated non-renounceable entitlement offer**

On behalf of the Board of Dacian Gold Limited (**Dacian**), I am pleased to invite you to participate in a 1 for 3.1 accelerated non-renounceable entitlement offer of new ordinary fully paid shares in Dacian (**New Shares**) at an offer price of A\$2.00 (**Offer Price**) per New Share (**Entitlement Offer**).

The Entitlement Offer was announced to the ASX on Wednesday, 22 February 2017 in conjunction with a share placement to institutional investors (**Placement**) (together the **Offer**). The institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) and the Placement are expected to raise a total of approximately A\$92.2 million (before costs). This retail offer booklet (**Retail Offer Booklet**) relates to the retail component of the Entitlement Offer (**Retail Entitlement Offer**), which is expected to raise a further A\$17.6 million (before costs). The Offer is fully underwritten.

The proceeds from the Placement and Entitlement Offer will be used to co-finance development of the infrastructure and mine establishment costs, progress exploration and fund corporate office and general working capital expenses up to first production at Dacian's 100% owned Mount Morgan's Gold Project (MMGP).

### **Retail Entitlement Offer**

Under the Entitlement Offer, eligible Shareholders are entitled to subscribe for 1 New Share at the Offer Price for every 3.1 existing ordinary fully paid shares in Dacian (**Existing Shares**) held at 10:00pm (AEDT) on Friday, 24 February 2017 (**Record Date**).

The Offer Price of A\$2.00 per New Share represents a 12.1% discount to the 5 day volume weighted average price of Dacian shares of \$2.28 per share as at 21 February 2017.

**The Retail Entitlement Offer to which this Retail Offer Booklet relates closes at 5.00pm (AEDT) on Monday, 20 March 2017 (unless extended).**

This Retail Offer Booklet contains important information about the Retail Entitlement Offer, including:

- Summary of Entitlement Offer;
- Key Dates;
- Summary of Options Available to You;
- How to Apply; and
- ASX Announcements and Investor Presentation.

Accompanying this Retail Offer Booklet is your personalised entitlement and acceptance form (**Entitlement and Acceptance Form**). It details your Entitlement and is to be completed in accordance with the instructions provided on the form and the instructions in this Retail Offer Booklet under “How to Apply”.

To participate, you must ensure that you have completed your application by paying application monies (**Application Monies**) by BPAY<sup>®1</sup> OR by lodging your completed Entitlement and Acceptance Form with your Application Monies paid by cheque, bank draft or money order, so that they are received by the Registry (registry details are in section 5.6) before 5:00pm (AEDT) on Monday, 20 March 2017.

If you do not wish to take up any of your Entitlement, you do not have to take any action. As the Entitlement Offer is non-renounceable, Entitlements will not be tradeable on the ASX or otherwise transferable. If you do not take up your full Entitlement, those Entitlements that you do not take up will lapse and you will not receive any payment or value for them.

### **Further information and application instructions**

Further details of the Entitlement Offer, as well as the risks associated with investing in the Entitlement Offer are set out in this Retail Offer Booklet (including the Investor Presentation in the “Key Risks” section) which you should read carefully and in its entirety.

If you require further assistance during the Retail Entitlement Offer period, please contact Dacian’s Company Secretary on 08 9316 9100 (within Australia) or +61 8 9316 9100 (outside Australia) from 8:30am to 5:00pm (WST) Monday to Friday, or consult your financial or other professional advisor.

On behalf of the Board of Dacian, I invite you to consider this investment opportunity and thank you for your continued support.

Yours faithfully,

**Rohan Williams**

Executive Chairman  
24 February 2017

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<sup>1</sup> ® Registered to BPAY Pty Limited ABN 69 079 137 518.

## 2. Summary of Retail Entitlement Offer

<b>Issue price per New Share</b>	\$2.00 per New Share
<b>Entitlement</b>	1 New Share for every 3.1 Existing Shares held on the Record Date offered to Eligible Retail Shareholders.
<b>Number of New Shares to be issued under the Placement and Entitlement Offer</b>	7,705,522 shares to be issued under the Placement 47,189,248 New Shares to be issued under the Entitlement Offer
<b>Amount to be raised under the Placement and Entitlement Offer</b>	Approximately \$110 million (before costs) comprising: - approximately \$15.4 million under the Placement; and - approximately \$94.4 million under the Entitlement Offer.
<b>Use of funds raised</b>	<p>The funds raised from the Entitlement Offer will be used to co-finance development of the infrastructure and mine establishment costs, continue exploration along with funding corporate office and general working capital expenses up to first production at MMGP.</p> <p>The details of the proposed use of funds is set out in Section 6 (ASX Announcements and Investor Presentation) of this Retail Offer Booklet. Those statements represent the Board's current intentions as at the date of this Retail Offer Booklet. Shareholders should note, as with any budget, intervening events and new circumstances have the potential to affect the manner in which the proceeds are ultimately applied. The directors of Dacian reserve the right to alter the way proceeds are applied on that basis. If sufficient funds are not available from the Placement and Entitlements Offer and debt markets to satisfy Dacian's short, medium or long term capital requirements, when required, Dacian may be required to raise further funds and/or limit the scope of, or delay, its anticipated operations.</p> <p>There is no minimum subscription for the Retail Entitlement Offer.</p>
<b>Underwritten</b>	The Offer is fully underwritten.

### 3. Key Dates

Event	Date
Announcement of Placement and Entitlement Offer	Wednesday 22 February 2017
Retail Offer Booklet lodged with ASX	Friday 24 February 2017
Record Date for Entitlement Offer	10.00pm (AEDT) Friday 24 February 2017
Retail Offer Booklet and Entitlement and Acceptance Form despatched	Tuesday 28 February 2017
Retail Entitlement Offer opens	Tuesday 28 February 2017
Allotment of New Shares under Placement and Institutional Entitlement Offer	Monday 6 March 2017
New Shares issued under Placement and Institutional Entitlement Offer commence trading on a normal basis	Monday 6 March 2017
Retail Entitlement Offer closes	5.00pm (AEDT) Monday 20 March 2017
Announcement of outcome under Retail Entitlement Offer	10.00am (AEDT) Wednesday 22 March 2017
Allotment of New Shares issued under Retail Entitlement Offer	Monday 27 March 2017
New Shares issued under Retail Entitlement Offer commence trading on ASX	Tuesday 28 March 2017
Holding statements under the Retail Entitlement Offer mailed	Tuesday 28 March 2017

*Dates and times in this Retail Offer Booklet are indicative only and may change. Unless stated otherwise, all dates and times are in reference to AEDT.*

Dacian, with the consent of the Lead Managers to the Entitlement Offer and Placement, reserves the right to amend any or all of these dates and times without prior notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Dacian reserves the right to extend the Closing Date, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the allotment date of New Shares. Applicants are encouraged to submit their personalised Entitlement and Acceptance Forms as soon as possible after the Retail Entitlement Offer opens.

The commencement of quotation of New Shares is subject to confirmation from the ASX.

#### Enquiries

If you require further assistance during the Retail Entitlement Offer period, please contact Dacian's Company Secretary on 08 9316 9100 (within Australia) or +61 8 9316 9100 (outside Australia) from 8:30am to 5:00pm (WST) Monday to Friday, or consult your financial or other professional advisor.



## 4. Summary of Options Available to You

If you are an Eligible Retail Shareholder, you may take one of the following actions:

Options available to you	Key considerations in choosing this option
Take up all of your Entitlement	<p>You may elect to subscribe for your Entitlement at the Offer Price – see section 5.5 for further details.</p> <p>All New Shares will rank equally in all respects with Existing Shares.</p> <p>The Retail Entitlement Offer closes at 5.00pm (AEDT) Monday 20 March 2017.</p>
Take up part of your Entitlement	<p>There is no minimum subscription under the Entitlement Offer.</p> <p>However, if you take up part of your Entitlement, the part not taken up will lapse and your percentage holding in Dacian will reduce as a result of dilution by the issue of the New Shares.</p>
Do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements	<p>If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlements will lapse (refer to section 5.7) and your percentage holding in Dacian will reduce as a result of dilution by the issue of the New Shares.</p> <p>Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and cannot be traded on ASX or any other exchange, nor can it be privately transferred.</p> <p>If you do not take up your Entitlement in full, you will not receive any payment or value for those Entitlements not taken up.</p>

If you are a retail shareholder as at the Record Date that is not an Eligible Retail Shareholder, then you are an Ineligible Retail Shareholder. Ineligible Retail Shareholders are **not** entitled to participate in the Entitlement Offer.

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of Dacian, including possible loss of income and principal invested. Dacian does not guarantee any particular rate of return or the performance of Dacian, nor does it guarantee the repayment of capital from Dacian or any particular tax treatment. In considering an investment in New Shares, investors should have regard to (amongst other things) the “Key Risks” section of the Investor Presentation and the disclaimers outlined in this Retail Offer Booklet.

Please consult with your stockbroker, accountant or other independent professional adviser if you have any queries or are uncertain about any aspects of the Retail Entitlement Offer.

## 5. How to apply

### 5.1 Important information

This Retail Offer Booklet and the accompanying personalised Entitlement and Acceptance Form contain important information about the Retail Entitlement Offer. You should read them carefully and in their entirety before deciding whether or not to participate in the Retail Entitlement Offer.

The Retail Entitlement Offer is not being made under a prospectus or product disclosure statement. Rather, the Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow rights issues and related issues to be made by providing certain confirmations to the market on the basis that all information that investors and their professional advisers would reasonably require to make an informed investment decision in relation to the Retail Entitlement Offer, when read with this Retail Offer Booklet and the accompanying information, is publicly available. This Retail Offer Booklet does not contain all of the information which would be required to be disclosed in a prospectus or product disclosure statement. As a result, it is important for you to read and understand the publicly available information on Dacian and the Entitlement Offer (for example, available on [www.daciangold.com.au](http://www.daciangold.com.au) or [www.asx.com.au](http://www.asx.com.au)) prior to deciding whether to accept your Entitlement and apply for New Shares.

If you are in doubt as to the course you should follow, you should seek appropriate professional advice before making an investment decision.

### 5.2 Overview of the Placement and Entitlement Offer

The Entitlement Offer was announced to the ASX on Wednesday, 22 February 2017 in conjunction with the Placement of New Shares to institutional investors. Under the Placement, approximately 7.7 million New Shares were issued at the Offer Price to raise approximately \$15.4 million.

Under the Entitlement Offer, up to approximately 47.2 million New Shares are to be issued at the Offer Price to raise up to approximately \$94.4 million. The Entitlement Offer comprises:

- An Institutional Entitlement Offer, being the offer of New Shares to Eligible Institutional Shareholders at the same price and at the same ratio as those being offered under the Retail Entitlement Offer; and
- The Retail Entitlement Offer, being the offer of New Shares to Eligible Retail Shareholders on the terms outlined in this Retail Offer Booklet.

### 5.3 The Retail Entitlement Offer

The information in this Retail Offer Booklet contains an offer of New Shares to Eligible Retail Shareholders and has been prepared in accordance with section 708AA of the Corporations Act as modified by ASIC Class Orders 2016/84 and 2016/73. Under the Retail Entitlement Offer, Eligible Retail Shareholders are invited to apply for 1 New Share for every 3.1 Existing Shares held on the Record Date at the Offer Price of \$2.00 per New Share.

The Retail Entitlement Offer is being offered to Eligible Retail Shareholders only. Eligible Retail Shareholders are persons who are Shareholders on the Record Date who:

- have an address on the Dacian share register in Australia or New Zealand;
- are not in the United States or acting for the account or benefit of a person in the United States (to the extent such person holds ordinary shares of Dacian for the account or benefit of such person in the United States);

- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus, circular or other similar disclosure document to be lodged or registered; and
- were not invited to participate (other than as nominee, in respect of other underlying holdings) in the Institutional Entitlement Offer and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer.

If you are a retail Shareholder who does not satisfy each of the criteria listed above, you are an Ineligible Retail Shareholder.

Eligible Retail Shareholders will receive a personalised Entitlement and Acceptance Form setting out their Entitlement which accompanies this Retail Offer Booklet. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

Not all Dacian Shareholders will be eligible to participate in the Entitlement Offer. Please read the “Additional Information” section for further details in this regard (refer to section 7.4). Shareholders who are not Eligible Retail Shareholders, and who were not invited to participate in the Institutional Entitlement Offer, will be notified that the Entitlement Offer will not be extended to them.

Dacian may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional Shareholder that was eligible to participate in the Institutional Entitlement Offer but was not invited to participate in the Institutional Entitlement Offer (subject to compliance with relevant laws).

#### **5.4 Choices available to Eligible Retail Shareholders**

As an Eligible Retail Shareholder you may:

- a) take up all of your Entitlement (refer to section 5.5);
- b) take up part of your Entitlement, the part not taken up will lapse (refer to section 5.5); or
- c) take no action and allow all of your Entitlement to lapse (refer to section 5.7). It is not possible to sell or transfer your Entitlement if you decide not to take it up.

There is no minimum subscription under the Entitlement Offer.

To participate in the Retail Entitlement Offer, you must either lodge a valid Entitlement and Acceptance Form and Applicable Monies for New Shares, or make a payment by BPAY® (**BPAY**), in either case before 5:00pm (AEDT) on Monday, 20 March 2017. If you take no action, your Entitlement under the Retail Entitlement Offer will lapse.

#### **5.5 Take up all of, or part of, your Entitlement**

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 3.1 Existing Shares you held as at the Record Date of 10:00pm (AEDT) on Friday, 24 February 2017. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares.

If you wish to take up your Entitlement in part or in full you must complete your Entitlement and Acceptance Form and submit it together with the relevant Applications Monies.

There are two different ways you can submit your Application Monies:

- BPAY; or
- cheque, bank draft or money order.

Dacian will treat you as applying for as many New Shares under your Entitlement as your payment will pay for in full. If you take up and pay for all or part of your Entitlement before the close of the Retail Entitlement Offer, you will be issued your New Shares on Monday, 27 March 2017. Any surplus Application Monies received for more than your Entitlement will be refunded by cheque to your registered address as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to Eligible Retail Shareholders on any Application Monies received or returned (wholly or partly).

Dacian reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Retail Shareholders or persons claiming to be Eligible Retail Shareholders if their claims prove to be incorrect, if they fail to provide information to substantiate their claims or to ensure compliance with all applicable laws and the ASX Listing Rules.

## 5.6 Payment Methods

### Payment by BPAY

To apply and pay via BPAY you should follow the instructions on your personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique reference number). You should make your payment in respect of your Application Monies via BPAY for the number of New Shares you wish to subscribe for at the Offer Price (being the issue price of A\$2.00 per New Share multiplied by the number of New Shares you are applying for). You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution.

**You should be aware that your own financial institution may impose earlier cut-off times with regard to electronic payments and you should therefore take this into consideration when making payment. It is the responsibility of the Eligible Retail Shareholder to ensure that funds submitted through BPAY are received by no later than 5:00pm (AEDT) on Monday, 20 March 2017 (subject to variation).**

If you choose to pay via BPAY you **do not** need to send in the personalised Entitlement and Acceptance Form, but you are taken to make the declarations on that personalised Entitlement and Acceptance Form and the representations in section 5.8 of this Retail Offer Booklet.

If you have multiple holdings of Shares you will have multiple BPAY reference numbers. To ensure you receive your Entitlement in respect of each holding, you must use the reference number shown on each personalised Entitlement and Acceptance Form when paying for New Shares that you wish to apply for in respect of that holding. If you inadvertently use the same reference number for more than one of your Entitlements, you will be deemed to have applied only for New Shares on the Entitlement to which that reference number relates.

### Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, you should:

- complete your personalised Entitlement and Acceptance Form accompanying this Retail Offer Booklet in accordance with the instructions on the form; and

- return the form to the Registry accompanied by a cheque, bank draft or money order which must be:
  - in respect of your Application Monies, for an amount equal to A\$2.00 multiplied by the number of New Shares that you are applying for under your Entitlement; and
  - in Australian currency drawn on an Australian branch of a financial institution; and
  - made payable to “Dacian Gold Limited” and crossed “Not Negotiable”.

You need to ensure that your completed Entitlement and Acceptance Form and cheque, bank draft or money order in respect of the full Application Monies reach the Registry by 5:00pm (AEDT) on Monday, 20 March 2017 at the following postal address:

Computershare Investor Services Pty Limited  
GPO Box 505  
Melbourne VIC 3001

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies. If the amount of your cheque for Application Monies is insufficient to pay for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, your cheque will be dishonoured and you will not receive any New Shares. If, however, the amount for your bank draft or money order for Application Monies is insufficient to pay for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form. Alternatively, your application will not be accepted.

**Should you choose to pay by cheque, bank draft or money order it is your responsibility to ensure that your payment is received by the Registry by no later than 5:00pm (AEDT) on Monday, 20 March 2017 (subject to variation). Cash payments will not be accepted. Receipts for payment will not be issued.**

## **5.7 Take no action and allow all of your Entitlement to lapse**

If you take no action, you will not be allocated any New Shares in respect of your Entitlement.

Any Entitlements which you do not take up will lapse.

By allowing your Entitlement to lapse you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement. Your interest in Dacian will also be diluted.

## **5.8 Implications of making an Application**

Returning a completed Entitlement and Acceptance Form or paying any Application Monies for New Shares via BPAY by an Eligible Retail Shareholder will be taken to constitute a representation that you:

- a) have received a copy of this Retail Offer Booklet accompanying the Entitlement and Acceptance Form, and read it in its entirety;
- b) acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY payment instruction is given in relation to any Application Monies, the Application may not be varied or withdrawn except as required by law.

- c) agree to be bound by the terms of the Entitlement Offer and the provisions of Dacian's constitution;
- d) authorise Dacian to register you as the holder of the New Shares allotted to you;
- e) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- f) declare you have full legal capacity and power to perform all your entitlements and obligations under the Entitlement and Acceptance Form;
- g) agree to apply for, and be issued with, the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY, at the Offer Price per New Share;
- h) authorise Dacian, the Lead and Co-Lead Managers, the Registry and their respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- i) declare that you were the current registered holder on the Record Date, of the Existing Shares indicated on the Entitlement and Acceptance Form as being held by you on the Record Date and are a resident of Australia or New Zealand;
- j) acknowledge that the information contained in this Retail Offer Booklet and the Entitlement and Acceptance Form is not investment advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs, and that the Retail Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Dacian and is given in the context of Dacian's past and ongoing continuous disclosure announcements to ASX;
- k) represent and warrant that the law of any place does not prohibit you from being given this Retail Offer Booklet and the Entitlement and Acceptance Form, and does not prohibit you from making an Application for New Shares;
- l) acknowledge the statement of risks in the "Key Risks" section of the Investor Presentation, and that investments in Dacian are subject to investment risk;
- m) acknowledge that none of Dacian, the Lead and Co-Lead Managers, or any or each of their directors, officers, employees, agents, consultants or their advisers, guarantees the performance of Dacian, nor do they guarantee the repayment of capital from Dacian;
- n) represent and warrant that you are not in the United States and not acting for the account or benefit of a person in the United States;
- o) acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions of the United States, and accordingly, the Entitlements may not be taken up, and the New Shares may not be offered, sold or otherwise transferred, in the United States or to, or for the account or benefit of, any person in the United States, except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;



- p) agree not to send this Retail Offer Booklet, the Entitlement and Acceptance Form or any other material relating to the Entitlement Offer to any person in the United States or any jurisdiction other than Australia and New Zealand (or other jurisdictions approved by Dacian);
- q) represent and warrant that you are an Eligible Retail Shareholder and have read and understood this Retail Offer Booklet and the Entitlement and Acceptance Form and that you acknowledge the matters, and make the warranties and representations and agreements contained in this Retail Offer Booklet and Entitlement Acceptance Form;
- r) agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and/or of your holding of Existing Shares on the Record Date.
- s) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand (or other jurisdictions approved by Dacian) and is not in the United States and is not acting on behalf of a person in the United States, and you have not sent this Retail Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person; and
- t) if in the future you decide to sell or otherwise transfer the New Shares, you will only do so by regular transactions on ASX or otherwise where neither you nor any person acting on your behalf know, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or is acting on behalf of a person in the United States.

### **5.9 Lost or Misplaced Entitlement and Acceptance Forms**

If you have lost or misplaced your Entitlement and Acceptance form, you may access a personalised copy by following the below instructions:

1. Access at [www.investorcentre.com](http://www.investorcentre.com)
2. If you have not logged on to Investor Centre previously, select the 'Access a Single Holding button', enter your HIN/SRN, postcode and follow the prompts.
3. Click on **Statements and Documents** then choose 'Entitlement Acceptances' to view your personalised form. The online form includes your BPAY reference number for immediate payment. You may also print out your form and send with your cheque, bank draft or money order to the address noted on the form.

### **5.10 Brokerage and stamp duty**

No brokerage fee is payable by Eligible Retail Shareholders who accept their entitlement. No stamp duty is payable for subscribing for New Shares under the Retail Entitlement Offer.

### **5.11 No withdrawals**

You cannot withdraw your Application once it has been accepted. Cooling-off rights do not apply to an investment in New Shares. Dacian reserves the right to withdraw the Retail Entitlement Offer at any time before the issue of New Shares to Eligible Retail Shareholders, in which case Dacian will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to applicants.

## 6. ASX Announcements and Investor Presentation

*Not for release to US wire services or distribution in the United States*

22 FEBRUARY 2017

# A\$110M EQUITY RAISING COMPLETES FINANCING FOR CONSTRUCTION OF THE MT MORGANS GOLD PROJECT, FOLLOWING SUCCESSFUL DEBT FUNDING AND GRANT OF ALL KEY REGULATORY APPROVALS

### Highlights

- Dacian Gold launches a fully underwritten A\$110 million equity raising comprising an Institutional Placement to raise approximately A\$15.4 million and a 1 for 3.1 Accelerated Non-Renounceable Entitlement Offer to raise approximately A\$94.4 million
- Approximately 55 million new shares to be issued at A\$2.00 per share, representing a 8.9% discount to TERP<sup>1</sup> and a 11.9% discount to the last close of A\$2.27 as at 21 February 2017
- Equity raising to contribute to the development of the Mt Morgans Gold Project (MMGP) following the release of the positive MMGP Feasibility Study and expansion Pre-Feasibility Study (ePFS) to the ASX on 21 November 2016
- Dacian Gold has successfully secured a A\$150 million project debt facility with three tier-one banks, on excellent terms, as announced to the ASX on 21 December 2016
- Post completion of the equity raising Dacian is fully funded to complete the construction of the MMGP through to production
- Construction commenced on the MMGP in January 2017 following the receipt of key regulatory approvals, ensuring the MMGP remains on track for first gold production in Q1 CY2018

<sup>1</sup> The Theoretical Ex-Rights Price (TERP) is the theoretical price at which Dacian shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equate to TERP. The TERP includes New Shares to be issued under the Placement.



Dacian Gold Limited (**Dacian Gold** or the **Company**) is pleased to announce the launch of a fully underwritten A\$110 million equity raising to complete the funding required to fully develop its 100% owned MMGP, located 20km south-west of Laverton in Western Australia.

## **The Offer**

The A\$110 million equity raising will comprise a placement of approximately 8 million new shares to raise A\$15.4 million (**Institutional Placement**) and the issue of approximately 47 million new shares from a 1 for 3.1 accelerated non-renounceable entitlement offer to raise up to A\$94.4 million (**Entitlement Offer**) (together, **the Offer**). The Entitlement Offer will consist of an Institutional Entitlement Offer and a Retail Entitlement Offer. Upon completion of the Offer, the Company will have approximately 201 million shares on issue.

The proceeds of the Offer will be used for:

- A\$77 million for MMGP construction and development expenditure, including;
  - A\$59 million for site infrastructure including a new 2.5Mtpa CIL treatment facility;
  - A\$18 million for mine-establishment costs at Beresford, Allanson and Jupiter;
- A\$15 million for exploration expenditure; and
- A\$18 million for corporate expenditure, working capital and transaction costs.

## **Development of the MMGP Commenced Following Successful A\$150 Million Debt Funding and Receipt of Key Regulatory Approvals**

Following the recent achievement of several key project milestones, proceeds from the Offer will complete the funding of the development of Australia's next high-grade mid-tier gold project.

In December 2016, Dacian Gold secured a project debt finance facility of up to A\$150 million with three tier-one banks, providing a highly flexible and competitively priced financing package to co-fund the development of its 100% owned MMGP (ASX release dated 21 December 2016).

In January 2017, construction activities, including earthworks at both the site of the accommodation village and the Westralia Mine Area, commenced at the MMGP following receipt of the following key regulatory approvals and permits:

- Mine Proposal and Mine Closure Plan;

- Mt Morgans Project Management Plan;
- Native Vegetation Clearing Permit; and
- Works Approval and License (see ASX release dated 12 January 2017).

Dacian Gold's ability to successfully secure project debt funding and commence construction has ensured that the MMGP remains on track to achieve first gold production in Q1 CY2018.

Dacian Gold will maintain an aggressive exploration program in 2017 during construction of the MMGP as the Company believes there is excellent potential to continue to yield gold discoveries that will increase the Ore Reserve life and project value.

## **Commentary**

Dacian Gold's Executive Chairman Rohan Williams said:

*The equity raising completes the last piece of the funding package required to complete the construction of the Mt Morgans Gold Project through to first gold production. We can now focus all our attention on continuing project construction and mine development at Westralia and Jupiter, keeping us on track to achieve first gold production in Q1 CY2018.*

*"It will also fund continued exploration targeting more discoveries on our extensive and highly prospective land-holding at Mt Morgans, where we see significant potential to continue to grow our gold inventory."*

## **Placement and Institutional Entitlement Offer**

Eligible institutional shareholders with registered addresses in the offering jurisdictions will be invited to participate in the Placement and Institutional Entitlement Offer, which is being conducted between Wednesday, 22 February 2017 and Thursday, 23 February 2017. Eligible shareholders can choose to take up all, part or none of their entitlement. As the Entitlement Offer is non-renounceable, entitlements cannot be traded.

Together with the Placement, institutional entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and institutional entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to Eligible Institutional Shareholders who apply for New Shares in excess of their entitlement, as well as to certain other eligible institutional investors.

## Retail Entitlement Offer

Eligible retail shareholders with retail addresses in Australia and New Zealand will be invited to participate in the Retail Entitlement Offer at the same price as the Placement and Institutional Entitlement Offer. The Retail Entitlement Offer will open on 28 February 2017 and close at 5:00pm (AEST) on 20 March 2017.

Further information will be sent to Eligible Retail Shareholders in a booklet (Retail Offer Booklet) expected to be lodged with ASX and despatched on or around 28 February 2017. The Retail Offer Booklet and the accompanying personalised entitlement and acceptance form (Application Form) will contain instructions on how to apply. Application Forms and payments are due by no later than 5:00pm (AEST) on 20 March 2017.

## Key Dates

Key dates for the Offer are outlined in the timetable below:

Key Event	Date <sup>1</sup>
Announcement of Outcome Under Placement and Institutional Entitlement Offer	Friday, 24 February 2017
Trading in Dacian Gold Shares Recommences on an Ex-entitlement Basis	Friday, 24 February 2017
Record Date for Entitlement Offer	10:00pm Friday, 24 February 2017
Retail Entitlement Offer Opens	Tuesday, 28 February 2017
Retail Offer Booklet Dispatched	Tuesday, 28 February 2017
Settlement of New Shares Issued Under Placement and Institutional Entitlement Offer	Friday, 3 March 2017
Allotment and Trading of New Shares Issued Under Placement and Institutional Entitlement Offer	Monday, 6 March 2017
Retail Entitlement Offer Closes	5:00pm Monday, 20 March 2017
Announcement of Outcome Under the Retail Entitlement Offer	Wednesday, 22 March 2017
Settlement of New Shares Issued Under Retail Entitlement Offer	Friday, 24 March 2017
Allotment of New Shares Issued Under Retail Entitlement Offer	Monday, 27 March 2017
Dispatch of Holding Statements and Trading of New Shares Issued Under Retail Entitlement Offer	Tuesday, 28 March 2017

*Note: (1) The above timetable is indicative only and subject to change. Dacian Gold, in conjunction with the Sole Lead Manager, reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws. All times and dates are in reference to AEDT.*

## **Additional Information**

Additional information regarding the Equity Raising is contained in the investor presentation released to the ASX today. The Retail Offer Booklet will be released separately and mailed to eligible retail shareholders.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should seek appropriate professional advice before making any investment decision.

Macquarie Capital (Australia) Limited is acting as Sole Lead Manager, Bookrunner and Underwriter. Argonaut Securities Pty Limited has been appointed as Co-Lead Manager to the Offer.

Treadstone Resource Partners acted as strategic and financial advisor to Dacian Gold.

**For and on behalf of the Board**



**Rohan Williams**

**Executive Chairman**

## **About Dacian Gold Limited**

Dacian Gold Ltd listed on the ASX on 14 November 2012 after raising \$20M in its IPO to fund a 3 year exploration program at the Mt Morgans project it had acquired near Laverton, in Western Australia.

During the 3 years of intensive exploration, Dacian discovered two plus one million ounce gold deposits at Westralia and Jupiter; and following the completion of a Scoping Study in September 2015, completed a \$25 million equity raising to complete a 90,000m resource-infill drill out and to fund a definitive Feasibility Study.

In November 2016, Dacian released the results of the Feasibility Study which showed the Mt Morgans Gold Project to have an Initial Ore Reserve of 1.2 million ounces with an AISC of A\$1,039/oz over an initial 8 year period. Based on the Feasibility Study, the capital cost to build the project, including a new 2.5 Mtpa CIL treatment facility, is A\$220M which includes A\$172M of site-based infrastructure and A\$48M of mine establishment costs for the underground Westralia Mine Area and the open pit at Jupiter. Dacian's latest estimate for site based infrastructure post the Feasibility Study reduces capital cost to A\$157m (from A\$172M). At the same time as releasing the Feasibility Study, the Company released an expansion Pre-Feasibility Study which showed that the MMGP had the potential for 1.7 million ounces at an AISC of A\$970-975/oz.

The Board, which includes Rohan Williams as Executive Chairman and Robert Reynolds, Barry Patterson and Ian Cochrane as non-executive directors, approved the construction of the project which is targeting gold production in the first quarter of CY2018.

Dacian will also maintain an aggressive exploration spend on the project it believes will continue to yield gold discoveries that will increase mine life and project value.

For further information on the equity raising please visit [www.daciangold.com.au](http://www.daciangold.com.au) to view the Company's presentation or contact:

Rohan Williams Executive Chairman Dacian Gold Limited +61 8 6263 9000	Paul Armstrong Investor Relations Read Corporate +61 8 9388 1474
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## Appendix I

### 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
Ramomie	2.0	-	-	-	0.2	4.1	21	0.3	3.9	36	0.4	4.0	57
<b>TOTAL</b>		<b>5.3</b>	<b>1.5</b>	<b>246</b>	<b>28.3</b>	<b>2.1</b>	<b>1,954</b>	<b>11.1</b>	<b>3.1</b>	<b>1,115</b>	<b>44.7</b>	<b>2.3</b>	<b>3,315</b>
* JORC 2004													

\*Refer to ASX release – 28 July 2016

### Mount Morgans Gold Project Initial Ore Reserves

	COG (g/t)	Proved Ore Reserves			Probable Ore Reserves			Total Initial Ore Reserves		
		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
<b>INITIAL ORE RESERVE</b>		<b>1,110</b>	<b>2.4</b>	<b>85</b>	<b>17,475</b>	<b>2.0</b>	<b>1,115</b>	<b>18,585</b>	<b>2.0</b>	<b>1,200</b>

\*Refer to ASX release – 21 November 2016

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.

## Competent Person Statement

### 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 Prospect (see ASX Announcement 19 July 2016) and Transvaal Mineral Resources (see ASX announcement 16th September, 2015) and Ramornie Mineral Resources (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 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 – 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, 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 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 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 Oreology 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.

### Important Notice & Disclaimer

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 **DACIAN  
GOLD** ASX CODE: DCN 

**Equity Raising Investor Presentation**

***Building Australia's next significant mid-tier gold producer***

**22 February 2017**  
**Rohan Williams – Executive Chairman**

**DACIAN GOLD LIMITED / [daciangold.com.au](http://daciangold.com.au)**

**Not for release to US wire services or distribution in the United States**

# Important Notice & Disclaimer



- The purpose of this presentation is to provide general information about Dacian Gold Limited ("Dacian" or the "Company"). This presentation relates to a proposed accelerated pro rata non-renounceable entitlement offer ("Entitlement Offer") and institutional placement ("Placement", together with the Entitlement Offer, the "Offer") of new shares to be made under section 708AA (as modified by ASIC Corporations Instruments 2016/73 and 2016/94) and section 708A of the Corporations Act 2001 (Cth). It is not recommended that any person makes any investment decision in relation to the Company based solely on this presentation.
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  - The retail offer booklet for the retail component of the Entitlement Offer will be available following its lodgement with ASX. Any eligible retail shareholder who wishes to participate in the retail component of the Entitlement Offer should consider the Retail Offer Booklet in deciding whether to apply under that offer. Anyone who wishes to apply for new shares under the retail component of the Entitlement Offer will need to apply in accordance with the instructions contained in the Retail Offer Booklet and the entitlement and acceptance form that will accompany it.
  - Determination of eligibility of investors for the purposes of the institutional and retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company and/or the Lead Manager, and each of the Company and the Lead Manager and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.
  - Note, all figures are expressed in Australian dollars unless otherwise stated.
- 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 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 the Westralia Mineral Resource (see ASX announcement – 28 July 2016), the Jupiter 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 Australasian 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) 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.





# Important Notice & Disclaimer

- 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 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 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 and reserve estimates with that announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person findings are presented have not materially changed from the original market announcement.
- 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 Oreology 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 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 (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.

## Cautionary note regarding reserves and resources

- You should be aware that as an Australian company with securities listed on the ASX, the Company is required to report reserves and resources in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). You should note that while the Company's reserve and resource estimates comply with the JORC Code, they may not comply with the relevant guidelines in other countries and, in particular, do not comply with (i) National Instrument 43-101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators and (ii) Industry Guide 7, which governs disclosures of mineral reserves in registration statements filed with the US Securities and Exchange Commission. Information contained in this presentation describing the Company's mineral deposits may not be comparable to similar information made public by companies subject to the reporting and disclosure requirements of Canadian or US securities laws. In particular, Industry Guide 7 does not recognise classifications other than proven and probable reserves and, as a result, the SEC generally does not permit mining companies to disclose their mineral resources in SEC filings. You should not assume that quantities reported as "resources" will be converted to reserves under the JORC Code or any other reporting regime or that the Company will be able to legally and economically extract them.

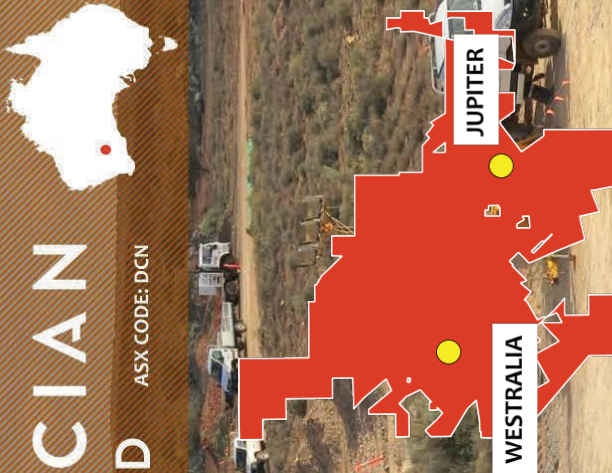
## Lead Manager Parties Disclaimer


- Macquarie Capital (Australia) Limited has acted as lead manager and underwriter to the Offer ("Lead Manager"). Macquarie Capital (Australia) Limited and Argonaut Securities Pty Ltd, and their respective affiliates or related bodies corporate, and their respective directors, officers, partners, employees, agents or advisers ("Lead Manager Parties") have not caused, permitted or authorised the issue or lodgement, submission, dispatch or provision of this presentation. The Lead Manager Parties have not made or purported to make any statement, representation or warranty in this presentation and there is no statement, representation or warranty in this presentation which is based on any statement by any of them. To the maximum extent permitted by law, the Lead Manager Parties exclude and disclaim all responsibility and liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the offer and the information in this presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. The Lead Manager Parties make no representation or warranty, express or implied, as to the fairness, currency, accuracy, reliability or completeness of information in this presentation and take no responsibility for any part of this presentation or the offer. The Lead Manager Parties make no recommendations as to whether you or your related parties should participate in the offer nor do they make any representations or warranties to you concerning the offer.



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## Equity Raising Details

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## Equity Raising Overview



<b>Offer Structure and Size</b>	<ul style="list-style-type: none"> <li>Fully underwritten equity raising to raise approximately A\$110 million (Equity Raising), comprising: <ul style="list-style-type: none"> <li>An Institutional Placement to raise approximately A\$15.4 million (Placement); and</li> <li>A 1 for 3.1 pro rata accelerated non-renounceable Entitlement Offer to raise approximately A\$94.4 million (Entitlement Offer)</li> </ul> </li> <li>Approximately 55 million new Dacian Gold shares to be issued</li> <li>The Institutional Placement shares will not be entitled to participate in the Entitlement Offer</li> <li>New shares will rank equally with existing Dacian Gold shares</li> </ul>
<b>Offer Price</b>	<ul style="list-style-type: none"> <li>Offer price of A\$2.00 per new share, which, as at the last closing price of 21 February 2017 represents a: <ul style="list-style-type: none"> <li>8.9% discount to TERP<sup>1</sup> of A\$2.20;</li> <li>11.9% discount to the last closing price of A\$2.27; and</li> <li>12.1% discount to the 5 day VWAP of A\$2.28</li> </ul> </li> </ul>
<b>Use of Proceeds</b>	<ul style="list-style-type: none"> <li>Proceeds from the Equity Raising will be used to fund: <ul style="list-style-type: none"> <li>A\$77 million for MMGP construction and development expenditure</li> <li>A\$15 million for exploration expenditure</li> <li>A\$18 million for corporate expenditure, working capital and transactions costs</li> </ul> </li> <li>Post completion of the Equity Raising, Dacian Gold is fully funded to complete the construction of the MMGP through to production</li> </ul>
<b>Institutional Placement and Entitlement Offer</b>	<ul style="list-style-type: none"> <li>Institutional Placement and the institutional component of the Entitlement Offer open to eligible institutional shareholders to be conducted on Wednesday, 22 February and Thursday, 23 February (AEDT)</li> <li>New shares equivalent to the number of new shares not taken up and those that would have been offered to ineligible institutional shareholders will be offered to new and existing institutional investors concurrently with the Institutional Entitlement Offer</li> </ul>
<b>Retail Entitlement Offer</b>	<ul style="list-style-type: none"> <li>Retail Entitlement Offer open to eligible retail shareholders in Australia and New Zealand from Tuesday, 28 February to 5:00pm Monday, 20 March (AEDT)</li> </ul>
<b>Syndicate</b>	<ul style="list-style-type: none"> <li>Macquarie Capital (Australia) Limited is the sole underwriter, bookrunner and lead manager</li> <li>Argonaut Securities Pty Ltd is the Co-lead Manager</li> </ul>

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<sup>1</sup> The Theoretical Ex-Rights Price (TERP) is the theoretical price at which Dacian shares should trade immediately after the ex-date for the entitlement offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the entitlement offer will depend on many factors and may not equate to TERP; Note: AEDT = Australian Eastern Daylight Time

## Equity Raising Timetable



Key Event	Date <sup>2</sup>
Trading Halt and Announcement of Equity Raising	Wednesday, 22 February 2017
Institutional Placement and Institutional Entitlement Offer Opens	10:00am Wednesday, 22 February 2017
Institutional Placement and Institutional Entitlement Offer Closes	Wednesday, 22 February 2017
Announcement of Outcome Under Institutional Placement and Institutional Entitlement Offer	Friday, 24 February 2017
Trading in Dacian Shares Recommences on an Ex-entitlement Basis	Friday, 24 February 2017
Record Date for Entitlement Offer	10:00pm Friday, 24 February 2017
Retail Entitlement Offer Opens	Tuesday, 28 February 2017
Retail Offer Booklet Dispatched	Tuesday, 28 February 2017
Settlement of New Shares Issued Under Institutional Placement and Institutional Entitlement Offer	Friday, 3 March 2017
Allotment and Trading of New Shares Issued Under Institutional Placement and Institutional Entitlement Offer	Monday, 6 March 2017
Retail Entitlement Offer Closes	5:00pm Monday, 20 March 2017
Announcement of Outcome Under the Retail Entitlement Offer	Wednesday, 22 March 2017
Settlement of New Shares Issued Under Retail Entitlement Offer	Friday, 24 March 2017
Allotment of New Shares Issued Under Retail Entitlement Offer	Monday, 27 March 2017
Dispatch of Holding Statements and Trading of New Shares Issued Under Retail Entitlement Offer	Tuesday, 28 March 2017

<sup>2</sup> The above timetable is indicative only and subject to change. Dacian, in conjunction with the Lead Manager and Co-Lead Manager, reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws. All times and dates are in reference to AEDT

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## Sources and Uses of Equity and Debt Financing Proceeds


**\$110M Equity Raising completes the funding required for the development of Mt Morgans Gold Project\***

Sources	Uses
Cash Balance as at 31 December 2016	A\$27M  MMGP Development: <ul style="list-style-type: none"> <li>• Plant and Infrastructure<sup>3</sup></li> <li>• Mine-establishment</li> <li>• Overrun Facility/Reserve</li> </ul> A\$157M A\$48M A\$25M
Equity Capital Raising	A\$110M  Exploration  A\$15M
Senior Debt Facility	A\$150M  Corporate: <ul style="list-style-type: none"> <li>• Corporate Office</li> <li>• Finance and Offer Costs</li> <li>• Working Capital</li> </ul> A\$6M A\$11M A\$25M
<b>Total Sources</b>	<b>Total Uses</b>  <b>A\$287M</b>

<sup>3</sup> Based on latest capital expenditure estimate incorporating savings identified from certain plant and infrastructure items originally priced in the total Feasibility Study capital cost of A\$172M

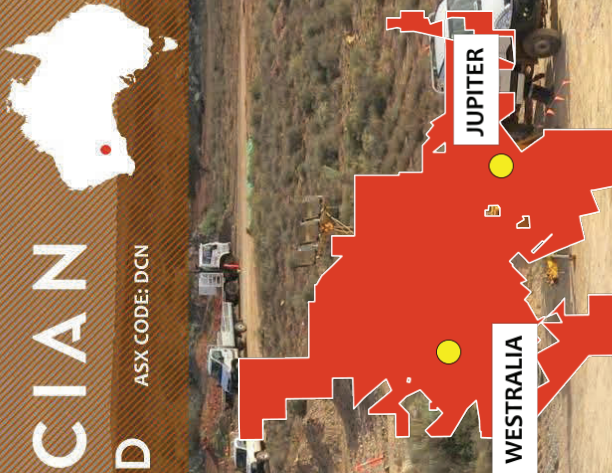
\*Gold production forecast at end of Q1 CY2018

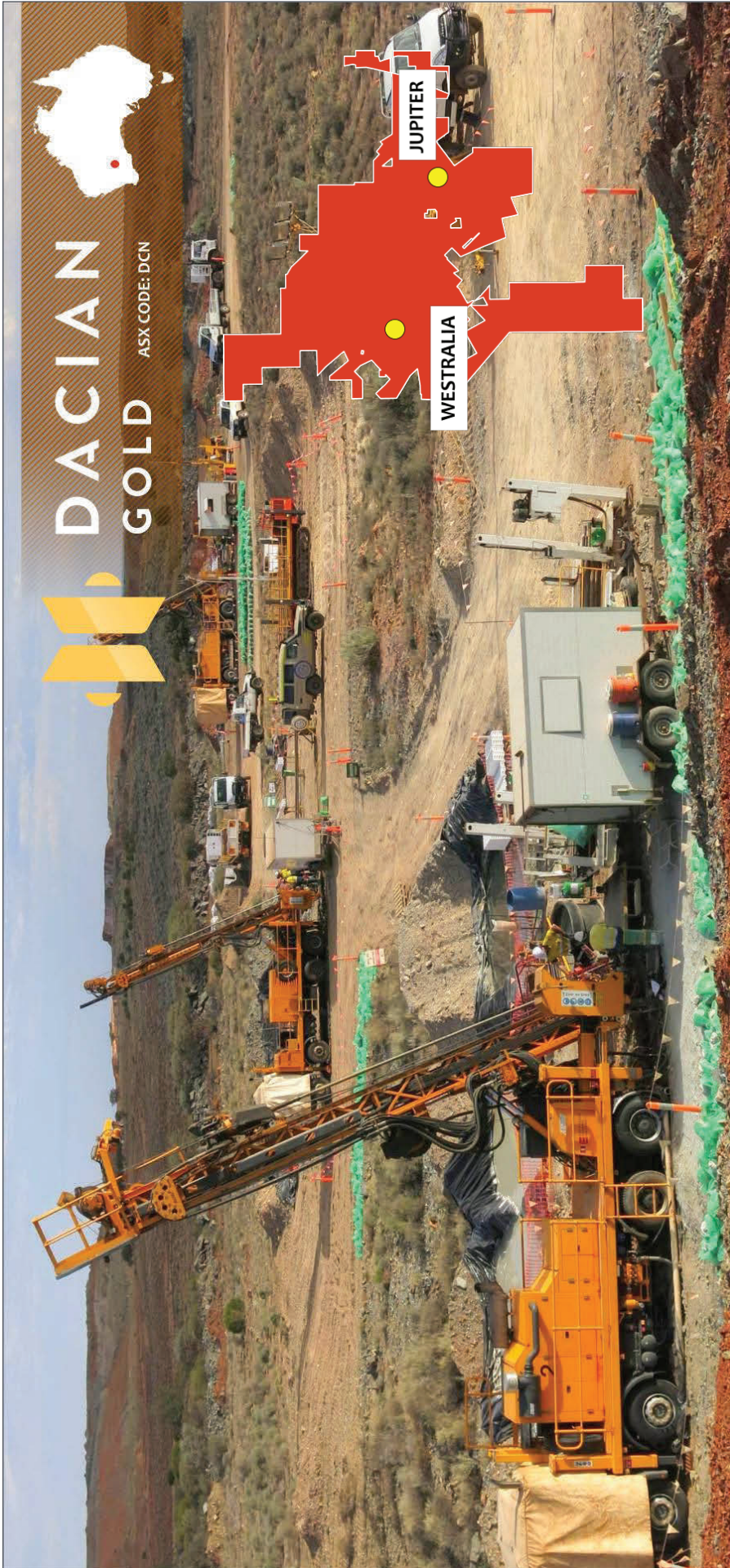




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## Corporate Overview

### Pro forma Capital Structure<sup>4</sup>

**201.2**  
Million

Shares on Issue

**12.6**  
Million

Options  
(unlisted, average  
exercise price 98c)

**A\$441.9**  
Million

Market Cap  
(A\$)

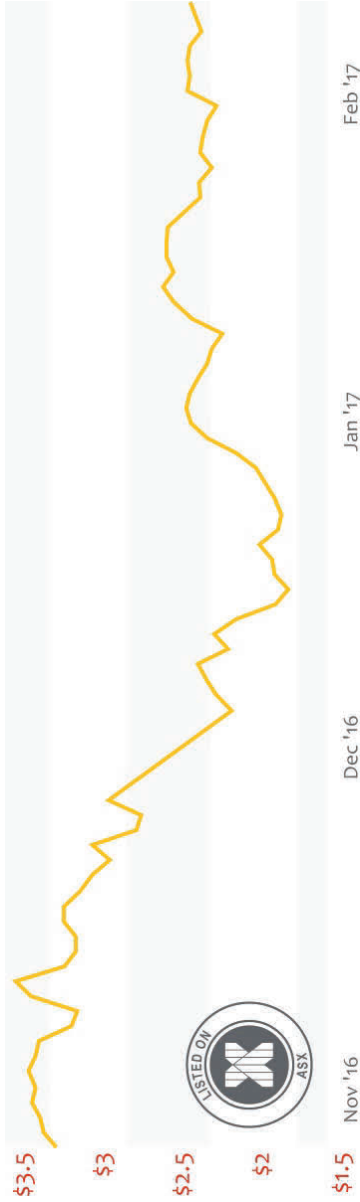
**A\$137**  
million

Cash<sup>4</sup>

<sup>4</sup> Assumes successful completion of the Equity Raising before transaction costs

### Recent Share Price Performance – ASX Code: DCN

ASX 300 Company



### Major shareholders

**Top 10 hold 45%**

**Directors – 10%**

**Institutions – 45%**

- Australia 29%
- North America 11%
- UK 5%

### Board of Directors

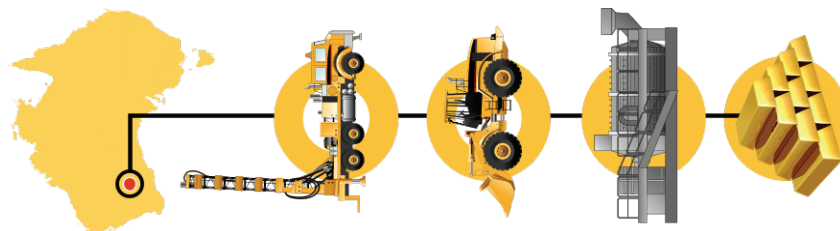
<b>Rohan Williams</b>	Executive Chairman (Avoca / Alacer Gold, WMC)
<b>Barry Patterson</b>	Non-Executive Director (Sonic, Silex, GR Engineering, Eltin)
<b>Rob Reynolds</b>	Non-Executive Director (Avoca / Alacer Gold, Delta Gold)
<b>Ian Cochrane</b>	Non-Executive Director (Cochrane Lishman, Ausdrill)

## 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<sup>5</sup>
- ✓ Completed Feasibility Study delivering an initial Ore Reserve of 1.2Moz<sup>5</sup>
- ✓ Completed expansion PFS delivering 1.7Moz of potential production (incl Ore Reserves)<sup>6</sup>
- ✓ Commenced Mine Construction



### Corporate

- ✓ Increased market capitalisation from A\$100M to A\$350M (~A\$460M post Offer)
- ✓ Signed A\$150M Project Facility – excellent terms
- ✓ Fully funded to production following completion of Equity Raising
- ✓ Investment by leading institutions – 45% of share register
- ✓ Strengthened board and management with key appointments

<sup>5</sup> Refer to Slide 25 for further details; <sup>6</sup> Refer to ASX Release 21 November 2016

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## 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<sup>7</sup> 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 <sup>8</sup>AISC of A\$837/oz (<sup>9</sup>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*
- Project Finance secured (Q4 CY2016) and Board approval for construction (Q1 CY2017)
- Gold production targeted in Q1 CY2018, 13 months from now
- Payback period: 21 months



<sup>7</sup> Refer to ASX Release 21 November 2016. Refer to Slide 25 for further details

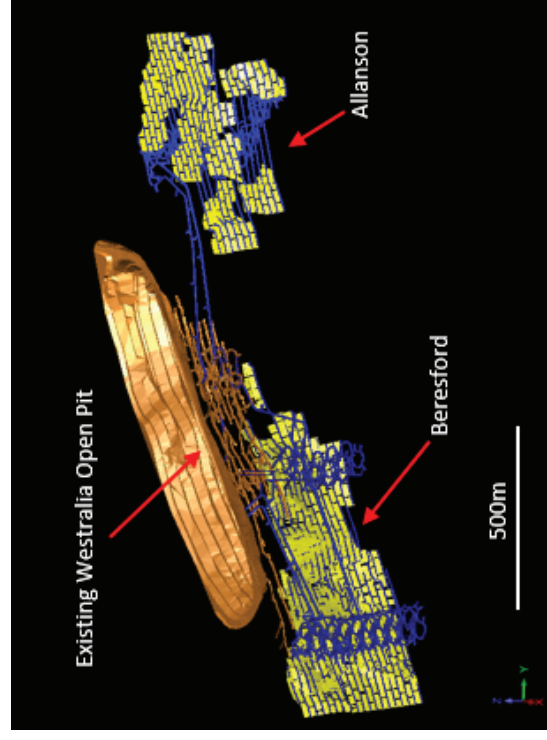
<sup>8</sup>AISC = C1 Cash cost + royalties + sustaining capital costs

<sup>9</sup>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<sup>10</sup> of:
  - 2.4Mt @ 4.2g/t Au for 331Koz at a forecast AISC of A\$845/oz (US\$634/oz)
- Allanson Initial Ore Reserve<sup>10</sup> 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<sup>10</sup> of:
  - 3.3Mt @ 4.6g/t Au for 492Koz at a forecast AISC of A\$837/oz (US\$626/oz)
- WA-standard underground mining techniques (SLOS)
- Westralia ores prioritised for treatment



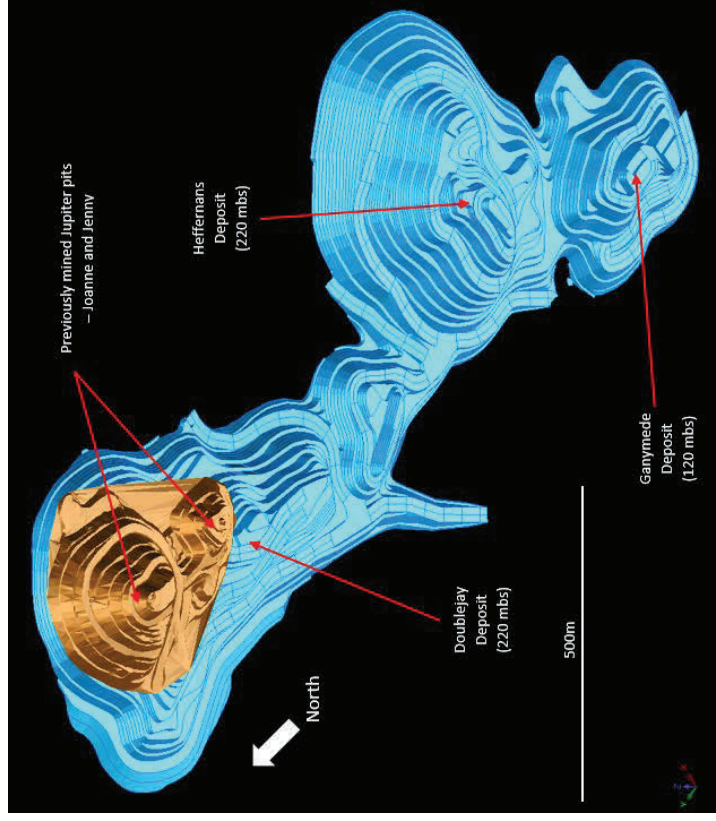
<sup>10</sup> Refer to Slide 25 for further details  
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## Mount Morgans – Jupiter Mine Area Initial Ore Reserve

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

- Maiden Ore Reserve<sup>11</sup> 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



<sup>11</sup> Refer to Slide 25 for further details  
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## Mount Morgans – Project Infrastructure Capital



*Feasibility Study Total Project Infrastructure Capital of A\$172M, but is Less...*

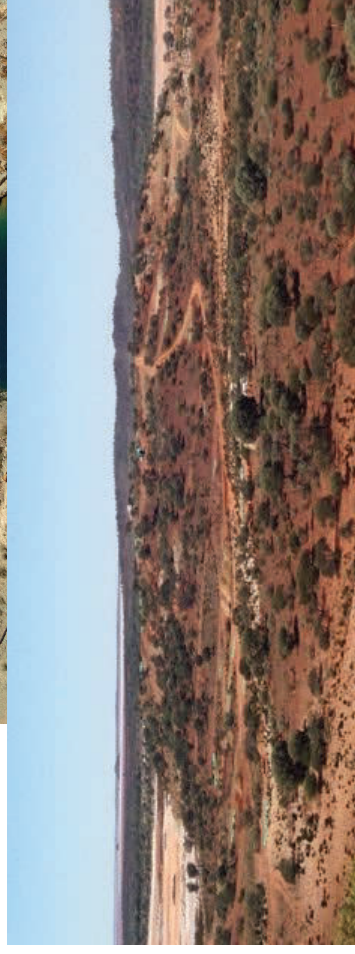
- New 2.5Mtpa CIL treatment facility and associated infrastructure
  - *A\$134M Capital Cost*
  - *Build adjacent to Jupiter Pit*
- Other infrastructure, including:
  - *New accommodation village (A\$21M)*
  - *Mine service facilities at Westralia and Jupiter (A\$7M)*
  - *Communications (A\$4M)*
  - *Roads & Earthworks (A\$4M)*
- Latest estimate received post Feasibility Study reduces capital to A\$157M



## 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 and Permitting Update



### Project Finance

- \$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*
  - *Typical conditions precedent to drawdown exist including an equity contribution to development expenditure being satisfied by existing cash reserves and part of the funds from this Offer*

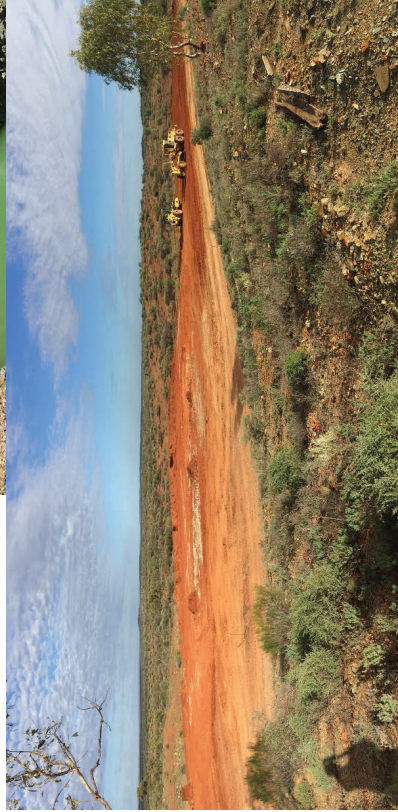
### Permitting

- 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



MMGP Project Delivery Schedule	2016		2017			2018	
	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Regulatory Approvals Granted	assessment	★					
Commence Plant Construction		★					
Processing Plant Commissioned						★	
Commence Beresford UG mine dev't			★				
First ore mined from Beresford					★		
Commence Jupiter OP pit mine dev't						★	
Commence Allanson UG mine dev't							★
First gold production							★



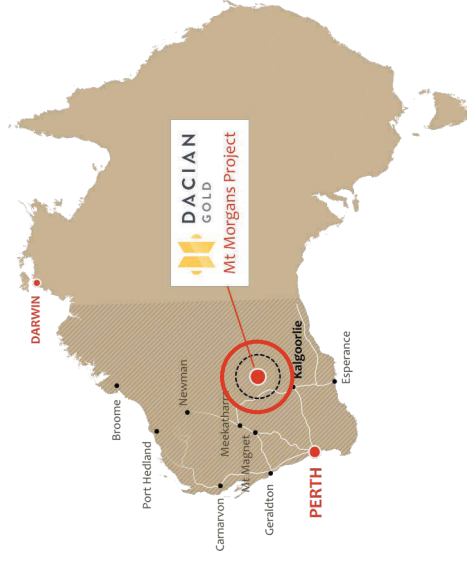
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## Mount Morgans – Expansion PFS Shows Potential of 1.7Moz

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

- MMGP Expansion PFS also completed
- <sup>12</sup>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

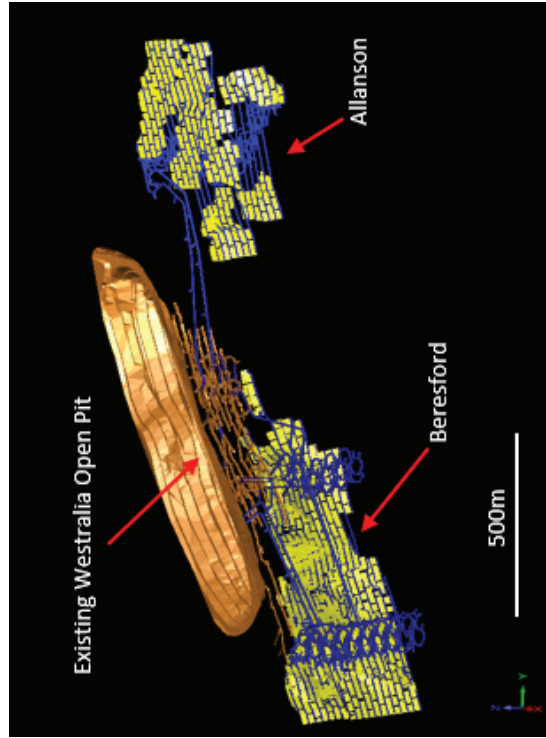


<sup>12</sup>Production Target described herein comprises 1.2Moz of Ore Reserve and the potential mining of Inferred Mineral Resource that is contiguous with the Ore Reserve. There is a low level of geological confidence associated with Inferred Mineral Resource and there is no certainty that further exploration work will result in the conversion of Inferred Mineral Resource to Ore Reserves, or that the Production Target itself will be realised.



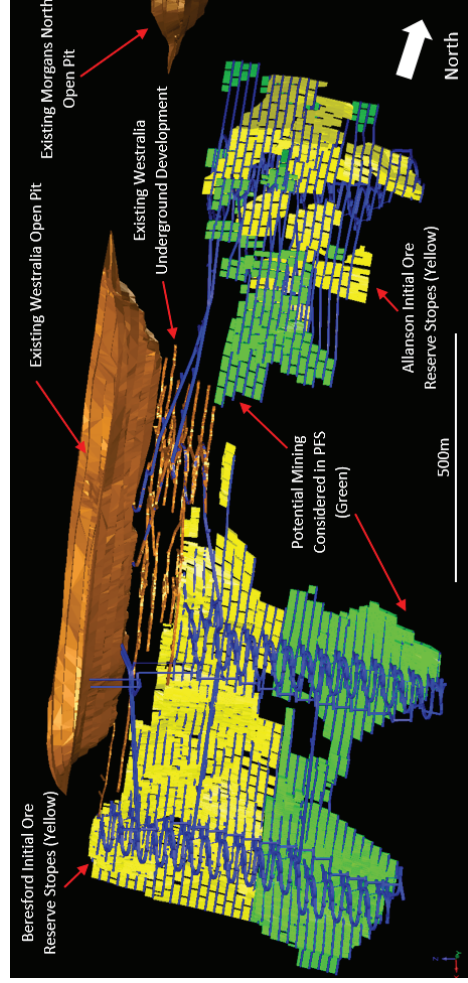
# Mount Morgans – Expansion PFS for MMGP

## Westralia Mine Area Initial Ore Reserve



- Initial Westralia Mine Area Ore Reserve of:
  - 3.3Mt @ 4.6g/t Au for 492Koz at a forecast AISC 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 AISC of A\$795-805/oz (US\$595-605/oz).





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**Mount Morgans Exploration**

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

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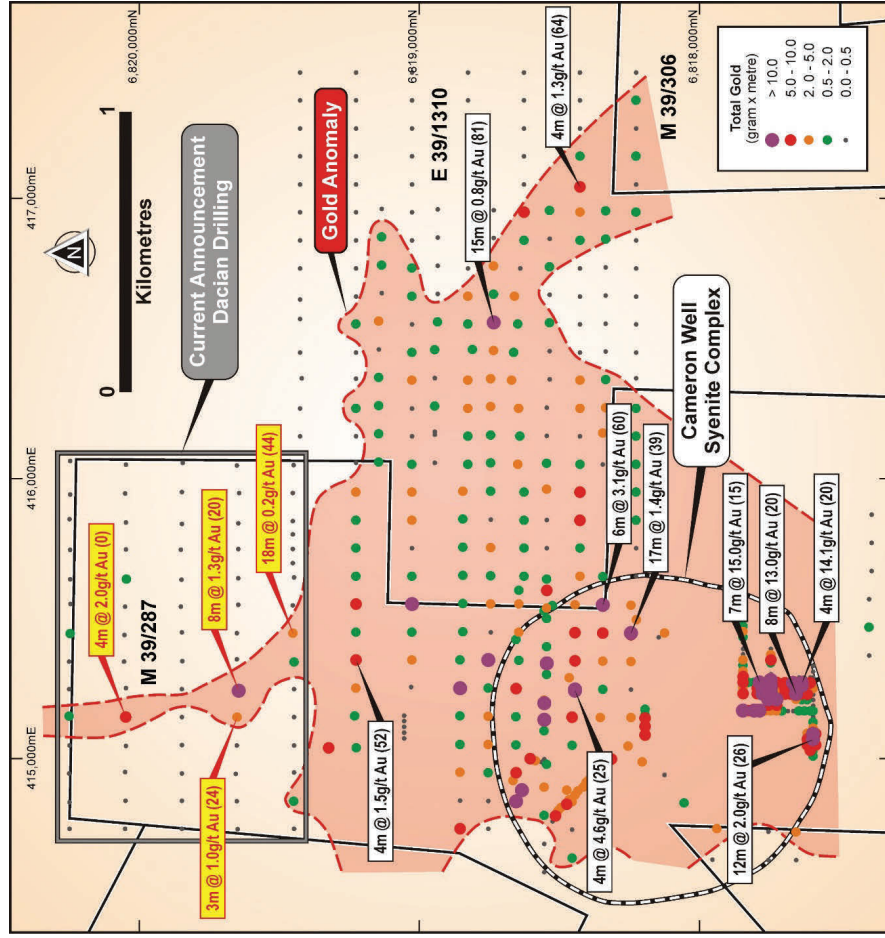
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## Regional Exploration and Growth – Cameron Well

### Another significant regional discovery opportunity<sup>13</sup>

- 6km<sup>2</sup> 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

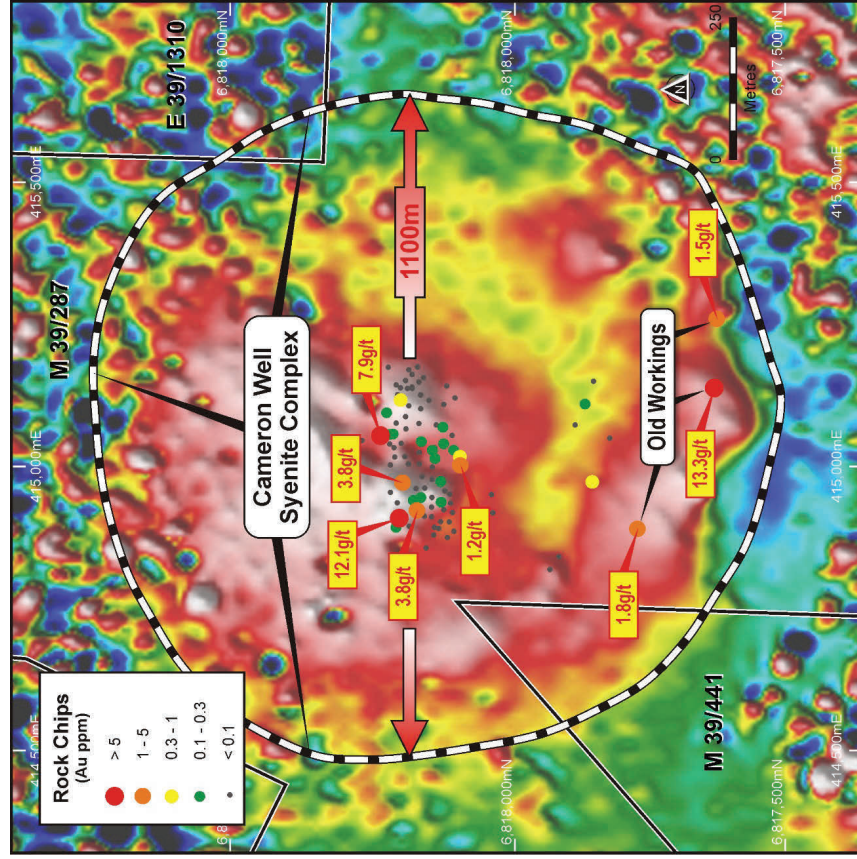


<sup>13</sup> Refer to ASX release – 7 February 2017

## Regional Exploration and Growth – Cameron Well

### Another significant regional discovery opportunity<sup>14</sup>

- Circular magnetic high lying beneath the 6km<sup>2</sup> 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)

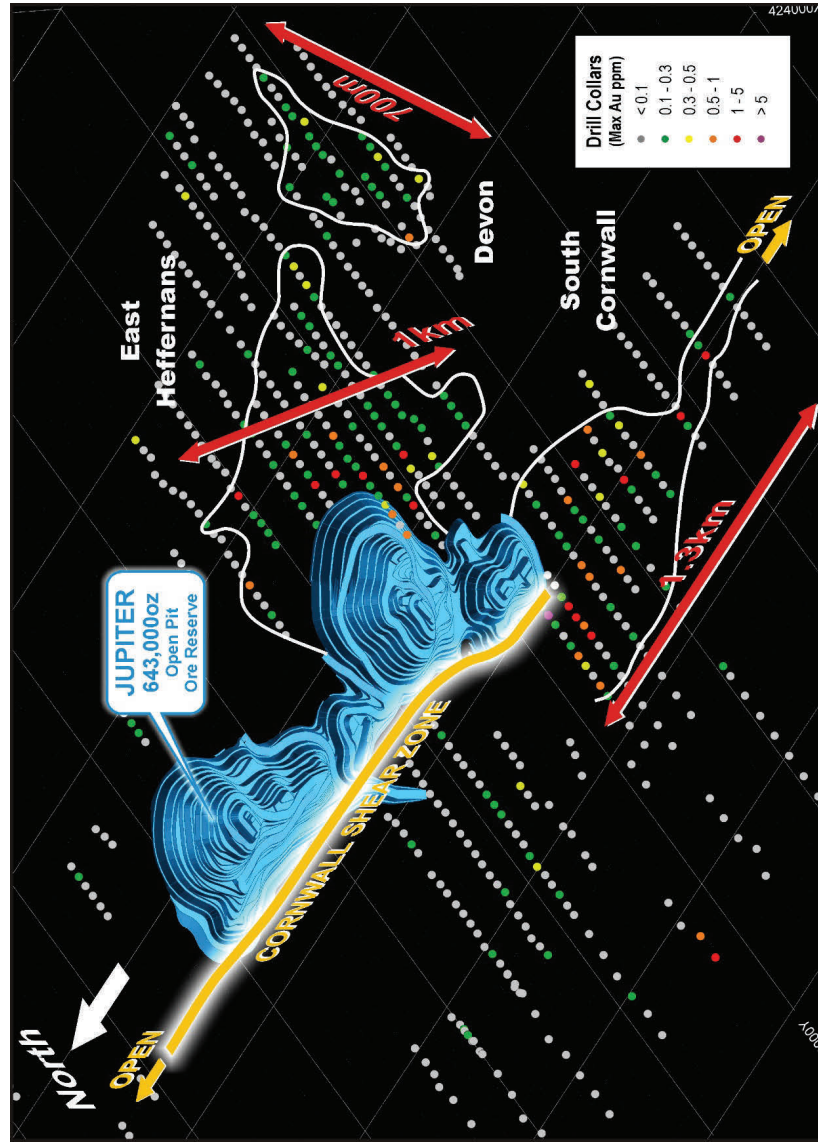


<sup>14</sup>Refer to ASX release – 7 February 2017



## Jupiter Mine Area – Outstanding Near-Mine Exploration Potential

*Major New Zones of Shallow Gold Mineralisation Discovered Adjacent to the 1.4Moz Jupiter Deposit<sup>15</sup>*



<sup>15</sup> Refer to ASX release – 23 January 2017



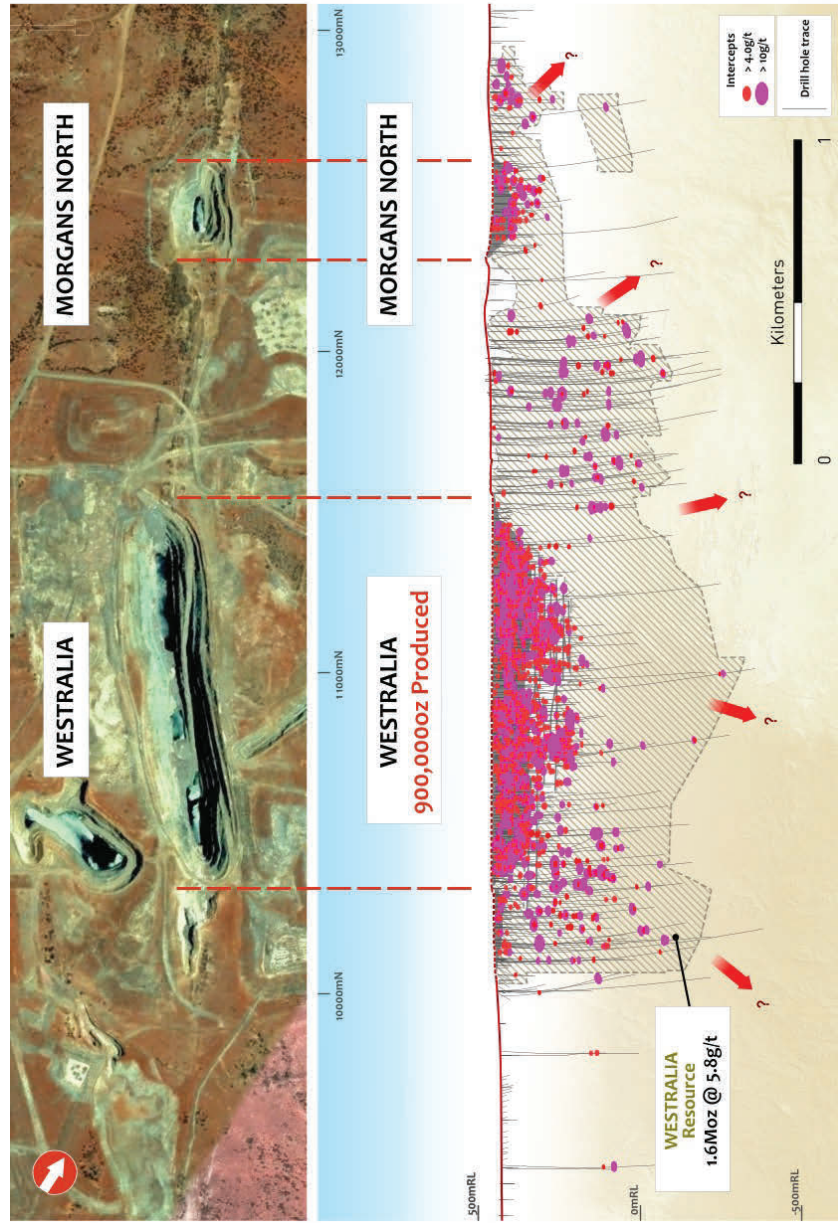
# Westralia – A Huge System....and Growing

*Westralia is a much bigger system than previously understood*

- July 2016 Mineral Resource<sup>16</sup>  
**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<sup>17</sup>
- 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 CY2017*

<sup>16</sup>Refer to ASX release 28 July 2016

<sup>17</sup>Refer to ASX release 21 November 2016



# Appendix – Mineral Resources and Ore Reserves

## Mount Morgans Gold Project Mineral Resources at 28 July 2016

	COG	Measured			Indicated			Inferred			Total Mineral Resource		
		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
<b>TOTAL</b>		<b>5.3</b>	<b>1.5</b>	<b>246</b>	<b>28.3</b>	<b>2.1</b>	<b>1,954</b>	<b>11.1</b>	<b>3.1</b>	<b>1,115</b>	<b>44.7</b>	<b>2.3</b>	<b>3,315</b>
* JORC 2004													

Refer to ASX release – 28 July 2016

Mineral Resources are Reported Inclusive of Ore Reserves

## Mount Morgans Gold Project Initial Ore Reserves

	COG (g/t)	Proved Ore Reserves			Probable Ore Reserves			Total Initial Ore Reserves		
		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
<b>INITIAL ORE RESERVE</b>		<b>1,110</b>	<b>2.4</b>	<b>85</b>	<b>17,475</b>	<b>2.0</b>	<b>1,115</b>	<b>18,585</b>	<b>2.0</b>	<b>1,200</b>

Refer to ASX release – 21 November 2016





## Appendix: Key Risks

### 1.1 Introduction

There are a number of factors, both specific to the Company and of a general nature, which may, either individually or in combination, affect the future operation, exploration, development and financial performance and/or financial position of the Company, its prospects, and/or the value of the Shares. Many of the circumstances giving rise to these risks are beyond the control of the Company, the Directors or its management. Set out below are the areas the Directors regard as the major risks associated with an investment in the Company. There may also be additional risks (including financial and taxation risks) that you should consider in light of your own personal circumstances.

#### Investment Speculative

The following list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The following factors, and others not specifically referred to below, may in the future materially affect the financial performance of the Company and the value of the New Shares offered as part of the Offer.

The Offer of New Shares carries no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for new share offered under the Offer.

### 1.2 Company specific risk factors

The Directors consider that there are number of risk factors specific to the Company and its circumstances that should be taken into account before a potential investor decides to invest in the Company.

#### a) Commodity prices

The value of the Company's assets may be affected by fluctuations in commodity prices and exchange rates, such as the USD and AUD denominated gold prices and the AUD / USD exchange rate. These prices can fluctuate rapidly and widely, and are affected by numerous factors beyond the control of the Company. These factors include world demand for precious and other metals, forward selling by producers, and production cost levels in major metal-producing regions. Other factors include expectations regarding inflation, the financial impact of movements in interest rates, gold price forward curves, global economic trends, confidence and conditions, and domestic and international fiscal, monetary and regulatory policy settings. Future production from the Company's mineral properties will be dependent upon the Australian gold price being sufficient to make these properties economic.

If the Company achieves exploration/development success which leads to viable mining production, its financial performance will be highly dependent on the prevailing commodity prices and exchange rates.

These factors can affect the value of the Company's assets and the supply and demand characteristics of gold, and may have an adverse effect on the viability of the Company's exploration, development and production activities, its ability to fund those activities and the value of its assets.

#### b) Capital requirements and debt finance risk

The Company requires further funding in addition to the proceeds under the Offer to fund the development of the Mt Morgans Gold Project and its ongoing exploration programs. To meet its further funding requirements the Company has entered into a A\$150 million debt financing facility with a syndicate of lenders which is contingent on typical conditions precedent required to be satisfied prior to first drawdown and certain restrictions on financing and operating activities. Typical conditions precedent to drawdown exist with the condition precedent requiring an equity contribution to development expenditure being satisfied by existing cash reserves and part of the funds from this Offer.

If the Offer is not fully subscribed and the Underwriting Agreement is terminated the Company's ability to fund the Mt Morgan Gold Project may be adversely affected. If sufficient funds are not available from either debt or equity markets to satisfy the Company's short, medium or long-term capital requirements, when required, the Company may be required to limit the scope of its anticipated operations, which could adversely impact on its business, financial condition and value of its Shares.

#### c) Ore Reserve and Mineral Resource Estimates

Ore Reserve and Mineral Resource estimates are expressions of judgement based on knowledge, experience and industry practice. The reported estimates, which were valid when originally estimated, may alter significantly when new information or techniques become available. As the Company obtains new information through additional drilling and analysis, Ore Reserve and Mineral Resource estimates are likely to change. This may result in alterations to the Company's exploration, development and production plans which may, in turn, positively or negatively affect the Company's operations and financial position.

In addition, by their very nature, Ore Reserve and Mineral Resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. The Company has reviewed historical drilling results and data produced by previous holders of the Tenements. These results have been utilised in part when formulating the Company's exploration activities. In the event that the historical information proves to be unreliable or inaccurate, the effectiveness of the exploration program may be diminished.

## Appendix: Key Risks

### d) Tenure of the Tenements

Interests in tenements in Western Australia are governed by legislation and are evidenced by the granting of leases and licences by the State. The Company is subject to the Mining Act 1978 (WA) and the Company has an obligation to meet conditions that apply to the Tenements, including the payment of rent and prescribed annual expenditure commitments.

The Tenements held by the Company are subject to annual review and periodic renewal.

There are no guarantees that the Tenements that are subject to renewal will be renewed or that any applications for exemption from minimum expenditure conditions will be granted, each of which would adversely affect the standing of a Tenement. A number of the Tenements may be subject to additional conditions, penalties, objections or forfeiture applications in the future. Alternatively, applications, transfers, conversions or renewals may be refused or may not be approved with favourable terms. Any of these events could have a materially adverse effect on the Company's prospects and the value of its assets.

### e) Grant of future authorisations to explore and mine

The Company currently holds all material authorisations required to undertake its exploration programs. However, many of the mineral rights and interests held by the Company are subject to the need for ongoing or new Government approvals, licences and permits as the scope of the Company's operations change. The granting and renewal of such approvals, licences and permits are, as a practical matter, subject to the discretion of applicable Government agencies or officials.

If the Company pursues development of an economically viable mineral deposit, it will, among other things, require various approvals, permit and licences before it will be able to mine the deposit, and need to satisfy certain environmental approval processes. There is no guarantee that that Company will be able to obtain, or obtain in a timely fashion, all required approvals, licences or permits or satisfy all environmental approval processes. To the extent that required authorisations are not obtained or are delayed, the Company's operations may be significantly impacted.

### f) Exploration and development

The Company intends to continue with an intensive exploration program on the Tenements that comprise the Mount Morgans Gold Project. In the event that the planned drilling programs produce poorer than expected results, the value of the Company's assets and the viability of the Company's future operations may be significantly diminished.

The Tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high risk enterprises that only occasionally provide high rewards. Even a combination of experience, knowledge and careful evaluation may not be able to overcome the inherent risk associated with exploring prospective tenements.

There can be no assurance that exploration of the Tenements (or any other tenements that may be acquired in the future), will result in the development of an economically viable deposit of gold or other minerals. In addition to the high average costs of discovery of an economic deposit, factors such as demand for commodities, fluctuating gold prices and exchange rates, limitations on activities due to weather, difficulties encountered with geological structures and technical issues, labour disruptions, problems obtaining project finance, share price movements that affect access to new capital, counterparty risks on contracts, proximity to infrastructure (given the size of the area covered by the Tenements), changing government regulation (including with regard to taxes, royalties, the export of minerals, employment and environmental protection), native title issues and equipment shortages can all affect the ability of a company to profit from any development opportunity.

If a viable mineral deposit(s) is to be developed, the Company will need to apply for a range of environmental and development authorisations which may or may not be granted on satisfactory terms. Even if an apparently viable mineral deposit is identified, there is no guarantee that it can be profitably mined.

The discovery of mineral deposits is dependent on a number of factors, including the technical skill of the exploration personnel involved and the success of the adopted exploration plan. In addition, there can be a time lag between the commencement of drilling and, if a viable mineral deposit(s) is discovered, the commencement of commercial operations. Reasons for this include the need to build and finance significant infrastructure.

The exploration and development costs of the Company described in the "Use of Funds" are based on certain assumptions with respect to the method and timing of exploration and development. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

Although the "Use of Proceeds" detailed in the Offer Document sets out the Company's current intentions, the actual expenditure and exploration work undertaken will depend on the results generated. As such, actual expenditure may differ from the budgeted expenditure presented.

### g) Native Title and cultural heritage

The effect of the present laws in respect of Native Title that apply in Australia is that the Tenements may be affected by Native Title claims or procedures. This may preclude or delay granting of exploration and mining tenements or the ability of the Company to explore, develop and/or commercialise the resources on the Tenements. Considerable expenses may be incurred negotiating and resolving issues, including any compensation arrangements reached in settling Native title claims lodged over any of the Tenements held or acquired by the Company.

The presence of Aboriginal sacred sites and cultural heritage artefacts on the Tenements is protected by State and Commonwealth laws. Any destruction or harming of such sites and artefacts may result in the Company incurring significant fines and Court injunctions, which may adversely impact on exploration and mining activities. The Company will conduct surveys before conducting exploration work which could disturb the surface of the land. The Tenements currently contain, and may contain additional, sites of cultural significance which will need to be avoided during field programs and any resulting mining operations. The existence of such sites may limit or preclude exploration or mining activities on those sites and delays and expenses may be experienced in obtaining clearances.



## Appendix: Key Risks

### h) Mining Risks

When compared with many industrial and commercial operations, mining and mineral processing projects are relatively high risk. This is particularly so where new technologies are employed. Each orebody is unique. The nature of mineralisation, the occurrence and grade of the ore, as well as its behaviour during mining and processing can never be wholly predicted. Estimations of the tonnes, grade and overall mineral content of a deposit are not precise calculations but are based on interpretation and samples from drilling, which, even at close drill hole spacing, represent a very small sample of the entire orebody.

### i) Operational risk

The Company's exploration and development activities will be subject to numerous operational risks, many of which are beyond the Company's control. The Company's operations may be curtailed, delayed or cancelled as a result of factors such as adverse weather conditions, mechanical difficulties, shortages in or increases in the costs of consumables, spare parts, plant and equipment, external services failure (such including energy and water supply), industrial disputes and action, difficulties in commissioning and operating plant and equipment, IT system failures, mechanical failure or plant breakdown, and compliance with governmental requirements. Hazards incidental to the exploration and development of mineral properties such as unusual or unexpected geological formations may be encountered by the Company. Industrial and environmental accidents could lead to substantial claims against the Company for injury or loss of life, and damage or destruction to property, as well as regulatory investigations, clean up responsibilities, penalties and the suspension of operations.

The Company will endeavour to take appropriate action to mitigate these operational risks (including by ensuring legislative compliance, properly documenting arrangements with counterparties, and adopting industry best practice policies and procedures) or to insure against them, but the occurrence of any one or a combination of these events may have a material adverse effect on the Company's performance and the value of its assets.

### j) Royalties

Each gold mining project operated by the Company will be subject to Western Australian royalties. If State royalties rise, the profitability and commercial viability of the Company's projects may be negatively impacted.

### k) Environment

The operations and proposed activities of the Company are subject to State and Commonwealth laws and regulations concerning the environment. If such laws are breached, the Company could be required to cease its operations and/or incur significant liabilities including penalties, due to past or future activities.

As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including in compliance in all material respects with relevant environmental laws. Nevertheless, there are certain risks inherent in the Company's activities which could subject the Company to extensive liability.

Further, the Company may require approval from relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals could prevent the Company from undertaking its desired activities.

The cost and complexity in complying with the applicable environmental laws and regulations may affect the viability of potential developments of the Company's projects, and consequently the value of those projects, and the value of the Company's assets.

### l) Dependence on key personnel

The Company is dependent on the experience of its Directors and Executive Chairman. Whilst the Board has sought to and will continue to ensure that Executive Directors and any key employees are appropriately incentivised, their services cannot be guaranteed. Although the Executive Chairman, Mr Rohan Williams, is retained under an Executive Services Agreement (there can be no assurance that his services will continue to be available to the Company on an indefinite basis). The loss of Mr Williams or the other Directors' services to the Company may have an adverse effect on the performance of the Company pending replacements being identified and retained by or appointed to the Board of the Company.

As the Company grows, it will need to employ and retain appropriately motivated, skilled and experienced staff. Difficulties in attracting and retaining such staff may have an adverse effect on the performance of the Company.

### m) Dependence on external contractors

The Company intends to outsource substantial parts of its exploration activities pursuant to services contracts with third party contractors. Such contractors may not be available to perform services for the Company, when required, or may only be willing to do so on terms that are not acceptable to the Company. Once in contract, performance may be constrained or hampered by labour disputes, plant, equipment and staff shortages, and default. Contractors may not comply with provisions in respect of quality, safety, environmental compliance and timeliness, which may be difficult to control. In the event that a contractor underperforms or is terminated, the Company may not be able to find a suitable replacement on satisfactory terms within time or at all. These circumstances could have a material adverse effect on the Company's operations and give rise to claims against the Company.





## Appendix: Key Risks

### n) Underwriting Risk

The Company has entered into an Underwriting Agreement with Macquarie Capital (Australia) Limited (the "Underwriter") under which the Underwriter has agreed to fully underwrite the Offer (the "Underwriting Agreement"), subject to the terms and conditions of the Underwriting Agreement. The Underwriters' obligations to underwrite the Offer are conditional on certain customary matters, including (but not limited to) the Company delivering certain confirmation certificates, due diligence documentation and shortfall certificates.

Further, if certain events occur, the Underwriter may terminate the Underwriting Agreement. Termination of the Underwriting Agreement may have an adverse impact on the Company's ability to fund the development and commissioning of the Mt Morgan Gold Project. If the Underwriting Agreement is terminated, the Company may need to find alternative funding to complete the development and commissioning of the Mt Morgan Gold Project. Termination of the Underwriting Agreement could materially and adversely affect the Company's business, cashflow, financial performance, financial condition and share price. The Underwriter may terminate the Underwriting Agreement and be released from its obligation to underwrite the Offer on the happening of certain events (in certain circumstances, having regard to the materiality of the relevant event), including (but not limited to) where:

- the ASX announces that the Company is delisted, removed from quotation or its ordinary shares are suspended from trading or quotation;
- the Company or a material subsidiary of the Company is or becomes insolvent;
- the S&P/ASX 200 Index closes for two consecutive Business Days at any time until 4:00p.m. on the Institutional Settlement Date, or, at any time from the Institutional Settlement Date until the Retail Settlement Date, at a level that is 10% or more below its level as at the close of trading on the Business Day before the date of the Underwriting Agreement;
- the Australian dollar gold price closes for two consecutive Business Days at any time until 4:00p.m. on the Institutional Settlement Date, or, at any time from the Institutional Settlement Date until the Retail Settlement Date, at a level that is 10% or more below its level as at the close of trading on the Business Day before the date of the Underwriting Agreement;
- the Company fails to perform or observe any of its obligations under the Underwriting Agreement including any failure to lodge documents or meet the agreed timetable;
- the Company has a changed in directorship except as announced to ASX prior to the date of the Underwriting Agreement;
- the Company's directors commit certain offences;
- any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company group; or
- the Company indicates that it does not intend to proceed with all or any part of the Offer.

In some cases, the Underwriter's ability to terminate the Underwriting Agreement will depend on whether the event has or is likely to have a materially adverse effect on the marketing, success or settlement of the Offer, or has given or is likely to give rise to a contravention by the Underwriter of any applicable law or regulation.



## Appendix: Key Risks

### 1.3 General risk factors

The Directors also consider that potential investors should be aware of the following general risk factors.

#### a) Economic conditions

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company and the value of its assets. Factors which contribute to that general economic climate include:

- i. contractions in the world economy or increases in rates of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);
- ii. international currency fluctuations and changes in interest rates;
- iii. changes in investor attitudes towards particular market sectors;
- iv. the demand for and supply of capital and finance;
- v. changes in government legislation and regulatory policy, including with regard to rates and types of taxation; and
- vi. domestic and international economic and political conditions.

#### b) Market conditions

There are a number of risks associated with any stock market investment. Factors affecting the price at which the Shares are traded on the ASX may be unrelated to the Company's operating and financial performance and beyond the control of the Directors. As such, Shares offered under this Offer may trade at prices above or below the Offer Price or the net asset value of the Company per Share.

#### c) Insurance

The Company intends to ensure that insurance is maintained to address insurable risks within ranges of coverage the Company believes to be consistent with industry practice, having regard to the nature of the Company's activities. However, no assurance can be given that the Company will be able to obtain insurance cover for all risks faced by the Company at reasonable rates or that the insurance cover it arranges will be adequate and available to cover all possible claims. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

#### d) Liquidity and realisation risk

There can be no guarantee that an active market in the Shares will develop or continue, or that the market price of the Shares will increase. If a market does not develop or is not sustained, it may be difficult for investors to sell their Shares, as there may be relative few, if any, potential buyers or sellers of the Shares on ASX at any time. Volatility in the market price for Shares may result in Shareholders receiving a price for their Shares that is less or more than the Offer Price.

#### e) Changes in law, government policy and accounting standards

The Company's activities may be impacted by regulatory or other changes implemented by the Commonwealth or Western Australian Governments. A change in laws that impact on the Company's operations, such as land access, Native Title, environmental protection, carbon emissions, labour, mining, taxation and royalties, could have an adverse impact on the Company's operations. Mining industry activities are subject to discretionary regulations and approvals, the exercise of which cannot always be predicted.

Changes in accounting standards or the interpretation of those accounting standards that occur after the date of this presentation may impact adversely on the Company's reported financial performance.

#### f) Other general risks

The future viability of and profitability of the Company is also dependent on a number of other factors which affect the performance of all industries, and not just mineral exploration and mining. These include, but are not limited to:

- i. default by a party to any contract to which the Company is, or may become, a party;
- ii. insolvency or other managerial failure by any of the contractors used by the Company in its activities;
- iii. industrial dispute by the Company's workforce or that of its contractors;
- iv. litigation;
- v. natural disasters and extreme weather conditions; and
- vi. acts of war and terrorism or the outbreak or escalation of international hostilities and tensions.

# Appendix: International Offer Restrictions

## International Offer Restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

### Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed to persons that are "accredited investors" within the meaning of NI 45-106 – Prospectus and Registration Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

### Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*



## Appendix: International Offer Restrictions



### Hong Kong

**WARNING:** This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been, and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

### Malaysia

This document may not be distributed or made available in Malaysia. No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of New Shares. The New Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act.

### New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

### Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.



# Appendix: International Offer Restrictions



## United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

## United States

This document has been prepared for publication in Australia and may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

## Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland

## Luxembourg

The information in this document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Luxembourg, from the requirement to publish a prospectus for offers of securities. An offer to the public of New Shares has not been made, and may not be made, in Luxembourg except pursuant to one of the following exemptions under the Prospectus Directive as implemented in Luxembourg:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €40,000,000 and (iii) annual net turnover of at least €2,000,000 (as shown on its last annual consolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID"), or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

## 7. Additional Information

### 7.1 Not a prospectus

Neither this Retail Offer Booklet nor the Entitlement and Acceptance Form is a prospectus for the purposes of the Corporations Act and they are not required to be, and will not be lodged with ASIC. Accordingly, these documents do not contain all of the information which a prospective investor may require to make an investment decision and they do not, and are not required to, contain all of the information which would otherwise be required to be disclosed in a prospectus.

### 7.2 Not investment advice

This Retail Offer Booklet does not purport to contain all of the information that you may require in evaluating a possible Application for New Shares and you should undertake your own independent review, investigation and analysis of Dacian and the Retail Entitlement Offer (including any public announcements made by Dacian after the date of this Retail Offer Booklet).

The information provided in this Retail Offer Booklet is not financial product advice and is not intended to be relied on as advice to investors and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs.

The New Shares offered under this Retail Offer Booklet should be considered speculative. You should obtain professional advice if required and carefully evaluate the risks of an investment in Dacian before making any investment decision.

### 7.3 Underwriting and Lead Manager Agreements

Dacian has entered into an Underwriting Agreement with the Lead Manager (acting as Underwriter) under which the Lead Manager has agreed to fully underwrite the Offer (**Underwriting Agreement**). The Lead Manager's obligations to underwrite the Offer are conditional on certain customary matters, including (but not limited to) Dacian delivering certain confirmation certificates, due diligence documentation and shortfall certificates.

Customary with these types of arrangements:

- (a) Dacian and the Lead Manager have given certain representations, warranties and undertakings in connection with (amongst other things) the Offer;
- (b) Dacian has agreed, subject to certain carve outs, to indemnify the Lead Manager, its affiliates and related bodies corporate, and their respective directors, officers and employees (including the respective directors, officers and employees of their affiliates and related bodies corporate) against all claims, demands, expenses and liabilities arising out of or in connection with the Offer; and
- (c) if certain events occur, some of which are beyond Dacian's control, the Lead Manager may terminate the Underwriting Agreement and be released from its obligation to underwrite the Offer on the happening of certain events (in certain circumstances, having regard to the materiality of the relevant event), including (but not limited to) where:
  - (i) the ASX announces that Dacian is delisted, removed from quotation or its ordinary shares are suspended from trading or quotation;
  - (ii) Dacian or a material subsidiary of Dacian is or becomes insolvent;

- (iii) the S&P/ASX 200 Index closes for two consecutive Business Days at any time until 4:00pm. on the Institutional Settlement Date, or, at any time from the Institutional Settlement Date until the Retail Settlement Date, at a level that is 10% or more below its level as at the close of trading on the Business Day before the date of the Underwriting Agreement;
- (iv) the Australian dollar gold price closes for two consecutive Business Days at any time until 4:00pm. on the Institutional Settlement Date, or, at any time from the Institutional Settlement Date until the Retail Settlement Date, at a level that is 10% or more below its level as at the close of trading on the Business Day before the date of the Underwriting Agreement;
- (v) Dacian fails to perform or observe any of its obligations under the Underwriting Agreement including any failure to lodge documents or meet the agreed timetable;
- (vi) Dacian has a changed in directorship except as announced to ASX prior to the date of the Underwriting Agreement;
- (vii) Dacian's directors commit certain offences;
- (viii) any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Dacian group; or
- (ix) Dacian indicates that it does not intend to proceed with all or any part of the Offer.

In some cases, the Lead Manager's ability to terminate the Underwriting Agreement will depend on whether the event has or is likely to have a materially adverse effect on the marketing, success or settlement of the Offer, or has given or is likely to give rise to a contravention by the Lead Manager of any applicable law or regulation

Dacian must pay the Lead Manager's fees and expenses on normal market terms. The Lead Manager will pay a fee to the Co-Lead Manager, on Dacian's behalf, for its role in the Placement and Entitlement Offer. The Co-Lead and Manager's appointment may only be terminated by the Lead Manager.

#### **7.4 Ineligible Retail Shareholders**

Dacian has determined that it is unreasonable to make offers under the Retail Entitlement Offer to Shareholders who have registered addresses outside Australia and New Zealand, having regard to the number of such Shareholders in those places and the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places. Ineligible Retail Shareholders will not be entitled to participate in the Retail Entitlement Offer.

The distribution of this document (including an electronic copy) outside Australia and New Zealand may be restricted by law. In particular, this document may not be distributed or released, in whole or in part, in the United States. Refer to the section captioned "International Offer Restrictions" in the Appendix to the Investor Presentation. Persons who come into possession of this document should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

#### **7.5 Rights of Dacian**

Dacian reserves the right to reduce the number of New Shares allocated to Eligible Retail Shareholders or persons claiming to be Eligible Retail Shareholders, if their Entitlement claims prove to be overstated, or if they or their nominees fail to provide information requested to substantiate their Entitlement claims, or if they are indeed not Eligible Retail Shareholders.

## 7.6 Capital Structure

After the issue of New Shares under the Entitlement Offer, the capital structure of Dacian is expected to be as follows (subject to rounding of any fractional entitlements under the Entitlement Offer):

Shares currently on issue	146,286,670
New Shares to be issued under the Placement	7,705,522
Maximum number of New Shares offered under the Entitlement Offer	47,189,248
<b>Total Shares on issue on completion of the Entitlement Offer*</b>	<b>201,181,440</b>

\* Assumes none of the 12,550,000 Options and 670,000 Performance Rights currently on issue are exercised before the Record Date (see section 7.13).

## 7.7 Potential effect on control

The potential effect of issue of the New Shares under the Entitlement Offer on the control of Dacian, and the consequences of that effect, is dependent on a number of factors, including the extent to which Eligible Retail Shareholders participate in the Retail Entitlement Offer and existing shareholdings.

As the Entitlement Offer is a pro rata issue, securities issued pursuant to the Entitlement Offer are not expected to have any material effect on the control of Dacian and, as a result, there are not expected to be any consequences flowing from that effect.

## 7.8 Pro-forma Statement of Financial Position

The audited statement of financial position as at 30 June 2016, un-audited statement of financial position at 31 December 2016 and the unaudited pro forma statement of financial position as at 31 December 2016 shown on the following page have been prepared on the basis of the accounting policies normally adopted by Dacian and reflect the changes to its financial position. They have been prepared on the assumption that all New Shares pursuant to the Placement, Institutional Entitlement Offer and Retail Entitlement Offers are issued.

The pro forma statement of financial position has been prepared to provide Shareholders with information on the assets and liabilities of Dacian and pro-forma assets and liabilities of Dacian as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.



	Notes			Pro-forma
		30 June 2016	31 December 2016	31 December 2016
		(Audited)	(Un-audited)	(Un-audited)
		\$	\$	\$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	(i)	9,648,425	26,663,897	132,211,057
Trade and other receivables		90,123	526,585	526,585
<b>TOTAL CURRENT ASSETS</b>		<b>9,738,548</b>	<b>27,190,482</b>	<b>132,737,642</b>
<b>NON-CURRENT ASSETS</b>				
Other financial assets		34,211	34,211	34,211
Plant and equipment		748,125	1,026,825	1,026,825
Exploration and evaluation costs		8,131,847	8,047,688	8,047,688
Mine properties in development		-	1,237,179	1,237,179
<b>TOTAL NON-CURRENT ASSETS</b>		<b>8,914,183</b>	<b>10,345,903</b>	<b>10,345,903</b>
<b>TOTAL ASSETS</b>		<b>18,652,731</b>	<b>37,536,385</b>	<b>143,083,545</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables		3,378,228	3,229,941	3,229,941
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,378,228</b>	<b>3,229,941</b>	<b>3,229,941</b>
<b>NON-CURRENT LIABILITIES</b>				
Rehabilitation provision		1,966,676	1,966,676	1,966,676
Trade and other payables		48,560	62,053	62,053
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,015,236</b>	<b>2,028,729</b>	<b>2,028,729</b>
<b>TOTAL LIABILITIES</b>		<b>5,393,464</b>	<b>5,258,670</b>	<b>5,258,670</b>
<b>NET ASSETS</b>		<b>13,259,267</b>	<b>32,277,715</b>	<b>137,824,875</b>
<b>EQUITY</b>				
Issued capital	(ii)	53,515,696	85,792,040	191,339,200
Accumulated Losses		(41,577,878)	(55,410,510)	(55,410,510)
Reserves		1,321,449	1,896,185	1,896,185
<b>TOTAL EQUITY</b>		<b>13,259,267</b>	<b>32,277,715</b>	<b>137,824,875</b>

Notes and Assumptions	\$
<i>(i) Cash and cash equivalents</i>	
Cash and cash equivalents as at 31 December 2016	26,663,897
Capital raised from Placement	15,411,044
Capital raised from Entitlement Offers	94,378,496
Fees payable on Placement and Entitlement Offers	(3,842,634)
Other costs of Placement and Entitlement Offers	(399,746)
	<b>132,211,057</b>
<i>(ii) Issued capital</i>	
Issued capital as at 31 December 2016	85,792,040
Capital raised from Placement	15,411,044
Capital raised from Entitlement Offers	94,378,496
Fees payable on Placement and Entitlement Offers	(3,842,634)
Other costs of Placement and Entitlement Offers	(399,746)
	<b>191,339,200</b>

**The key assumptions on which the pro-forma statement of financial position is based are as follows:**

- (i) Dacian issues 7,705,522 Shares at \$2.00 per share pursuant to the Placement. The Placement will raise approximately \$15.4 million before costs.
- (ii) Dacian issues 47,189,248 New Shares at \$2.00 per share pursuant to the Entitlement Offer. The Entitlement Offer will raise approximately \$94.4 million before costs.
- (iii) Dacian incurs total transaction costs of \$4,242,380 for the issue under the combined Placement and Entitlement Offer, which have been recognised directly against the share capital, as a reduction of the proceeds of the capital raising. The estimated transaction costs include \$3,842,634 in management fees in respect to the combined capital raising.
- (iv) The accounting policies adopted in the preparation of the pro forma statement of financial position are consistent with the accounting policies adopted and described in Dacian's Financial Report for the year ended 30 June 2016 and should be read in conjunction with that Financial Report.
- (v) Dacian suffers no materially adverse event.

## **7.9 Allotment and Holding Statements**

Dacian has applied for quotation of the New Shares on ASX in accordance with the ASX Listing Rule requirements. If ASX does not grant quotation of the New Shares, Dacian will repay all Application Monies. Application Monies will be held on trust in a subscription account until allotment. Any interest earned on Application Monies will be retained by Dacian, irrespective of whether allotment takes place.

Subject to ASX approval being granted, it is expected the trading of New Shares to be issued under the Retail Entitlement Offer will commence on Tuesday, 28 March 2017 (ASX Code: DCN).

Confirmations are expected to be dispatched to Eligible Retail Shareholders on Tuesday, 28 March 2017 in respect of New Shares allotted under the Retail Entitlement Offer. No allotment of New Shares will be made until permission is granted for their quotation by ASX.

It is the responsibility of each Applicant to confirm their holding before trading in New Shares. Any Applicant who sells New Shares before receiving written confirmation of their holding will do so at their own risk. Dacian, the Registry and the Lead and Co-Lead Managers disclaim all liability whether in negligence or otherwise (and to the maximum extent permitted by law) to persons who trade New Shares before receiving their confirmations, whether on the basis of confirmation of the allocation provided by Dacian, the Registry, or the Lead and Co-Lead Managers.

## **7.10 Withdrawal of the Entitlement Offer**

Dacian reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares to Eligible Retail Shareholders, in which case Dacian will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest.

## **7.11 Ranking of New Shares**

New Shares issued under the Entitlement Offer will on issue rank equally with Existing Shares. New Shares will be entitled to any dividends on ordinary shares with a record date after the date of issue.

## 7.12 Notice to Nominees and Custodians

Nominees and custodians which hold Existing Shares as nominees or custodians will have received, or will shortly receive, a letter from Dacian. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to institutional shareholders to whom the Lead and Co-Lead Managers make an offer on behalf of Dacian under the Institutional Entitlement Offer (whether they accepted their Entitlement or not) and institutional shareholders that were ineligible to participate in the Institutional Entitlement Offer. Dacian is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Existing Shares or Entitlements. Where any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. See the section captioned "International Offer Restrictions" in the Appendix to the Investor Presentation.

Nominees and custodians may not take up any Entitlements on behalf of, nor distribute any part of this Retail Offer Booklet to, any person in the United States or any person that is acting for the account or benefit of such person in the United States, or any person in any other country outside Australia and New Zealand, except to beneficial shareholders who are institutional or professional investors in other countries (excluding the United States) listed in, and to the extent permitted under, the section captioned "International Offer Restrictions" in the Appendix to the Investor Presentation.

## 7.13 Option holders and Performance rights

Existing Option holders will not be entitled to participate in the Entitlement Offer unless they have become entitled to exercise their existing Options under their terms of issue, and exercise those Options in sufficient time to become the registered holder of Existing Shares prior to the Record Date.

Dacian currently has the following 12,550,000 Options on issue:

Number	Exercise Price	Expiry Date
5,100,000	\$0.83	9 October 2017
500,000	\$0.56	28 February 2019
1,000,000	\$0.64	24 September 2019
2,000,000	\$0.45	17 November 2019
1,500,000	\$1.21	30 September 2020
1,650,000	\$1.22	31 January 2021
300,000	\$2.05	28 February 2021
500,000	\$3.72	30 June 2021



Dacian currently has the following Performance Rights on issue:

Number	Performance measurement date	Expiry Date
Tranche A - 140,000	30 June 2017	11 October 2020
Tranche B - 200,000	30 June 2018	11 October 2020
Tranche C - 330,000	30 June 2019	11 October 2020

Each tranche of performance rights have attaching vesting conditions being 50% based on meeting certain operational milestones and 50% based on the relative total shareholder return of Dacian in comparison to its peers over each measurement period.

#### **7.14 Continuous disclosure**

Dacian is a “disclosing entity” under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Dacian is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the securities markets conducted by ASX. In particular, Dacian has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of Dacian shares. That information is available to the public from ASX on [www.asx.com.au](http://www.asx.com.au).

#### **7.15 Risks**

The Investor Presentation details important factors and risks that could affect the financial and operating performance of Dacian. Please refer to the “Key Risks” section of the Investor Presentation for further information relating to the risks of investing in Dacian. You should consider these key risks carefully in light of your personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Retail Entitlement Offer.

#### **7.16 Past performance**

Investors should note that the past share price performance of Dacian provides no guarantee or guidance as to future share price performance. Past performance information given in this Retail Offer Booklet is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

#### **7.17 No authorisation**

No person is authorised to give any information or make any representation in connection with the Retail Entitlement Offer, which is not contained in this Retail Offer Booklet. Any information or representation not contained in this Retail Offer Booklet may not be relied on as having been authorised by Dacian, or its related bodies corporate, in connection with the Retail Entitlement Offer. None of Dacian, or any other person, warrants or guarantees the future performance of Dacian or any return on any investment made pursuant to the information contained in this Retail Offer Booklet.

## **7.18 Rounding of Entitlements**

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

## **7.19 Foreign Jurisdictions – restrictions and limitations**

This Retail Offer Booklet is being sent to all Eligible Retail Shareholders on the register of Dacian on the Record Date with an address on the share register in Australia and New Zealand.

### **New Zealand**

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of Dacian with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### **United States**

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

### **Other Jurisdictions**

This Retail Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer and no action has been taken to register the New Shares or otherwise permit a public offering of the New Shares in any jurisdiction other than to existing shareholders in Australia and New Zealand. Return of the Entitlement and Acceptance Form shall be taken by Dacian to constitute a representation by you that there has been no breach of any such laws.

The distribution of this Retail Offer Booklet and/or Entitlement and Acceptance Form (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of these documents, you should observe such restrictions. Return of a duly completed Entitlement and Acceptance Form and/or payment of Application Monies will be taken by Dacian to constitute a representation that there has been no breach of such laws.

See the foreign selling restrictions set out in the “International Offer Restrictions” section of the Appendix to the Investor Presentation included in this Retail Offer Booklet for more information.

## **7.20 Privacy**

As a Shareholder, Dacian and the Registry have already collected certain personal information from you. If you apply for New Shares, Dacian and the Registry may update that personal information or collect additional personal information. Such information may be used to assess your acceptance of New Shares, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

To do that, Dacian and the Registry may disclose your personal information for purposes related to your shareholding to their agents, contractors or third party service providers to whom they outsource services, in order to assess your Application, the Registry for ongoing administration of the register, printers and mailing houses for the purposes of preparation and distribution of Shareholder information and for handling of mail, or as otherwise authorised under the *Privacy Act 1988* (Cth).

If you do not provide Dacian and/or the Registry with your personal information, they may not be able to process your Application. In most cases you can gain access to your personal information held by (or on behalf of) Dacian or the Registry. Dacian and the Registry aim to ensure that the personal information they retain about you is accurate, complete and up to date. To assist Dacian and the Registry with this, please contact the Registry if any of the details you have provided change.

If you have concerns about the completeness or accuracy of the information Dacian and the Registry have about you, we will take steps to correct it. You can request access to your personal information by telephoning or writing to Dacian through the Registry as follows:

**Computershare Investor Services Pty Ltd**

GPO Box 2975

Melbourne VIC 3001

Australia

Telephone 1300 850 505 (within Australia) or 61 3 9415 4000 (outside Australia)

## **7.21 Taxation**

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares. Dacian considers that it is not appropriate for it to give advice regarding the tax consequences of subscribing for New Shares under this document or the subsequent disposal of any such New Shares.

Dacian does not accept any responsibility in this regard and recommends that you consult with your professional tax adviser in connection with the Retail Entitlement Offer.

## **7.22 Governing law**

The Entitlement Offer and contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the law of Western Australia, Australia. Each applicant submits to the non-exclusive jurisdiction of the courts of Western Australia, Australia.



## 8. Glossary

Term	Meaning
<b>A\$</b>	Australian dollars.
<b>ABN</b>	Australian Business Number.
<b>Applicant</b>	A person who has applied to subscribe for New Shares under the Retail Entitlement Offer.
<b>AEDT</b>	Australian Eastern Daylight Time.
<b>Application</b>	An application to subscribe for New Shares under the Retail Entitlement Offer.
<b>Application Monies</b>	Monies received from Applicants in respect of the Application.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited or a financial market operated by it.
<b>ASX Announcement</b>	The announcement released to ASX on Wednesday, 22 February 2017 in connection with the Placement and Entitlement Offer.
<b>ASX Listing Rules</b>	The official listing rules of ASX, as amended or replaced from time to time except to the extent of any waiver granted by ASX.
<b>Business Day</b>	Has the same meaning as in the ASX Listing Rules.
<b>Closing Date</b>	5:00pm (AEDT) Monday, 20 March 2017, or such other date set by Dacian.
<b>Co-Lead Manager</b>	Argonaut Securities Pty Ltd
<b>Corporations Act</b>	Corporations Act 2001 (Cth).
<b>Dacian</b>	Dacian Gold Limited (ABN 61 154 262 978).
<b>Eligible Institutional Shareholder</b>	A Shareholder who a Lead or Co-Lead Manager has made an offer to on behalf of Dacian under the Institutional Entitlement Offer, and who they determine successfully received that offer.
<b>Eligible Retail Shareholder</b>	A Shareholder on the Record Date who is not an: <ul style="list-style-type: none"> <li>- Ineligible Retail Shareholder; or</li> <li>- Ineligible Institutional Shareholder,</li> </ul> and who did not receive an offer in relation to all of their Existing Shares under the Institutional Entitlement Offer.
<b>Entitlement</b>	The number of New Shares for which an Eligible Retail Shareholder is entitled to subscribe for under the Entitlement Offer.

<b>Entitlement and Acceptance Form</b>	The personalised entitlement and acceptance form accompanying this Retail Offer Booklet which Eligible Retail Shareholders may use to apply for New Shares.
<b>Entitlement Offer</b>	The 1 for 3.1 accelerated non-renounceable entitlement offer to subscribe for New Shares at the Offer Price set out in this Retail Offer Booklet and announced to ASX by Dacian on Wednesday, 22 February 2017, and includes the Retail Entitlement Offer and the Institutional Entitlement Offer.
<b>Existing Shares</b>	Fully paid ordinary shares of Dacian on issue prior to the Entitlement Offer.
<b>Government Agency</b>	Any government or any government department, governmental, semi-governmental, administrative, fiscal, judicial, investigative, review or regulatory body, department, commission, authority, tribunal, agency, stock exchange or entity in any jurisdiction relevant to the Entitlement Offer, including ASX and ASIC.
<b>GST</b>	Australian Goods and Services Tax (currently 10%).
<b>Ineligible Institutional Shareholder</b>	Any institutional Shareholder who is not an Eligible Institutional Shareholder and who is not otherwise eligible to participate in the Retail Entitlement Offer.
<b>Ineligible Retail Shareholders</b>	<p>A Shareholder who is not:</p> <ul style="list-style-type: none"> <li>- an Eligible Institutional Shareholder;</li> <li>- an Ineligible Institutional Shareholder,</li> </ul> <p>and who:</p> <ul style="list-style-type: none"> <li>- has an address on Dacian's register outside Australia or New Zealand, unless Dacian is satisfied that it is not precluded from issuing New Shares to that Shareholder either unconditionally or after compliance with conditions which Dacian's board regards as acceptable and not unduly onerous;</li> <li>- is in the United States or is acting for the account or benefit of a person in the United States (to the extent they are holding Shares for the account or benefit of such persons in the United States);</li> <li>or</li> <li>- is ineligible under applicable securities laws to receive an offer under the Retail Entitlement Offer.</li> </ul>
<b>Ineligible Shareholder</b>	Ineligible Institutional Shareholders and Ineligible Retail Shareholders.
<b>Institutional Entitlement Offer</b>	The institutional component of the Entitlement Offer, details of which were announced to ASX by Dacian on Wednesday, 22 February 2017.
<b>Investor Presentation</b>	The investor presentation relating to the Entitlement Offer which was released to ASX by Dacian on Wednesday, 22 February 2017.
<b>Lead Manager</b>	Macquarie Capital (Australia) Limited.
<b>Mt Morgans Gold Project</b>	Dacian's gold project in the Mount Morgans goldfield, located 20km west of Laverton in Western Australia.
<b>New Share</b>	A fully paid ordinary share in the capital of Dacian issued under the Entitlement Offer or Placement.

<b>Offer Price</b>	\$2.00 per New Share.
<b>Opening Date</b>	Tuesday, 28 February 2017.
<b>Option</b>	An option to acquire a Share.
<b>Placement</b>	The placement to institutional investors undertaken in connection with the Entitlement Offer at the Offer Price.
<b>Record Date</b>	The time and date for determining which Shareholders are entitled to an Entitlement under the Retail Entitlement Offer, being 10:00pm (AEDT) on Friday, 24 February 2017.
<b>Registry</b>	Computershare Investor Services Pty Limited (ABN 48078 279 277).
<b>Retail Entitlement Offer</b>	The non-renounceable entitlement offer of New Shares to Eligible Retail Shareholders, as described in the Chairman's Letter and set out in detail in this Retail Offer Booklet.
<b>Retail Offer Booklet</b>	This Retail Offer Booklet, dated Friday, 24 February 2017 and lodged with the ASX, including any supplementary and replacement Retail Offer Booklet.
<b>Share</b>	A fully paid ordinary share in Dacian.
<b>Shareholder</b>	The registered holder of an Existing Share.
<b>US Securities Act</b>	US Securities Act of 1993.
<b>Underwriting Agreement</b>	The agreement between Dacian and the Lead Manager dated on or about 22 February 2017.
<b>WST</b>	Australian Western Standard Time.

## 9. Corporate Directory

### Dacian Gold Limited

Level 2  
1 Preston Street  
Como  
Western Australia 6152  
Australia

Tel +61 8 6323 9000  
Fax +61 8 6323 9099  
Email [info@daciangold.com.au](mailto:info@daciangold.com.au)  
Web [www.daciangold.com.au](http://www.daciangold.com.au)

### Directors

Mr Rohan Williams  
(Executive Chairman)

Mr Robert Reynolds  
(Non-Executive Director)

Mr Barry Patterson  
(Non-Executive Director)

Mr Ian Cochrane  
(Non-Executive Director)

### Company Secretary

Mr Kevin Hart

### Auditor

Grant Thornton Audit Pty Ltd  
10 Kings Park Road  
West Perth WA 6005  
Australia

### Underwriter and Lead Manager

Macquarie Capital (Australia)  
Limited

### Co-Lead Manager

Argonaut Securities Pty Ltd

### Legal Adviser

Corrs Chambers Wessgarth  
Level 6 Brookfield Place Tower 2  
123 St Georges Terrace  
Perth WA 6000  
Tel +61 8 9460 1706  
Fax +61 8 9460 1667

### Share Registry

Computershare Investor Services  
Pty Limited  
172 St Georges Terrace  
Perth WA 6000  
Australia



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NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000

28 February 2017

Dear Securityholder

**Dacian Gold Limited Entitlement Offer – Notification to Ineligible Retail Securityholders**

On 22 February 2017 Dacian Gold Limited (“Dacian”) announced a fully underwritten institutional placement (**Placement**) to raise approximately A\$15.4 million, and a fully underwritten 1 for 3 accelerated non-renounceable pro rata entitlement offer (**Entitlement Offer**) to raise a further approximately A\$94.4 million (the Entitlement Offer and the Placement together, the **Offer**).

The Entitlement Offer is fully underwritten and comprises an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**). The Institutional Entitlement Offer has already closed and raised approximately A\$92.2 million, and the Retail Entitlement Offer is expected to raise approximately A\$17.6 million.

- Proceeds from the Equity Raising will be used to fund:
- A\$77 million for MMGP construction and development expenditure
- A\$15 million for exploration expenditure
- A\$18 million for corporate expenditure, working capital and transactions costs

Post completion of the Equity Raising, Dacian Gold is fully funded to complete the construction of the MMGP through to production, as set out in the Investor Presentation published on ASX on Wednesday, 22 February 2017.

The Retail Entitlement Offer is being made to Eligible Retail Securityholders (as defined below) on the basis of 1 new security in Dacian (**New Security**) for every 3.1 existing securities in Dacian (**Securities**) held at 10.00pm (Sydney time) on Friday, 24 February 2017 (**Record Date**), at an offer price of A\$2.00 per New Security.

Documents relating to the Retail Entitlement Offer were lodged with the ASX today and are also expected to be despatched to Eligible Retail Securityholders today.

**Eligibility to participate in the Retail Entitlement Offer**

An Eligible Retail Securityholder is a holder of Securities who:

- (a) was a registered as a holder of Securities as at the Record Date;
- (b) has a registered address in Australia or New Zealand;
- (c) is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent such person holds securities in Dacian for the account or benefit of such person in the United States);

**A.C.N:** 154 262 978  
**A.B.N:** 61 154 262 978

**T:** +61 8 6323 9000  
**F:** +61 8 6323 9099

**E:** [info@daciangold.com.au](mailto:info@daciangold.com.au)  
**W:** [www.daciangold.com.au](http://www.daciangold.com.au)

**O:** Level 2, 1 Preston Street, Como WA 6152  
**P:** PO Box 2152, Como WA 6152



- (d) is not an Eligible Institutional Securityholder who was invited to participate in the Institutional Entitlement Offer (whether they accepted their entitlement or not) (other than a nominee to the extent that nominee also holds Securities on behalf of an Eligible Retail Securityholder) or an Ineligible Institutional Securityholder (as defined in the Retail Offer Booklet lodged with ASX today); and
- (e) is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Given the relatively small number of ineligible retail securityholders who do not satisfy the above criteria (**Ineligible Retail Securityholders**) and the cost and complexity of complying with the applicable legal requirements to enable the Entitlement Offer to be made to those Ineligible Retail Securityholders, Dacian has decided not to extend the Entitlement Offer to those Ineligible Retail Securityholders.

Unfortunately, according to our records you do not satisfy the criteria for an Eligible Retail Securityholder, and therefore Dacian is unable to extend to you the opportunity to participate in the Retail Entitlement Offer. If our records are incorrect on this matter, please contact the Offer Information Line on the details below.

As the Retail Entitlement Offer is non-renounceable, entitlements in respect of the New Securities you would have been offered if you were an Eligible Retail Securityholder will lapse and you will not receive any payment or value for those entitlements.

You do not need to respond to this letter. If you have questions, please contact Kevin Hart on 08 9316 9100 (within Australia) or +61 8 9316 9100 (outside Australia).

On behalf of the Board, we thank you for your continued support of Dacian.

Yours faithfully

**Kevin Hart**  
Company Secretary  
Dacian Gold Limited

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### **Important Notices**

This letter does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any securities in Dacian in any jurisdiction. In particular, this letter does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Securities that will be offered and sold in the Entitlement Offer have been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Securities may not be offered or sold, directly or indirectly, to persons in the United States or persons acting for the account or benefit of persons in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable U.S. state securities law.

Because of legal restrictions, you must not send copies of this letter or any material in relation to the Entitlement Offer to any person outside Australia and New Zealand. Failure to comply with these restrictions may result in violations of applicable securities law.