

11 JANUARY 2018

**MT MORGANS GOLD PROJECT UPDATE**

**ON TIME AND ON BUDGET: PROCESSING PLANT OVER 90% COMPLETE AND FIRST PRODUCTION SET FOR MARCH**

**Underground mining 873m ahead of schedule with ore intersected on five separate levels at Beresford; Mining commences at Jupiter open pit**

Dacian Gold Ltd (**Dacian Gold** or **the Company**) (ASX: DCN) is pleased to report on the excellent progress being made at its 100%-owned Mount Morgans Gold Project, located near Laverton in Western Australia, and provide photos of the near-completed processing plant and recent mining activity.

The project's current development status is:

- Construction of the 2.5Mtpa CIL treatment plant is now more than **90% complete** and is on schedule and on budget;
- The high-pressure gas pipeline, which connects the Eastern Goldfields Pipeline to the gas-receiving infrastructure being constructed at the Mt Morgans power station, has been installed;
- Underground mining at Beresford and Allanson is now 873m ahead of the Feasibility Study mining schedule, with ore now intersected on five separate levels at Beresford and ore development having commenced on several levels;
- Mining has commenced at Dacian's second mining centre, the Jupiter Open Pit, with the first blast at Heffernan's Hill occurring on 29 December 2017;
- More than 40km of grade control drilling has been completed with 563 surface RC holes for over 15.5km at Jupiter and 224 underground diamond drill holes for over 26.5km completed at Beresford;
- Recruitment of operational personnel is progressing well: all 37 roles at the treatment plant (including maintenance personnel) have been filled. Dacian is pleased to advise that some of these positions have been filled by members of the nearby Mt Margaret community.
- RC resource drilling for the oxide mineralisation at Cameron Well is almost complete, with the first results to be released to the market in the coming weeks;
- Three diamond drill rigs operating at Westralia are infill-drilling the lower Inferred Mineral Resource to upgrade it to Indicated Mineral Resource, as well as commencing deeper resource-addition drilling;
- Numerous service and supply contracts are in place with remaining contracts including the air charter service, certain plant consumables (grinding media, activated carbon and reagents) and gas supply to be finalised within weeks.

Dacian Executive Chairman Rohan Williams said the development and construction of Mt Morgans was proceeding exactly to plan.

"Thanks to the outstanding work by our staff and contractors, Dacian has achieved what we said we would do," Mr Williams said.

“We remain on time and on budget, which means the project is being de-risked by the day and we are getting closer to production and cash-flow by the day.

“At the same time, we are pushing ahead with our near-mine exploration campaign. We are very positive about the opportunity at Cameron Well and we look forward to the results from the initial resource drill-out currently being completed.”



**Rohan Williams**  
**Executive Chairman**

For further information please visit [www.daciangold.com.au](http://www.daciangold.com.au) or contact:

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# ***Mt Morgans Gold Project Photographic Update***

***New 2.5Mtpa CIL  
Treatment Facility over  
90% complete***

*11 January 2018*



# Achievements – Project Construction Remains on Time and Budget



- ✓ New 2.5Mtpa CIL Treatment Facility now over 90% complete. First gold on schedule for late March 2018
  - Recruitment of plant operational personnel completed
- ✓ Open pit mining commenced at Jupiter with first blast on 29 December 2017.
  - Two excavators, five dump trucks and one drill rig currently operating on site
  - 563 RC grade control holes completed at Jupiter for 15,526m
- ✓ Underground mining progressing well at Westralia with ore intersected on 5 separate levels at Beresford.
  - Development is 873m ahead of Feasibility Study schedule
  - First Beresford stope to be fired this month
  - 224 diamond drilling grade control holes completed at Beresford for 26,556m
- ✓ Installation of high pressure gas pipeline from Eastern Goldfields Pipeline to Mt Morgans Power Station site completed. Gas supply to site for 1 February remains on schedule



# Primary Crusher Installed – Filling Behind ROM Wing-wall Underway





# Grinding & Classification – Pre Installation of Girth Gears





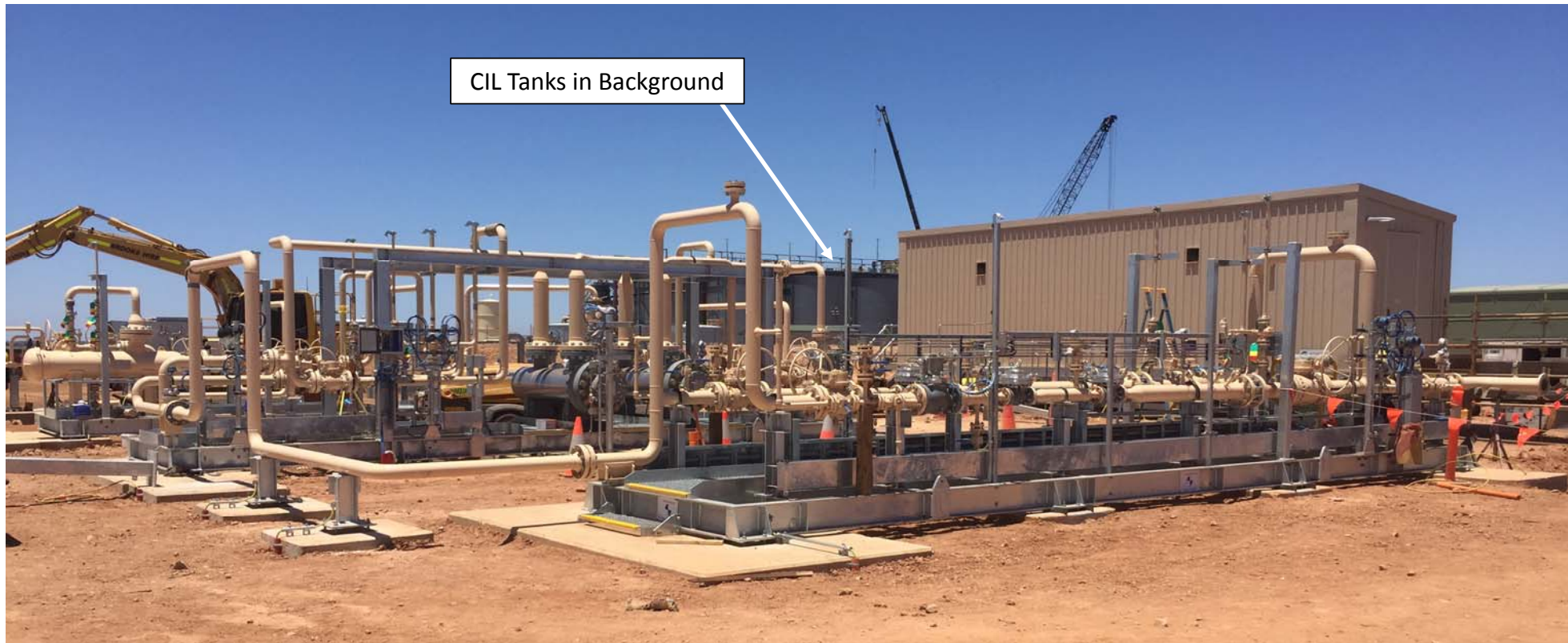
# Installation of Mill Girth Gears

Installation of girth gear on SAG mill

Girth gear on ball mill installed



# Gas Piping Infrastructure at Power Station





# Jupiter Open Pit – Commencement of Mining



First blast at Heffernans Hill, 29 December 2017