

12 January 2017

CONSTRUCTION STARTS AT MT MORGANS

Key approvals granted and permits received

Dacian Gold Limited (ASX:DCN) (**Dacian Gold** or the **Company**) is pleased to advise that it has started construction at its 100% owned Mt Morgans Gold Project (**MMGP**) in Western Australia following receipt of key regulatory approvals.

The start of site-based construction works ensures Mt Morgans remains on track for first gold production in the March quarter, 2018.

The works programs follows receipt of approval from the Western Australian Department of Mines and Petroleum (**DMP**) Environment branch for the Mining Proposal and Mine Closure Plan for Mt Morgans.

In addition, the Company's Project Management Plan (**PMP**) has been approved by the DMP's Resources Safety branch allowing mining operations to start.

The Company announced last month (see ASX release dated December 21, 2016) that it had received a Native Vegetation Clearing permit from the DMP's Environment branch.

Following the regulators' approval of the Mining Proposal and the PMP; and Dacian Gold's receipt of the Native Vegetation Clearing permit, construction works have commenced at the Mt Morgans.

The following activities are underway or set to commence shortly:

- Earthworks associated with construction of the permanent, 416-person accommodation village. Dacian Gold is in the final stages of negotiating the purchase of a quality second-hand village from a site south of Perth, WA.
- Earthworks associated with the Westralia Mine Area including offices, workshop, temporary power station, overhead power line; and
- Preparations for the installation of pumping infrastructure for dewatering the Westralia open pit ahead of underground mining, which is scheduled to commence in May 2017.

Pit dewatering from the Westralia open pit will commence once the Company receives the Western Australian Department of Environment Regulation Works Approval / Licence which is currently being processed.

As part of the construction process, Dacian Gold has recruited a Project Manager – Infrastructure, Construction Manager and Construction Supervisor.

The Company also confirms that all proposed mining operations and infrastructure locations relating to the construction, commissioning and gold production of Mt Morgans is underpinned by granted mining leases and granted miscellaneous licenses.

Dacian Gold's Executive Chairman Rohan Williams said: "We continue to make strong progress at Mt Morgans on numerous fronts and remain on track to be in production in the March quarter, 2018."



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