

## Mining at Mt Morgans suspended, processing and Jupiter drilling to continue

Dacian Gold Limited (Dacian Gold or the Company) (ASX: DCN) provides the following update for its Mt Morgans operation, located in Laverton, Western Australia.

The rapid change of the operating environment over the past 6 months, has seen significant inflationary cost pressures which resulted in an increase in cost base, prompting a review of the operating strategy as follows:

- Open pit mining operations at Jupiter are to be suspended by the end of June 22;
- Underground operations to continue until the previously developed stopes have been mined in Q1, FY23;
- Open pit mining at Hub at Redcliffe will commence later in FY23 when mining approvals are received;
- Processing of existing stockpiles totalling ~5.0Mt will commence in Q1, FY23;
- Drill testing to focus on Jupiter following continued encouraging results.

To facilitate this change in strategic direction the General Manager for Geology and Exploration, Dale Richards, has been appointed as CEO and Leigh Junk, Managing Director has resigned.

Processing of existing stockpiles allows the Company to continue milling operations during FY23 while the Company pivots towards exploration and development under a new leaner operating model that reduces its cost base with the expectation mining operations will recommence in the future.

The Company plans to continue to drill its Jupiter and high-priority exploration targets during FY23.

The Company forecasts cash and gold-on-hand of approximately \$17M at 30 June 22, after the \$12.75M bank debt repayment. At that date the hedge book will be 10,500oz @ \$2,667/oz to be delivered in H1, FY23.

The Hub mining proposal was submitted for approval in January 22, and remains to be approved.

Non-Executive Chair, Mick Wilkes commented: "In light of the current high inflationary environment, the Board has taken the decision to reset the Company strategy by discontinuing the current open pit mining operations at Mt Morgans. In doing so we are pivoting to exploration and a focus on the significant potential we see beneath and alongside the Jupiter open pits. This along with the strategic value of our processing facilities and infrastructure in the Laverton Leanora gold belt underpins the Company."

He went on to say "On behalf of the Board I would like to thank Leigh for his significant contribution to the Company over the past 3 years and wish him well for the future. I would also like to welcome Dale as the incoming CEO and look forward to working closely with him to unlock the potential of the Mt Morgans operation."

Mt Morgans has a large operating processing facility with significant replacement value in today's, high cost environment, substantial existing stockpiles, an expanded suite of development projects, an attractive land position with numerous, compelling drill targets, a multi-million ounce resource base and, importantly, substantially debt free.

We remain focused in optimising our asset base and maximising value for all our stakeholders.

- ENDS -

*This announcement has been approved and authorised for release by the Board of Dacian Gold Limited.*

For further information, please contact:

Mick Wilkes Chair Dacian Gold Limited +61 8 6323 9000 : info@daciangold.com.au	Dale Richards Chief Executive Officer Dacian Gold Limited +61 8 6323 9000 : info@daciangold.com.au
---	---

Annexure

Material Terms of new Chief Executive Officer engagement:

Salary \$500,000 inclusive of superannuation

Six months notice either party on termination

No fixed term