

# DELIVERING ON OBJECTIVES BUILDING MOMENTUM IN OPERATIONS & EXPLORATION

LEIGH JUNK – MANAGING DIRECTOR



**DACIAN**  
GOLD

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## **Cautionary Statement**

For details of the Mineral Resources and Ore Reserves used in this presentation, please refer to ASX Announcements dated 27 February 2020 titled 2019 Mineral Resource and Ore Reserve Update and Three Year Production Outlook. The Company is not aware of any new information or data that materially affects the Mineral Resources and Ore Reserves as reported in that ASX Announcements. The Company confirms that all material assumptions underpinning the production target and forecast financial information contained in the Company's ASX announcement released on 27 February 2020 continue to apply and have not materially changed.

## **Cautionary note regarding reserves and resources**

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# Delivering on Objectives

Resetting of the baseline at Dacian provides the platform to unlock value

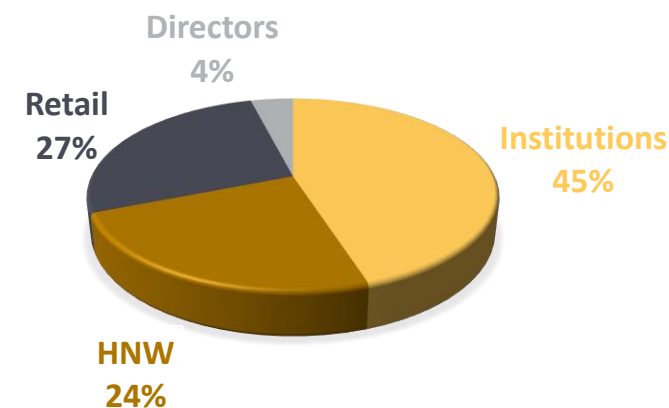
-  \$98M recapitalisation of Dacian completed in April 2020
-  September quarter production of 32,799oz at an AISC of \$1,315/oz tracking well against FY2021 guidance
-  Reduced debt by \$55.6M to \$39.1M during CY2020 to date. Net debt position of \$0.6 million at 30 September 2020
-  Hedging restructure complete, reducing commitments from ~70% to ~40% of remainder of FY2021 production
-  Experienced senior management team driving Dacian's turnaround
-  Scoping study for the reoptimisation of underground operations underway
-  Exploration strategy bearing fruit with initial Mt Marven extensional drilling delivering results
-  Extending mine life visibility through conversion of current Mineral Resources and delineation of new mineralisation across the land package

# Corporate Overview

CAPITAL STRUCTURE		30 SEPTEMBER 2020
Shares on Issue		556.5 million
Options / Performance Rights		0.85 million / 13.7 million
Share price (3 November 2020)		\$0.37 per share
Market Capitalisation (3 November 2020)		\$206 million
Cash & Equivalents		\$38.5 million
Total Debt		\$39.1 million

BOARD	
Ian Cochrane	Non Executive Chairman
Leigh Junk	Managing Director
Barry Patterson	Non Executive Director
Robert Reynolds	Non Executive Director

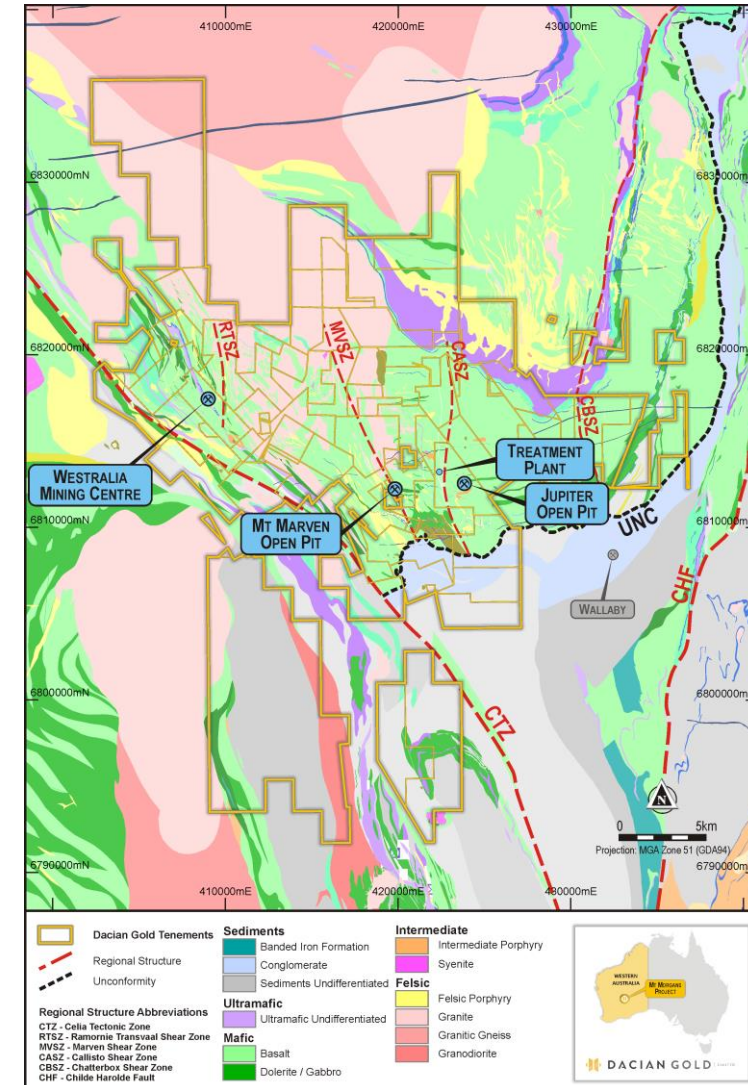
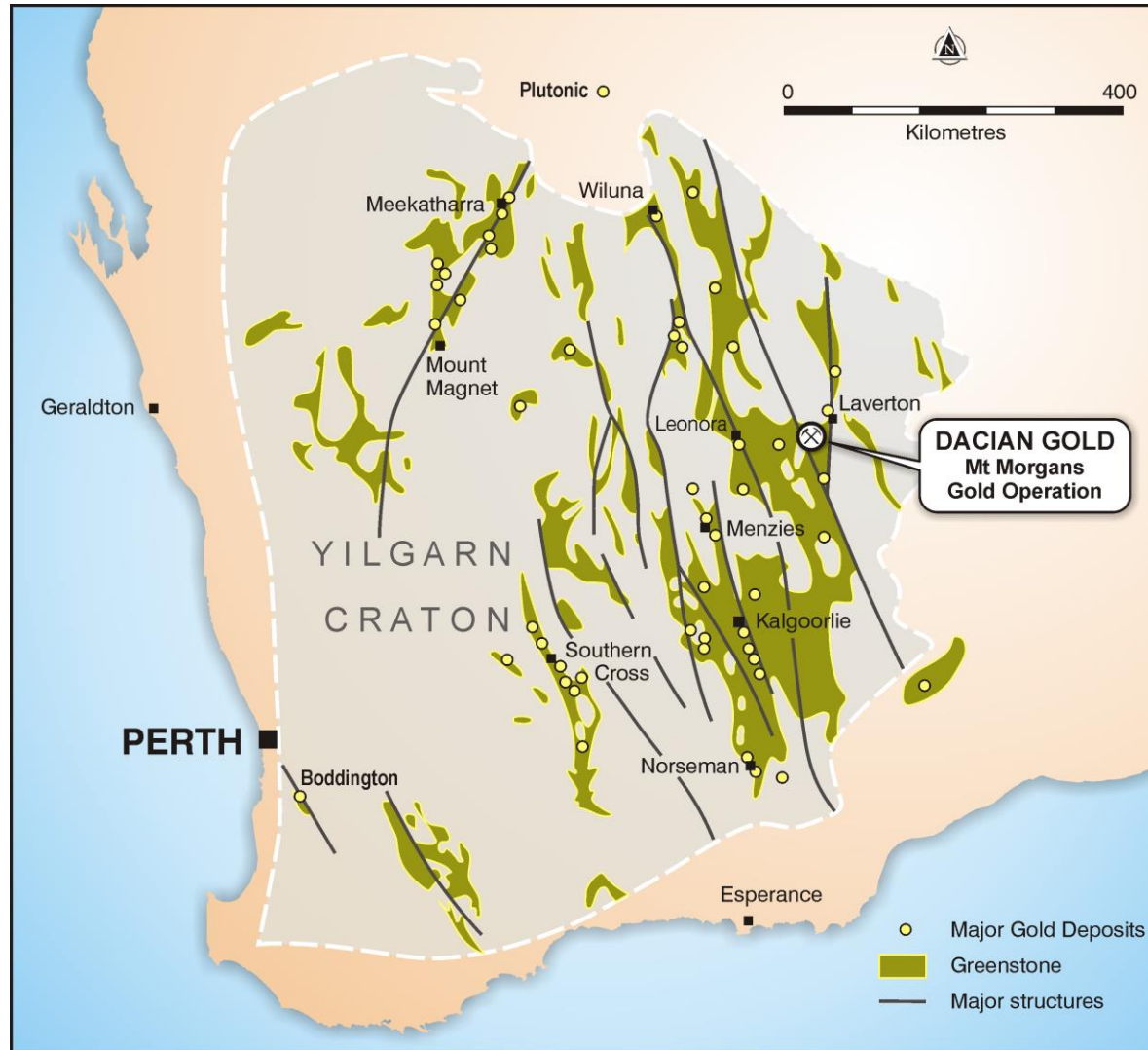
## SHARE REGISTER



MANAGEMENT	
James Howard	Chief Operating Officer
Derek Humphry	Chief Financial Officer
Dale Richards	General Manager – Geology & Exploration
Phil Russo	General Manager – Corporate Development
Ben McAllister	General Manager – MMGO

# Enviably Land Position in Well Endowed WA Gold Belt

Sizeable Mineral Resource base across the tenement holding in a significant gold region



# FY2021 – Investing in the Future

## Sustainable open pit operations at MMGO

- FY2021 forecast production of 110,000-120,000oz at an AISC of \$1,400-\$1,550/oz\*
- September quarter production of 32,799oz at an AISC of \$1,315/oz tracks well against guidance
- Mill feed now solely from open pit sources as Heffernans, Doublejay and Mt Marven contribute production during FY2021
- Development capital of \$55m during FY2021 focused on investment in Doublejay pre-stripping, with capital investment declining and cash flow harvesting thereafter
- Sustainable production rates at an average of 110,000oz pa at an AISC of \$1,425/oz

	FY2021	FY2022	FY2023	Three Year
Production	110-120koz	100-110koz	100-110koz	325koz
AISC	\$1,400- \$1,550/oz	\$1,400- \$1,550/oz	\$1,250- \$1,400/oz	\$1,425/oz
Development Capital	\$55m	\$18m	nil	\$73m

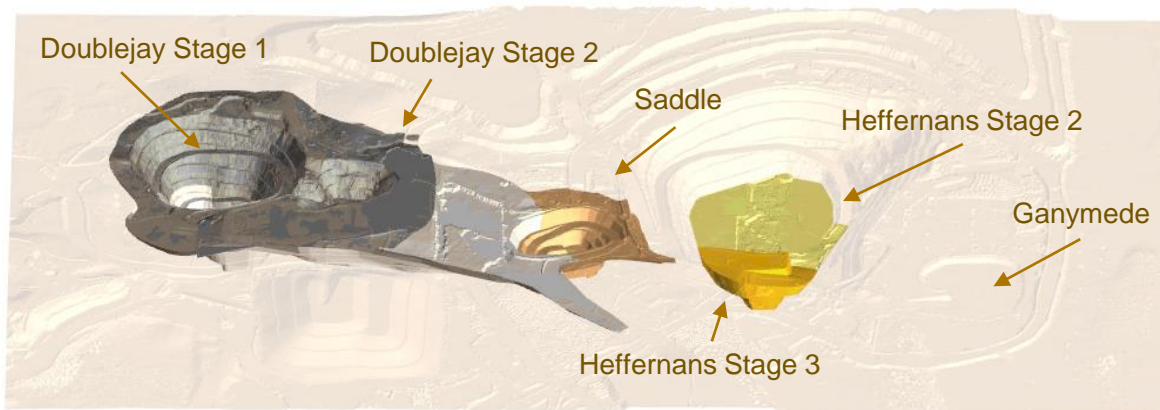
\*Refer ASX announcement 13 July 2020

# Open Pit Provides Production Close to the Mill

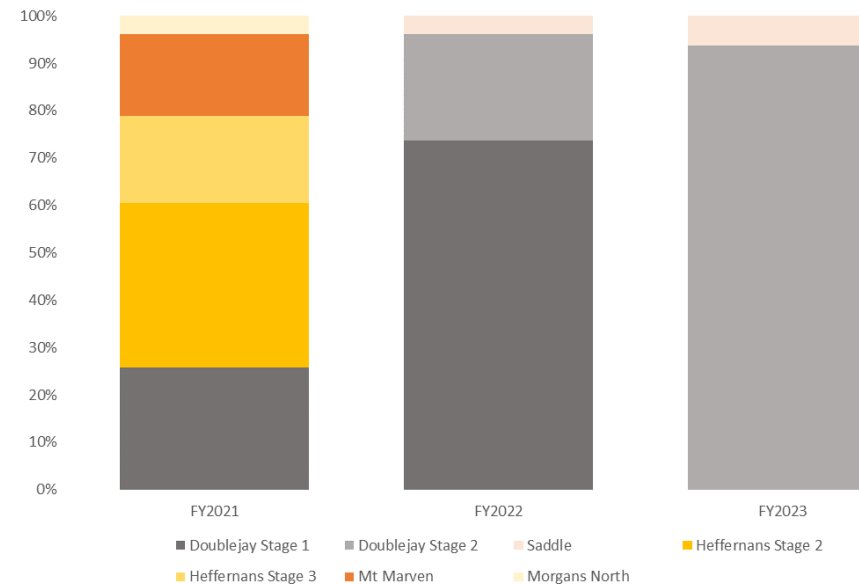
## Jupiter open pit underpins production profile

- Continued mining operations at Jupiter provides base load ore feed to the processing plant
- Jupiter consists of the Heffernans, Doublejay and Saddle sub-pits (Ore Reserve of 9.7Mt @ 1.3 g/t for 390,000oz)\*
- Mt Marven open pit to provide additional ore source during FY2021
- Total open pit Ore Reserves of 10.2Mt @ 1.3 g/t for 410,000oz
- Total open pit Mineral Resources of 19.7Mt @ 1.3 g/t for 807,000oz

## Respective Jupiter sub-pits



## Forecast production contribution by sub-pits



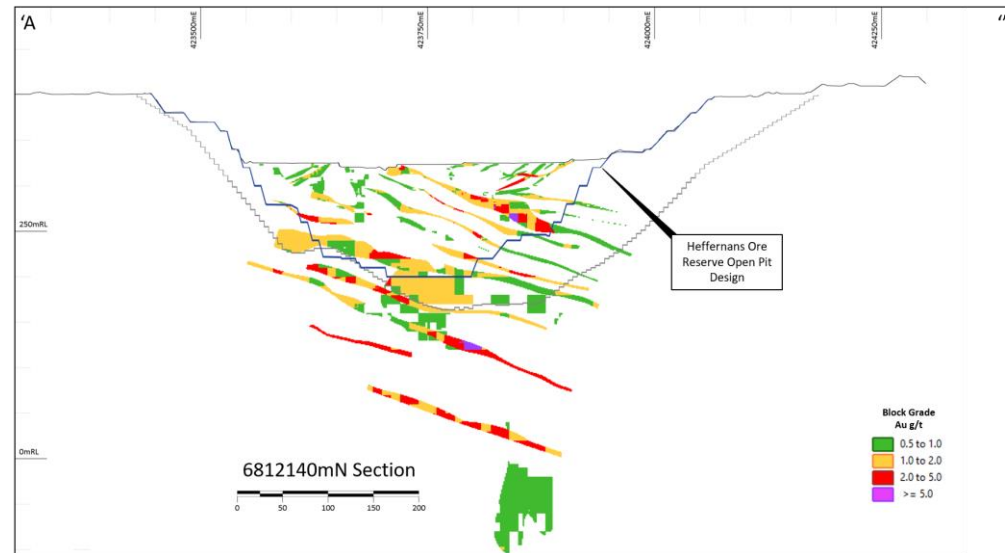
\*Refer Appendix 1 for further details

# Heffernans Deposit Underpinning FY2021 Production

Heffernans pre-stripping complete; ore production profile increased

- Mining currently in the Heffernans Stage 2 and 3 sub-pit
- Pre-stripping complete, ore profile has increased as mining within wider syenite-hosted lodes set to dominate open pit production in FY2021
- Production outlook based on Ore Reserves of 3.5Mt @ 1.3 g/t for 147,000oz (using A\$1,750 gold price)

## Heffernans cross-section



Heffernans cross-section showing:

- the Jupiter Mineral Resource block model (coloured by block grade)
- the outline of the existing pit (black line)
- an outline of the Ore Reserve open pit design (blue line)
- the A\$2,400/oz gold optimised pit shell applied for reporting (grey line)
- material greater than 2.0 g/t is reported below the A\$2,400/oz optimised pit shell

## Heffernans Mineral Resource & Ore Reserve

Mineral Resource	Cut off Grade	Measured			Indicated			Inferred			Total		
	Au g/t	Tonnes t	Au g/t	Au oz	Tonnes t	Au g/t	Au oz	Tonnes t	Au g/t	Au oz	Tonnes t	Au g/t	Au oz
Heffernans	0.5	778,000	1.20	31,000	5,872,000	1.40	260,000	118,000	1.20	5,000	6,769,000	1.40	296,000

Ore Reserve	Cut off Grade	Proved			Probable			Total		
	Au g/t	Tonnes t	Au g/t	Au oz	Tonnes t	Au g/t	Au oz	Tonnes t	Au g/t	Au oz
Heffernans	0.5	695,000	1.10	25,000	2,773,000	1.40	122,000	3,468,000	1.30	147,000

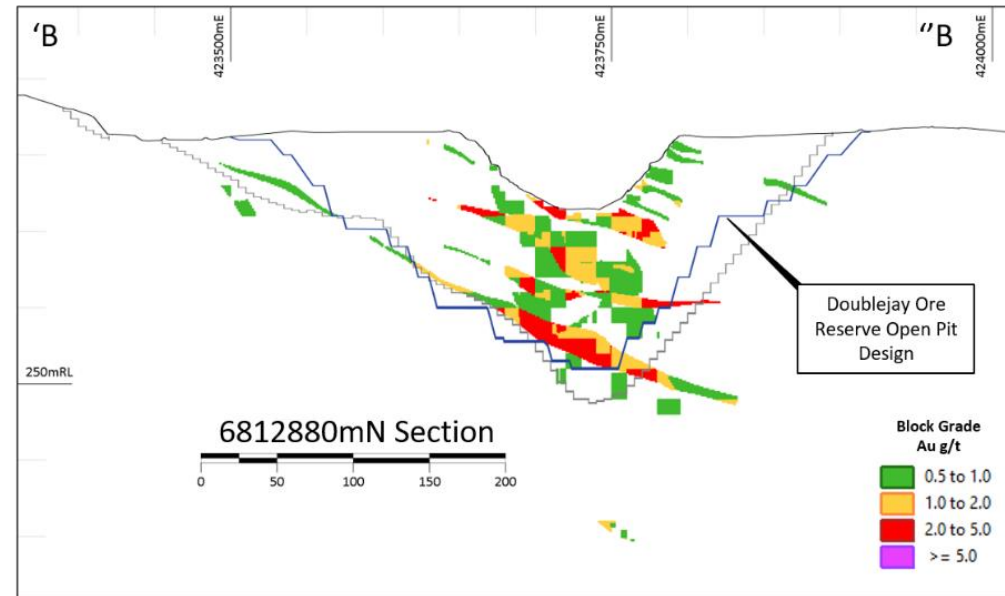


# Production Transitioning to Doublejay by end FY2021

Doublejay to provide strong cash flow generation over FY22-23 following pre-strip campaign

- Stripping of Doublejay Stage 1 now commenced; Stage 2 underpins forecast production over FY2022 and FY2023
- Doublejay deposit consists of a series of shallow east dipping stacked lodes, with minor west dipping lodes within syenite stock, similar to Heffernans
- Confidence in mineralised domains improved following surface grade control drilling
- Production outlook based on Ore Reserves of 6.2Mt @ 1.2 g/t for 243,000oz (using A\$1,750 gold price)

## Doublejay cross-section



Doublejay cross-section showing:

- the Jupiter Mineral Resource block model (coloured by block grade)
- the outline of the existing pit (black line)
- an outline of the Ore Reserve open pit design (blue line)
- the A\$2,400/oz gold optimised pit shell applied for reporting (grey line)
- material greater than 2.0 g/t is reported below the A\$2,400/oz optimised pit shell

## Doublejay Mineral Resource & Ore Reserve

Mineral Resource	Cut off Grade	Measured			Indicated			Inferred			Total		
	Au g/t	Tonnes t	Au g/t	Au oz	Tonnes t	Au g/t	Au oz	Tonnes t	Au g/t	Au oz	Tonnes t	Au g/t	Au oz
Doublejay	0.5	139,000	1.00	4,333	6,003,000	1.30	255,000	374,000	1.10	13,000	6,516,000	1.30	272,000

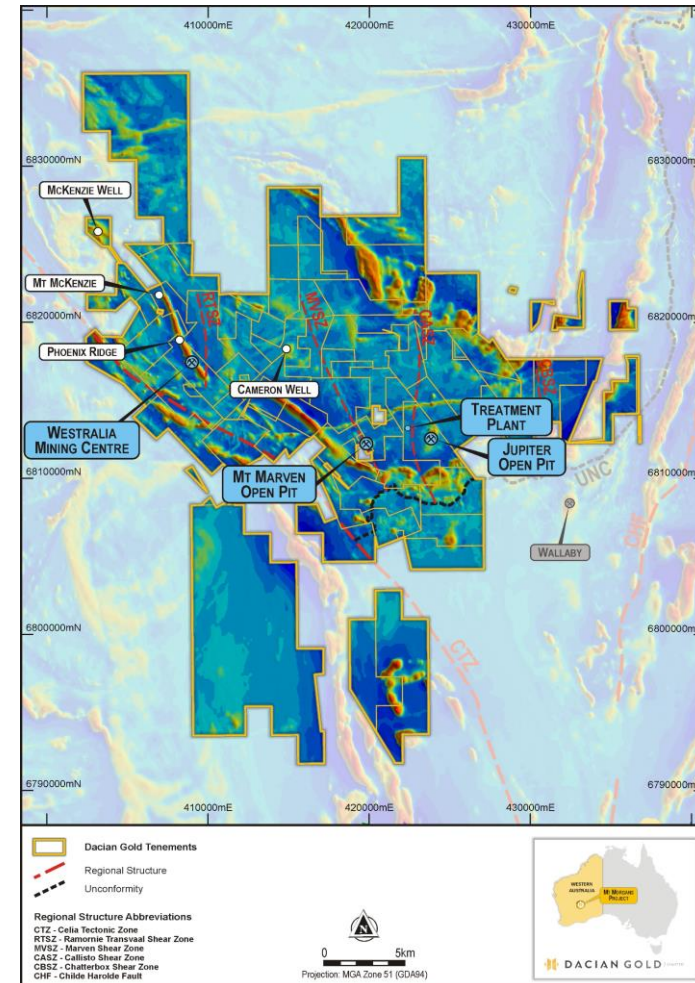
Ore Reserve	Cut off Grade	Proved			Probable			Total		
	Au g/t	Tonnes t	Au g/t	Au oz	Tonnes t	Au g/t	Au oz	Tonnes t	Au g/t	Au oz
Doublejay	0.5	261,000	0.80	7,000	5,981,000	1.20	236,000	6,242,000	1.20	243,000

# Multi Level Exploration Program to Expand Resource Base

Targeting large potential base load ore feed and satellite deposits to bolster annual production

- 1 Identify and test potentially large, replacement base load ore feed sources
  - Cameron Well syenite target
  - Mt Marven shear zone prospect
- 2 Continue to develop satellite open pit targets to bolster annual production
  - Mt Marven extensional drilling
  - Mt McKenzie target
  - McKenzie Well target
  - Ganymede resource upgrade program
- 3 Advance underground opportunities to support evaluation of supplementary production from underground
  - Phoenix Ridge infill drilling
  - Transvaal and Craic resource upgrade program

## Plan view of advanced exploration targets



# Base Load Open Pit Opportunities

Potential avenues to extend production profile

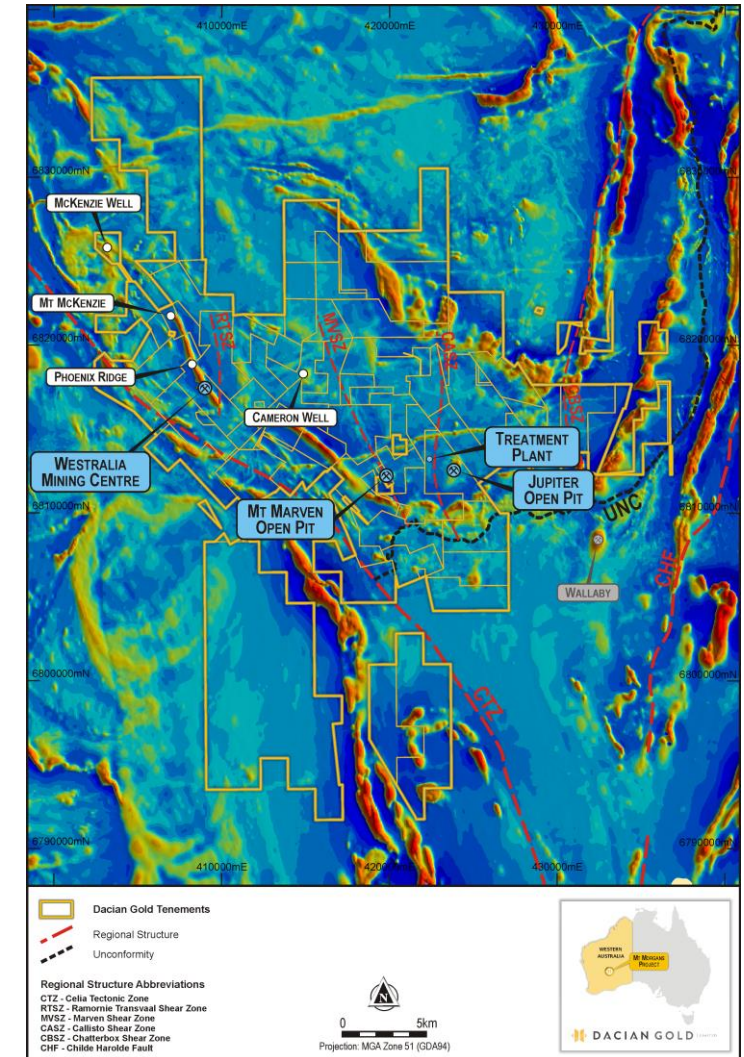
## Cameron Well

- Syenite stock equivalent in scale to Jupiter and adjacent to the Mt Marven Shear Zone
- Multiple anomalous trends identified through RAB and RC drilling (2017- 2018) remain untested or open below transported cover
- Renewed approach aims to understand the broader structural framework with diamond drilling program currently underway
- Current Mineral Resource of 2.8Mt @ 1.1 g/t for 105,000oz

## Mt Marven Shear Zone

- 20km of strike length interpreted from geophysics
- Shear hosted gold mineralisation associated with alteration and structural interaction
- Large portion of the interpreted northern extent is under cover with limited exploration
- Number of interpreted structural, geochemical and magnetic anomalies identified adjacent to the shear

## Regional magnetics and exploration targets



# Satellite Open Pit Opportunities

Potential supplement to base load production

## Mt Marven

- Mineral Resource of 0.5Mt @ 1.8 g/t for 29,000oz\*
- Recent drilling encountered key intercepts of:
  - 3m @ 21.79 g/t Au from 27m in 20MVRC0019
  - 3m @ 6.42 g/t Au from 1m in 20MVRC0039
  - 12m @ 1.41 g/t Au from 23m in 20MVRC0014
- Extends mineralisation ~800m beyond open pit limits
- Open along strike and at depth

## Mt McKenzie

- Maiden diamond drill program commenced across the BIF hosted deposit
- Approximately 80m x 80m program along 500m of strike

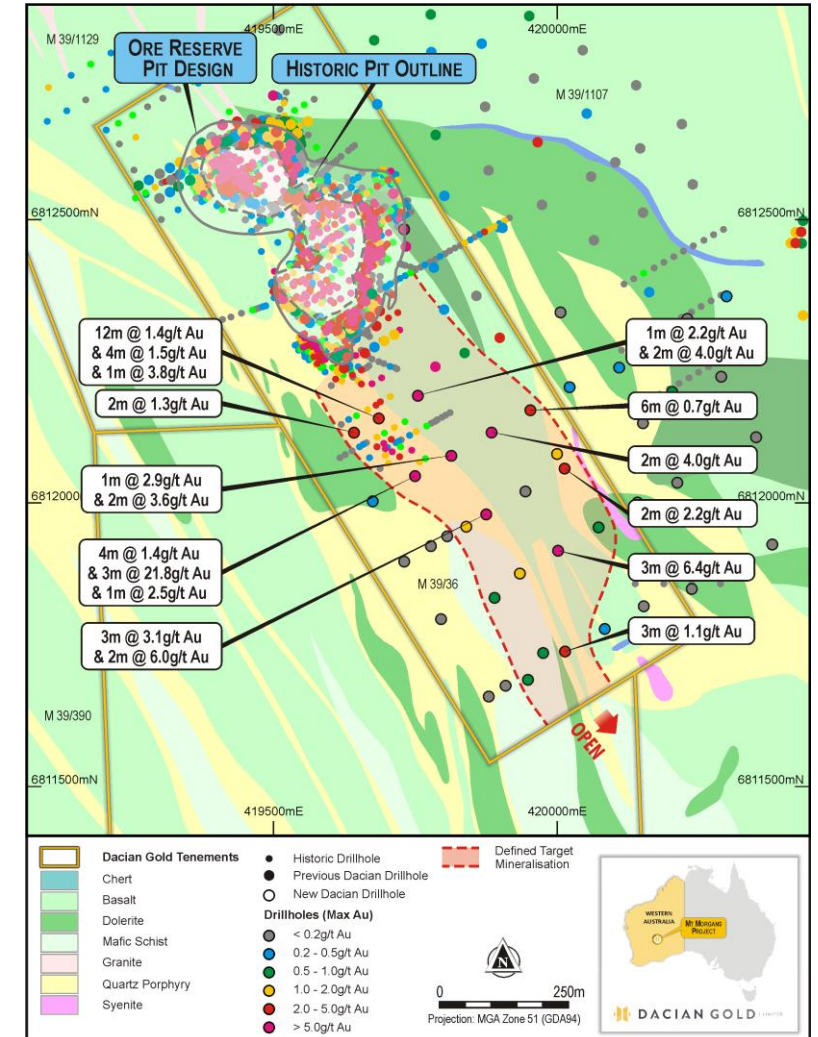
## McKenzie Well

- Phase 1 RC and diamond drilling program completed
- Phase 2 planned for FY2021

## Ganymede

- Resource definition drilling planned for FY2021

## Plan of the Mt Marven Deposit



# Underground Opportunities

A component of a reoptimised underground operating strategy

## Phoenix Ridge

- Inferred Mineral Resource of 0.5Mt @ 8.1 g/t for 125,000oz
- Infill drilling completed to support a Mineral Resource update

## Westralia

- Results of infill drilling to be incorporated into the scoping study evaluation

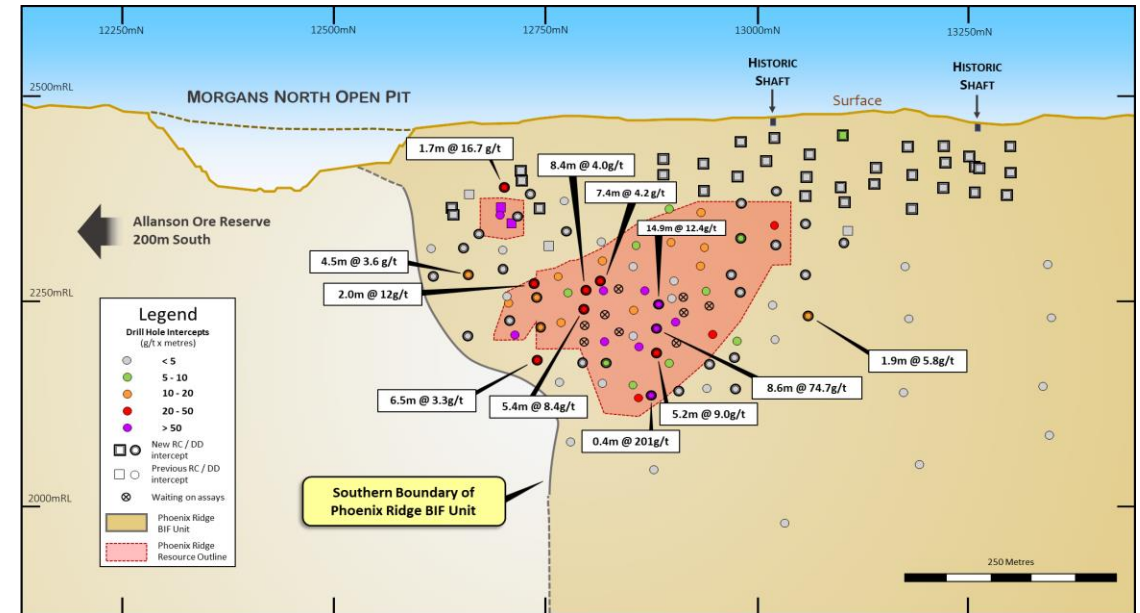
## Transvaal

- Underground Ore Reserve 0.5Mt @ 3.9 g/t for 65,000oz
- Evaluating both open pit and underground mining opportunities

## Craic

- Preliminary underground block model developed
- Assessing mining potential and infill drilling requirements

## Phoenix Ridge long section



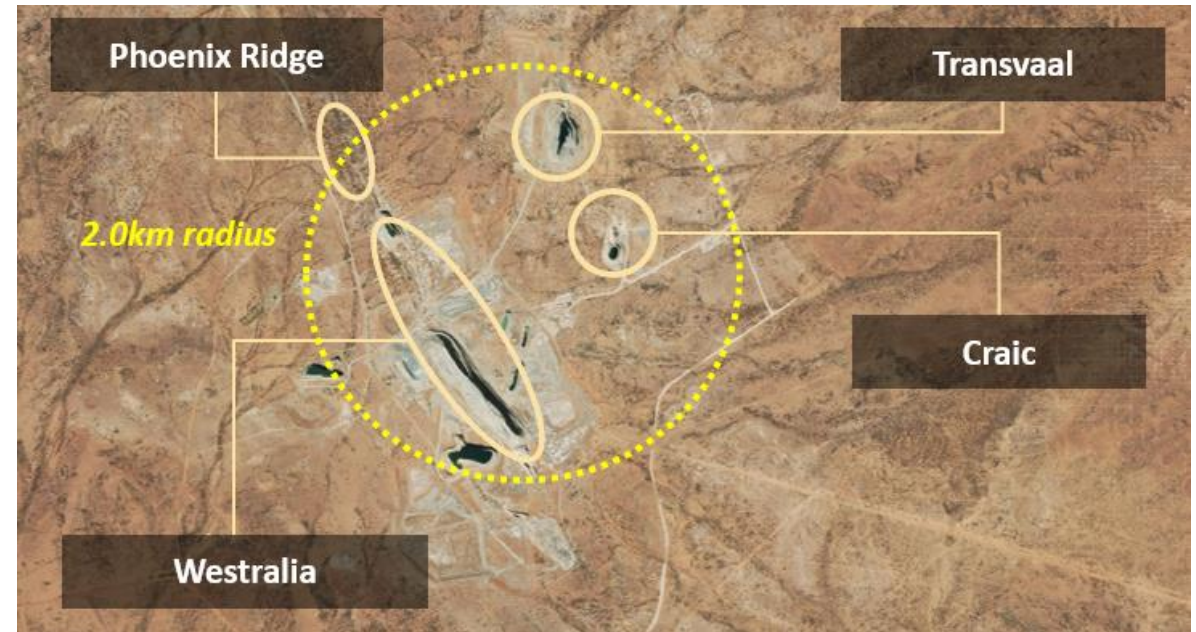
Phoenix Ridge long section showing diamond and RC drilling intercepts

# Development of an Underground Strategy

## Underground Mineral Resources outside of the current mine plan

- Scoping study commissioned to evaluate the potential for supplementary production from underground with results due early 2021
- Westralia, Phoenix Ridge, Transvaal and Craic within a 2.0km radius
- Total underground Mineral Resources of over 1.0Moz (7.1Mt @ 4.9 g/t) and Ore Reserves of 260,000oz (2.0Mt @ 4.0 g/t)
- Infrastructure established at Westralia and existing declines at Transvaal and Craic
- All potential underground ore sources are outside the current mine plan

### Underground opportunities



### Mineral Resources for all underground deposits

Mineral Resource	Cut-off grade	Measured			Indicated			Inferred			Total		
		Au g/t	Tonnes	g/t	Oz	Tonnes	g/t	Oz	Tonnes	g/t	Oz	Tonnes	g/t
Westralia UG	2.0	303,000	5.5	53,000	1,950,000	6.0	375,000	1,648,000	4.3	227,000	3,902,000	5.2	655,000
Ramornie UG	2.0	-	-	-	212,000	3.2	22,000	61,000	3.1	6,000	274,000	3.1	27,000
Transvaal UG	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
Phoenix Ridge UG	2.0	-	-	-	-	-	-	481,000	8.1	125,000	481,000	8.1	125,000
Jupiter UG	2.0	-	-	-	583,000	3.0	57,000	615,000	2.4	47,000	1,197,000	2.7	104,000
<b>Total</b>		<b>670,000</b>	<b>5.6</b>	<b>121,000</b>	<b>3,149,000</b>	<b>5.2</b>	<b>523,000</b>	<b>3,287,000</b>	<b>4.5</b>	<b>478,000</b>	<b>7,107,000</b>	<b>4.9</b>	<b>1,121,000</b>

# Investment Highlights

Sustainable operating profile with multiple levers to unlock value



## Operating plan focused on investment during FY2021 and harvesting through FY2022-2023

- Sustainable open pit production profile averaging 110,000ozpa @ AISC of \$1,425/oz (FY2021-2023)
- Provides a robust platform to pursue growth



## Targeted exploration program underway across the Mt Morgans land package

- Cameron Well diamond drill program commenced to evaluate potential larger scale concept
- Expansion drilling at Mt Marven yielding results
- Drilling completed at McKenzie Well and Mt McKenzie, to be assessed for satellite open pit potential



## Underground strategy for Mt Morgans to evaluate Westralia, Phoenix Ridge, Transvaal and Craic

- Underground opportunities being considered for supplementary production from the Mineral Resource base of over 1.0Moz



## Increasing exposure to spot gold prices as hedge commitments and debt position reduce during FY2021

- Hedges reduced to 61,488oz and restructured across FY2021 and FY2022, increasing near-term cash flow
- Total cash and equivalents of \$38.5 million with total debt of \$39.1 million at 30 September 2020



## Infrastructure in place to establish a regional processing hub

- Attractive location for future consolidation in the region



# Appendices



# Appendix 1

## MMGO Mineral Resources and Ore Reserves

### Mineral Resources (as at 31 December 2019)

Deposit	Cut-off grade	Measured			Indicated			Inferred			Total			Comments
		Au g/t	Tonnes	g/t	Oz	Tonnes	g/t	Oz	Tonnes	g/t	Oz	Tonnes	g/t	
Westralia UG	2.0	303,000	5.5	53,000	1,950,000	6.0	375,000	1,648,000	4.3	227,000	3,902,000	5.2	655,000	
Ramornie UG	2.0	-	-	-	212,000	3.2	22,000	61,000	3.1	6,000	274,000	3.1	27,000	
Transvaal UG	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	
Morgans North	2.0	27,000	3.5	3,000	174,000	3.2	18,000	306,000	3.5	34,000	507,000	3.4	55,000	
Phoenix Ridge UG	2.0	-	-	-	-	-	-	481,000	8.1	125,000	481,000	8.1	125,000	
Jupiter UG	2.0	-	-	-	583,000	3.00	57,000	615,000	2.40	47,000	1,197,000	2.7	104,000	
Jupiter OP	0.5	917,000	1.2	35,000	13,891,000	1.30	584,000	1,182,000	1.10	42,000	15,990,000	1.3	661,000	Reported within an AUD \$2400/oz pit optimisation
Mt Marven OP	0.5	-	-	-	469,000	1.80	27,000	42,000	1.50	2,000	511,000	1.8	29,000	
Cameron Well OP	0.5	-	-	-	2,511,000	1.10	89,000	373,000	1.30	16,000	2,884,000	1.1	105,000	
Maxwells OP	0.5	-	-	-	250,000	1.40	11,000	40,000	1.60	2,000	290,000	1.3	12,000	
Mine Stockpiles	0.5	241,000	0.6	5,000	-	-	-	-	-	-	241,000	0.6	5,000	
LG Stockpiles	0.5	938,000	0.70	22,000	-	-	-	-	-	-	938,000	0.70	22,000	
Jupiter LG Stockpiles	0.5	3,494,000	0.5	57,000	-	-	-	-	-	-	3,494,000	0.5	57,000	
<b>Total</b>		<b>6,287,000</b>	<b>1.2</b>	<b>243,000</b>	<b>20,444,000</b>	<b>1.9</b>	<b>1,252,000</b>	<b>5,230,000</b>	<b>3.4</b>	<b>574,000</b>	<b>31,962,000</b>	<b>2.0</b>	<b>2,067,000</b>	

Rounding errors will occur

### Ore Reserves (as at 1 January 2020)

Deposit	Cut off Grade	Proven			Probable			Total		
		Au g/t	Tonnes t	Au g/t	Au oz	Tonnes t	Au g/t	Au oz	Tonnes t	Au g/t
Jupiter OP	0.5	956,000	1.0	32,000	8,754,000	1.3	358,000	9,711,000	1.3	390,000
Mt Marven OP	0.5	-	-	-	460,000	1.4	20,000	460,000	1.4	20,000
Westralia UG	*0.5/2.2	172,000	3.6	20,000	1,332,000	4.1	175,000	1,504,000	4.0	195,000
Transvaal UG	1.4	193,000	4.7	29,000	325,000	3.4	36,000	518,000	3.9	65,000
Mine Stockpiles	0.5	241,000	0.6	5,000	-	-	-	241,000	0.6	5,000
Historical LG Stockpiles	0.5	938,000	0.7	22,000	-	-	-	938,000	0.7	22,000
Jupiter LG Stockpile	0.5	3,494,000	0.5	57,000	-	-	-	3,494,000	0.5	57,000
<b>Total</b>		<b>5,994,000</b>	<b>0.9</b>	<b>165,000</b>	<b>10,871,000</b>	<b>1.7</b>	<b>589,000</b>	<b>16,866,000</b>	<b>1.4</b>	<b>754,000</b>

\* Development and stoping grades respectively. Rounding errors will occur

Note: For details of the Mineral Resources and Ore Reserves used in this presentation, please refer to ASX Announcements dated 27 February 2020 titled 2019 Mineral Resource and Ore Reserve Update

# Appendix 2

## Fixed debt repayment schedule

Dacian's current Project Debt Facility contains a minimum fixed repayment schedule

## Fixed debt repayment schedule

Repayment date	Fixed repayment (A\$m)
31-Dec-20	\$11.3
31-Mar-21	\$2.0
30-Jun-21	\$4.0
30-Sep-21	\$1.9
31-Dec-21	\$18.2
31-Mar-22	\$1.7
<b>Total</b>	<b>\$39.1</b>

# Appendix 3

## Hedging profile



### Hedging profile (subsequent to 30 September 2020)

Period	DQ	MQ	JQ	FY2021	SQ	DQ	MQ	JQ	FY2022	FY2023	TOTAL
Forward Sales (oz)	6,000	10,041	18,123	34,164	13,119	14,205	Nil	Nil	27,324	-	61,488
Hedged Price (A\$/oz)	\$1,739	\$1,955	\$2,096	\$1,992	\$2,240	\$2,237	Nil	Nil	\$2,238	-	\$2,101
% of Annual Production Hedged (mid-point)				~41%					~26%	0%	

# Appendix 4

## COVID-19 response

- Dacian has been proactive in its response to the COVID-19 pandemic and has implemented a range of protective and preventative measures
- MMGO, through its COVID-19 management plan, is continuing to operate unaffected by the pandemic, however a number of changes have been made at the operation such that persons employed at the site have reduced exposure to potential sources of COVID-19, are able to abide by social distancing requirements and improve hygiene standards
- In a worst-case event requiring a scaling-back of the operation, Dacian has multiple levers it can engage including the processing of stockpile material totalling 4.4Mt @ 0.6 g/t for 79,000oz (approximately 19 months of processing material), providing a level of insulation for the business





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