



ABN 61 154 262 978

NOTICE OF ANNUAL GENERAL MEETING

&

EXPLANATORY STATEMENT

To be held

At 10.00am, Wednesday, 18 October 2017

at

Pagoda Resort and Spa,
112 Melville Parade, Como, Western Australia

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11 September 2017

Dear Fellow Dacian Gold Shareholder

Please find enclosed the Notice of Annual General Meeting for the Shareholders' Meeting to be held at Pagoda Resort and Spa, 112 Melville Parade, Como, Western Australia at 10.00am on Wednesday, 18 October 2017.

The purpose of the meeting is to conduct the annual business of the Company, being consideration of the annual financial statements, the remuneration report and in addition, seek shareholder approval in accordance with the Corporations Act 2001 and the Listing Rules of the ASX to a number of resolutions, which are set out in the attached Notice of Meeting paper.

Your Directors seek your support and look forward to your attendance at the meeting.

Yours faithfully



Rohan Williams
Executive Chairman



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Dacian Gold Limited will be convened at 10.00am on Wednesday, 18 October 2017 at Pagoda Resort and Spa, 112 Melville Parade, Como, Western Australia.

AGENDA

1. Discussion of Financial Statements and Reports

To discuss the Financial Report, the Directors' Report and Auditor's Report for the year ended 30 June 2017.

2. Adoption of the Remuneration Report

To consider and, if thought fit, to approve the following resolution as an **ordinary resolution**:

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2017."

Voting Prohibition Statement

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any Key Management Personnel (which includes the Directors of the Company), details of whose remuneration are included in the Remuneration Report, or any closely related party of that person (or those persons).

However, a person described above may vote on this Resolution if the person does so as a proxy appointed by writing, that specifies how the proxy is to vote on the Resolution, and the vote is not cast on behalf of a member of the Key Management Personnel or any closely related party of that person (or persons).

3. Re-Election of Director – Mr Barry Patterson

To consider and, if thought fit, to approve the following resolution, with or without amendment, as an **ordinary resolution**:

"That, Mr Barry Patterson who retires in accordance with the Company's Constitution and being eligible, offers himself for re-election, be re-elected as a Director of the Company."

4. Ratification of Prior Issue of Equity Securities – Placement Shares

To consider and, if thought fit, to approve the following resolution, with or without amendment, as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.4, and for all other purposes, Shareholders ratify the allotment and issue of 7,705,522 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by any person that participated in the share placement and any person associated with those persons.

However, votes cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form) or the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides) will be taken into account.

5. Ratification of Prior Issue of Equity Securities – Placement Shares

To consider and, if thought fit, to approve the following resolution, with or without amendment, as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.4, and for all other purposes Shareholders ratify the allotment and issue of 10,600,000 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by any person that participated in the share placement and any person associated with those persons.

However, votes cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form) or the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides) will be taken into account.



NOTICE OF ANNUAL GENERAL MEETING

GENERAL NOTES

1. With respect to Agenda Item 2, the vote on this item is advisory only and does not bind the Directors of the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

The Chairman of the meeting intends to vote undirected proxies, that are able to be voted, in favour of the adoption of the remuneration report.

2. **Voting by Proxy**

Sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and

- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on any required poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

3. The Explanatory Statement to Shareholders attached to this Notice of Annual General Meeting is hereby incorporated into and forms part of this Notice of Annual General Meeting.
4. The Directors have determined in accordance with Regulation 7.11.37 of the Corporations Regulations that, for the purposes of voting at the meeting, shares will be taken to be held by the registered holders at 5.00pm on 16 October 2017.

BY ORDER OF THE BOARD

Kevin R Hart
Company Secretary

Dated this 11th day of September 2017



EXPLANATORY STATEMENT

The purpose of the Explanatory Statement is to provide shareholders with information concerning all of the Agenda items in the Notice of Annual General Meeting.

1. Discussion of Financial Statements & Reports

Dacian Gold Limited's financial reports and the Directors' declaration and reports and the auditor's report are placed before the meeting thereby giving shareholders the opportunity to discuss those documents and to ask questions. The audit engagement partner will be attending the Annual General Meeting and will be available to answer any questions relevant to the conduct of the audit and their report.

2. Adoption of Remuneration Report

as an Ordinary Resolution

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

Under the Corporations Act, if at least 25% of the votes cast on the resolution to Agenda Item 2 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's next Annual General Meeting, the Company will be required to put to Shareholders a resolution proposing the calling of general meeting to consider the appointment of Directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the general meeting (**Spill Meeting**) within 90 days of the Company's Annual General Meeting. All of the Directors who were in office when the Company's Directors' report was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The proportion of votes cast against the 2016 remuneration report was less than 25% of the total votes cast. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2017.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

The Board considers that its current practices of setting executive and non-executive remuneration are within normal industry expectations, and provides an effective balance between the need to attract and retain the services of the highly skilled key management personnel that the Company requires. As such the Directors recommend that shareholders vote in favour of the resolution to Agenda Item 2.

Definitions

Key Management Personnel has the same meaning as in the accounting standards and includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2017.

3. Re-Election of Director – Mr Barry Patterson

as an Ordinary Resolution

Experience

Mr Patterson is a mining engineer with over 50 years of experience in the mining industry and is a co-founder, and Non-Executive Director, of ASX listed GR Engineering Limited.



EXPLANATORY STATEMENT

3. Re-Election of Director – Mr Barry Patterson (Continued)

Mr Patterson was also a founding shareholder of leading engineering services provider JR Engineering, which became Roche Mining after being taken over by Downer EDI in 2002. He also co-founded contract mining companies Eltin, Australian Mine Management and National Mine Management.

Mr Patterson has served as a director of a number of public companies across a range of industries. He was formerly the non-executive chairman of Sonic Healthcare Limited for 11 years, during which time the company's market capitalisation increased from \$20 million to \$4 billion, and Silex Systems Limited.

Term of Office

Mr Patterson was appointed as a Director of the Company on 9 January 2012.

Independence

The Board of Dacian Gold Limited considers Mr Patterson to be an Independent Director.

Special Responsibilities

Mr Patterson is the Chairperson of Dacian Gold Limited's Nomination Committee, and is a member of the Company's Remuneration and Audit Committees.

Directors' Recommendation

The Board (excluding Mr Patterson) supports the proposed re-election and recommends that Shareholders vote in favour of the re-election of Mr Barry Patterson as a Director.

4. Ratification of Prior Issue of Equity Securities – Placement Shares

as an Ordinary Resolution

General

Agenda Item 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 7,705,522 shares (Shares or Placement Shares) as stated below.

On 6 March 2017 the Company issued 7,705,522 ordinary fully paid shares to unrelated parties of the Company, pursuant to an institutional share placement component of a fully underwritten \$110 million equity raising announced to ASX on 22 February 2017.

The Shares were issued by the Company under the 15% limit imposed by the ASX Listing Rule 7.1 without the need for Shareholder approval.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 7,705,522 Placement Shares were issued;
- (b) the Placement Shares were issued for cash consideration of \$2.00 per Share;
- (c) the Placement Shares issued were all issued on the same terms and conditions as the Company's existing ordinary shares (DCN);
- (d) the Placement Shares were allotted and issued to institutional investors that were not related parties of the Company;
- (e) The funds raised from the issue of the Placement Shares will be used to contribute to the construction and exploration costs of the Company's Mt Morgans Gold Project, and provide working capital.



EXPLANATORY STATEMENT

5. Ratification of Prior Issue of Equity Securities – Placement Shares

as an Ordinary Resolution

General

Agenda Item 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 10,600,000 shares (Shares or Placement Shares) as stated below.

On 9 December 2016 the Company issued 10,600,000 ordinary fully paid shares to unrelated parties of the Company, pursuant to a \$26 million equity raising by way of private share placement announced to ASX on 5 December 2016.

The Shares were issued by the Company under the 15% limit imposed by the ASX Listing Rule 7.1 without the need for Shareholder approval.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 10,600,000 Placement Shares were issued;
- (b) the Placement Shares were issued for cash consideration of \$2.50 per Share;
- (c) the Placement Shares issued were all issued on the same terms and conditions as the Company's existing ordinary shares (DCN);
- (d) the Placement Shares were allotted and issued to sophisticated and institutional investors that were not related parties of the Company;
- (e) The funds raised from the issue of the Placement Shares were used to continue project development and undertake exploration programs at the Company's Mt Morgans Gold Project.