

18 OCTOBER 2017

MT MORGANS TREATMENT PLANT NOW 50% BUILT AS KEY CAPITAL ITEMS ARRIVE ON SITE

Project remains on time and on budget with less than six months to first production

Dacian Gold Ltd (**Dacian Gold** or the **Company**) (ASX: DCN) is pleased to announce that its 100%-owned Mount Morgans Gold Project (**MMGP**), located 25km south-west of Laverton in WA, continues to meet its key targets, with the treatment plant now 50 per cent built.

The SAG mill has been delivered to site and the ball mill will arrive on site next week.

This strong progress means Mt Morgans remains on time and on budget to achieve first gold production in March 2018 – less than six months from now.

Figure 1 below shows the arrival of the two halves of the 8.5m diameter and 3.5m long SAG mill to the Mt Morgans site late last week.



Figure 1 – Arrival of the two halves of the 8.5m diameter, 3.5m long SAG mill to the Mt Morgans site.

The larger ball mill, which is 5.5m in diameter and 8.9m long, requires escorted transport to site from Fremantle Port and will arrive next week.

Dacian Gold Executive Chairman, Rohan Williams, said: “The arrival of these large-scale capital items for the plant marks another key milestone for the development team, with the plant now over 50 per cent complete and the overall project on time and on budget – and firmly on track for first gold production less than six months from now.”

“A lot of the structural steel has already been erected and recent progress at treatment plant site remains impressive. At the same time, underground mining at Beresford is now in full swing and mining at our second underground mine, Allanson, is about to start – to be followed by the start of open pit mining at Jupiter, later this year.

“As we move closer to first gold production, our exploration programs are also continuing to gather momentum – with a particular focus on Cameron Well, where we have two rigs currently operating.

“Dacian Gold is now just months away from becoming a substantial new Australian gold producer. Our rapid progress is due to the exceptional skills and work ethic of our employees, consultants and contractors, and I would like to take this opportunity to thank GR Engineering for their ongoing performance in the EPC of the Mt Morgans treatment plant.”

For and on behalf of the Board



Rohan Williams
Executive Chairman

About Dacian Gold Limited

Dacian Gold Limited (ASX: DCN) is less than 6 months away from gold production at its approximately 200,000ozpa, 100%-owned Mt Morgans Gold Project, located near Laverton in Western Australia. With an initial Ore Reserve of 1.2Moz, a Mineral Resource of 3.3Moz (incl Ore Reserve) and highly prospective exploration tenure, Mt Morgans is set to become Australia's next significant, mid-tier gold producer.

Mt Morgans is fully-funded and permitted and benefits from being a brownfields site with excellent existing infrastructure and well understood geology being mined through conventional underground and open pit mining techniques. Total capital cost to develop the project is \$A197M with A\$107M dedicated to the construction of a 2.5Mtpa CIL treatment facility being constructed under a guaranteed maximum price EPC contract.

The Board, which comprises Rohan Williams as Executive Chairman and Robert Reynolds, Barry Patterson and Ian Cochrane as non-executive directors, approved the construction of the project in late 2016.

Dacian Gold will also maintain an aggressive exploration spend on the project it believes will continue to yield gold discoveries that will increase mine life and project value.

For further information please visit www.daciangold.com.au to view the Company's presentation or contact:

Rohan Williams Executive Chairman Dacian Gold Limited +61 8 6323 9000	Paul Armstrong Investor Relations Read Corporate Pty Ltd +61 8 9388 1474
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Mount Morgans Gold Project Mineral Resources as at 28 July 2016

Deposit	Cut-off Grade Au g/t	Measured			Indicated			Inferred			Total Mineral Resource		
		Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz
King Street*	0.5	-	-	-	-	-	-	532,000	2.0	33,000	532,000	2.0	33,000
Jupiter	0.5	994,000	1.7	54,000	22,889,000	1.4	1,006,000	5,739,000	1.1	197,000	29,623,000	1.3	1,257,000
Jupiter UG	1.5	-	-	-	-	-	-	530,000	2.0	34,000	530,000	2.0	34,000
Jupiter LG Stockpile	0.5	3,494,000	0.5	58,000	-	-	-	-	-	-	3,494,000	0.5	58,000
Westralia	2.0	409,000	5.0	65,000	4,769,000	5.5	840,000	3,449,000	6.5	715,000	8,626,000	5.8	1,621,000
Craic*	0.5	-	-	-	69,000	8.2	18,000	120,000	7.1	27,000	189,000	7.5	46,000
Transvaal	2.0	367,000	5.8	68,000	404,000	5.3	69,000	482,000	4.7	73,000	1,253,000	5.2	210,000
Ramornie	2.0	-	-	-	156,000	4.1	21,000	285,000	3.9	36,000	442,000	4.0	57,000
Total		5,263,000	1.5	246,000	28,287,000	2.1	1,954,000	11,138,000	3.1	1,115,000	44,688,000	2.3	3,315,000

* JORC 2004

Mt Morgans Gold Project Ore Reserves as at 21 November 2016

Deposit	Cut-off Grade Au g/t	Proved			Probable			Total		
		Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz	Tonnes	Au g/t	Au Oz
Beresford UG	2.0	50,000	4.9	8,000	2,383,000	4.2	323,000	2,433,000	4.2	331,000
Allanson UG	2.0	-	-	-	882,000	5.7	162,000	882,000	5.7	162,000
Transvaal UG	1.4	193,000	4.7	29,000	325,000	3.4	36,000	518,000	3.9	65,000
Jupiter OP	0.5	867,000	1.7	48,000	13,884,000	1.3	595,000	14,751,000	1.4	643,000
INITIAL ORE RESERVE		1,110,000	2.4	85,000	17,475,000	2.0	1,115,000	18,585,000	2.0	1,200,000

Competent Person Statement

In relation to Mineral Resources and Ore Reserves, the Company confirms that all material assumptions and technical parameters that underpin the relevant market announcement continue to apply and have not materially changed. The Mineral Resources and Ore Reserves Statement is based on, and fairly represents, information and supporting documentation prepared by the respective competent persons named below.

Mineral Resources

The information in this report that relates the Westralia Deposit Mineral Resource (see ASX announcement 28 July 2016), Jupiter Deposit Mineral Resource (see ASX announcement 19 July 2016), Transvaal Deposit Mineral Resource (see ASX announcement 16 September, 2015) and the Ramornie Deposit Mineral Resource (see ASX announcement 24 February, 2015) is based on information compiled by Mr Shaun Searle who is a Member of Australian Institute of Geoscientists and a full-time employee of RungePincockMinarco. Mr Searle has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Searle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates the Jupiter Low Grade Stockpile (see ASX announcement – 16 September, 2015) and is based on information compiled by Mr Rohan Williams who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Williams holds shares and options in, and is a director

and full time employee of, Dacian Gold Ltd. Mr Williams has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Williams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources (other than Westralia, Jupiter, Jupiter Low Grade Stockpile, Transvaal, and Ramornie which are reported under JORC 2012) is based on information compiled by Mr Rohan Williams, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Williams holds shares and options in, and is a director and full time employee of, Dacian Gold Ltd. Mr Williams has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Williams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Where the Company refers to the Mineral Resources and Ore Reserves in this report (referencing previous releases made to the ASX), it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the Mineral Resource estimate and Ore Reserve estimate with that announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not materially changed from the original announcement.

All information relating to Mineral Resources and Ore Reserves (other than the King Street and Craic) were prepared and disclosed under the JORC Code 2012. The JORC Code 2004 King Street and Craic Mineral Resource has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last updated.

Ore Reserves

The information in this report that relates to Ore Reserves for the Westralia Mining Area and Transvaal Mining Area (see ASX announcement 21 November 2016) is based on information compiled or reviewed by Mr Matthew Keenan and Mr Shane McLeay. Messrs Keenan and McLeay have confirmed that they have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition). They are Competent Persons as defined by the JORC Code 2012 Edition, having more than five years' experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which they are accepting responsibility. Messrs Keenan and McLeay are both Members of The Australasian Institute of Mining and Metallurgy and full time employees of Entech Pty Ltd and consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Ore Reserves for the Jupiter Mining Area (see ASX announcement 21 November 2016) is based on information compiled or reviewed by Mr Ross Cheyne. Mr Cheyne confirmed that he has read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition). He is a Competent Person as defined by the JORC Code 2012 Edition, having more than five years' experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is accepting responsibility. Mr Cheyne is a Fellow of The Australasian Institute of Mining and Metallurgy and a full-time employee of Orelogy Consulting Pty Ltd and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.