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DACIAN LAUNCHES FULLY UNDERWRITTEN A\$40 MILLION EQUITY RAISING TO ACCELERATE NEW DISCOVERIES AND ADVANCE GROWTH PROJECTS INTO PRODUCTION

- Dacian to undertake a fully underwritten two-tranche institutional placement to raise A\$40 million at an offer price of A\$0.28 per share
- Proceeds from the Placement will be used to:
 - Accelerate a significant ~300,000m drill program across Mt Morgans and Redcliffe, predominantly targeting new, base load opportunities
 - Advance the high-grade Redcliffe deposits into production
 - Re-starting underground production from the Greater Westralia Mining Area
 - Fund general working capital
- Share Purchase Plan (“SPP”) to be offered to eligible investors to raise up to a further A\$5 million
- Upon settlement of the Placement, Dacian will have a cash balance (before costs of the Placement) of A\$63.9 million¹

Dacian Gold Limited (ASX:DCN) (“Dacian” or the “Company”) is pleased to announce the launch of a fully underwritten two-tranche institutional placement of approximately 142.9 million new fully paid shares (“New Shares”) at an offer price of A\$0.28 per share (“Offer Price”) to raise approximately A\$40.0 million (“Placement”).

Dacian is undertaking the Placement to accelerate its three pillar growth strategy and build on the robust foundation established during FY2021. Specifically, funds will be applied to:

1) New Base Load Discoveries

Accelerate exploration activities including a ~300,000m AC, RC and DD drill program targeting new base load discoveries within the large Mt Morgans and Redcliffe tenement packages.

2) Advance the Redcliffe Project into Production

Development of initial high-grade Redcliffe deposits into production with the Hub, GTS and Nambi open pit mines.

3) Re-Start the Greater Westralia Underground Mines

Bring the Greater Westralia Mining Area into production with the Beresford, Allanson and Craic underground mines set to provide high-grade ore for Mt Morgans.

¹ Excludes any proceeds raised in SPP

Dacian's Managing Director, Leigh Junk, commented: "A busy FY2021 where we established our platform for growth through the acquisition of the Redcliffe project and completion of the technical evaluation of Greater Westralia, has culminated in the opportunity to accelerate multiple mines into production simultaneously.

In combination with our extensive targeting work across Mt Morgans and Redcliffe to identify new base load discoveries, we have undertaken this capital raise to both aggressively pursue these exploration targets and advance the development of these mines.

Bringing these high-grade underground and open pit mines into production at Mt Morgans and Redcliffe will provide flexibility and diversity to our operations as well as increased margins for the business as we work to bolster our upcoming Life-of-Mine plan."

Placement

The fully underwritten A\$40 million Placement comprises two tranches:

- Tranche One will comprise the issue of approximately 99.3 million New Shares to raise a total of approximately A\$27.8 million and utilise the Company's existing placement capacity under ASX Listing Rule 7.1.
- Tranche Two will comprise the issue of approximately 43.6 million New Shares to raise a total of approximately A\$12.2 million and will be subject to shareholder approval to be sought at an upcoming Extraordinary General Meeting to be held in early July 2021

The Offer price of A\$0.28 per share represents a 8.2% discount to the last traded share price on ASX of A\$0.305 and 13.0% to the 5-day volume weighted average share price on ASX prior to the Company entering into the trading halt.

Canaccord Genuity (Australia) Limited is acting as Lead Manager, Underwriter and Bookrunner to the Placement. Petra Capital Pty Ltd is acting as Co-Lead Manager and Euroz Hartleys Limited is acting as Co-Manager.

Share Purchase Plan

Existing eligible shareholders, being those shareholders that are residents in Australia or New Zealand that held Dacian shares as at 7:00pm (Sydney time) on Tuesday, 25 May 2021, will be invited to participate in the SPP at the same issue price as the Placement (A\$0.28 per share). The SPP will provide eligible shareholders the opportunity to increase their holding by up to A\$30,000 without incurring any brokerage or transaction costs.

The SPP is capped at A\$5 million and is not underwritten. If total demand exceeds A\$5 million, Dacian will apply a scale-back of applications. Any scale-back will be applied to the extent and in the manner Dacian sees fit, which may include taking into account a number of factors such as the size of an applicant's shareholding at the record date for the SPP, the extent to which the applicant has sold or purchased shares since the record date, whether the applicant may have multiple registered holdings, the date on which the application was made, and the total applications received from eligible shareholders.

Further information regarding the SPP (including terms and conditions of the SPP) will be provided to eligible shareholders in the SPP offer booklet, which will be made available to eligible shareholders shortly. Eligible shareholders wishing to participate in the SPP will need to apply in accordance with the instructions in the SPP offer booklet. Participation in the SPP is optional.

Indicative Timetable

Event	Date
Record Date for Share Purchase Plan	7:00pm (AEST) Tuesday, 25 May 2021
Trading Halt and Bookbuild	Wednesday, 26 May 2021
Announcement of Completion of Placement	Friday, 28 May 2021
Settlement of new shares issued under Tranche 1 of the Placement	Thursday, 3 June 2021
Share Purchase Plan opens	Thursday, 3 June 2021
Allotment of new shares issued under Tranche 1 of the Placement	Friday, 4 June 2021
Share Purchase Plan closes	Tuesday, 22 June 2021
General Meeting to approve Tranche 2 of the Placement	Early July 2021
Settlement of new shares issued under Tranche 2 of the Placement	TBA - ~5 days after General Meeting
Allotment of new shares issued under Tranche 2 of the Placement	TBA - 1 day after settlement of new shares issued under Tranche 2

Dates and times are indicative only and subject to change without notice. Dacian reserves the right to alter the dates at its discretion and without notice, subject to the ASX Listing Rules and the Corporations Act 2001 (Cth)

Additional information

New Shares issued under the Placement and SPP will rank equally with existing fully paid Dacian shares on issue.

Under the ASX listing rules, Dacian Directors are not entitled to participate in the Placement, but can participate in the SPP if they are eligible shareholders.

Further details on the Placement and SPP are set out in the investor presentation announced by Dacian on the ASX market announcements platform today, 26 May 2021. The investor presentation contains important information including key risks, foreign selling restrictions with respect to the Placement and the key terms and conditions of the underwriting agreement, including the circumstances in which the lead manager may elect to terminate its underwriting obligations.

- ENDS -

This ASX announcement was approved and authorised for release by the Board of Dacian Gold Limited.

For further information please contact:

Leigh Junk Managing Director Dacian Gold Limited +61 8 6323 9000 info@daciangold.com.au	Phil Russo General Manager – Corporate Development Dacian Gold Limited +61 8 6323 9000 info@daciangold.com.au
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Not investment advice

Each recipient of the announcement should make its own enquiries and investigations regarding all information in this announcement including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Dacian and the impact that different future outcomes might have, including (without limitation) the risk factors summarised on pages 24 to 27 of the investor presentation released by Dacian on the ASX market announcements platform on 26 May 2021. Information in this announcement is not to be relied upon as advice to investors or potential investors and has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek legal, accounting and taxation advice appropriate to their jurisdiction. Dacian is not licensed to provide financial product advice in respect of its securities.

Forward looking information

This announcement contains forward-looking statements. Wherever possible, words such as “intends”, “expects”, “scheduled”, “estimates”, “anticipates”, “believes”, and similar expressions or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, have been used to identify these forward-looking statements. Although the forward-looking statements contained in this announcement reflect management’s current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, Dacian cannot be certain that actual results will be consistent with these forward-looking statements. A number of factors could cause events and achievements to differ materially from the results expressed or implied in the forward-looking statements. These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Forward-looking statements necessarily involve significant known and unknown risks, assumptions and uncertainties that may cause actual results, events, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Although Dacian has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be anticipated, estimated or intended, including those risk factors discussed in Dacian's public filings. There can be no assurance that the forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, prospective investors should not place undue reliance on forward-looking statements. Any forward-looking statements are made as of the date of this announcement, and Dacian assumes no obligation to update or revise them to reflect new events or circumstances, unless otherwise required by law.

Not an offer in the United States

This presentation has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 (“**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. The distribution of this presentation in the United States and elsewhere outside Australia may be restricted by law. Persons who come into possession of this presentation should observe any such restrictions as any non-compliance could contravene applicable securities laws. Please refer to the section of this document headed “International Offer Restrictions” for more information.

Underwritten offer

The Lead Manager and its affiliates are full service financial institutions engaged in various activities, which may include trading, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services including for which they have received or may receive customary fees and expenses. The Lead Manager is acting as lead manager, bookrunner and underwriter to the placement described in this announcement for which it has received or expects to receive fees and expenses.

Currency

Unless otherwise stated, all dollar values in this announcement are reported in Australian dollars.