

19 April 2017

DACIAN SIGNS A\$107.1M EPC CONTRACT AT MT MORGANS

Project infrastructure capital savings total A\$23M as infrastructure capital reduces to A\$149M. Dacian maintains its timetable to first gold in 11 months.

Dacian Gold Limited (ASX: DCN) (**Dacian Gold** or the **Company**) is pleased to announce that it has executed the engineering, procurement and construction contract (**EPC Contract**) for its 100%-owned Mt Morgans Gold Project (**MMGP**) in Western Australia with GR Engineering Services Ltd (ASX: GNG) (**GRES**).

The EPC Contract, which encompasses the Mt Morgans treatment facility and certain other supporting infrastructure, is being undertaken on a guaranteed maximum price (**GMP**) of A\$107.1 million. Any under-run of the GMP will be shared between the Company and GRES.

Savings made on this contract and other items have enabled the Company to reduce the total estimated infrastructure capital cost of the MMGP by \$23.1 million from the previously published estimate of A\$172 million (see the Company's MMGP Feasibility Study ASX release of 21 November 2016) to A\$148.9 million.

As outlined in the Company's ASX release of 6 March 2017, the EPC Contract is for the engineering, procurement and construction of a new 2.5 million tonne per annum (**Mtpa**) carbon-in-leach (**CIL**) treatment facility and certain other supporting infrastructure associated with, and proximal to, the Jupiter open pit, including:

- the tailings storage facility;
- the raw water supply infrastructure;
- workshops, offices and other infrastructure to support the Jupiter open pit;
- a site main administration complex; and
- construction of a new section of haul road between the new treatment facility and the existing Jupiter haul road.

The Company will provide all accommodation, fuel and certain other owners' costs in respect of the EPC Contract for a cost of A\$5.2 million. The total cost for the construction of the MMGP treatment facility and associated infrastructure, as described above, is A\$112.3 million.

Additional infrastructure capital costs for the MMGP which are not part of the GRES EPC Contract include: the permanent accommodation village; the Westralia mine service area; certain roadworks and civils; IT and communication; power supply and reticulation; and additional owners' costs totaling A\$36.6 million.

Dacian Gold's Executive Chairman Rohan Williams said the Company was pleased to have been able to lock in a \$23 million capital saving from the infrastructure capital costs estimated in last year's Feasibility Study.

"We are very pleased to have finalised this key EPC contract under a Guaranteed Maximum Price with GR Engineering," he said.

"This represents another significant milestone in our journey towards becoming Australia's next significant mid-tier gold producer in just 11 months time" Mr Williams said.



“With the EPC contract now signed, we will move forward to finalise the terms of the underground mining contract with RUC Mining that we announced last week. Activity levels are picking up on site as well as our exploration efforts at Cameron Well. We look forward to providing the market with strong news-flow over the coming months.”

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

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For and on behalf of the Board

Rohan Williams

Executive Chairman