

PRELIMINARY SEPTEMBER QUARTER UPDATE

HIGHLIGHTS

- Production of 21,525 ounces for the September quarter
- Repaid \$1.8 million of bank debt during the quarter with debt now standing at \$200,000
- Cash and gold-on-hand at 30 September 2022 totals \$44.2 million
- Genesis Minerals Limited (Genesis) offer reached 74% and is unconditional

Dacian Gold Ltd (**Dacian Gold** or **the Company**) (ASX: DCN) provides the following preliminary operating and corporate update for the September quarter.

MT MORGANS GOLD OPERATION

The Westralia and Craic underground mines produced 47,910t @ 4.65g/t Au for 7,158 contained ounces (see Table 1). Ore was produced from development and stoping activities at Craic, Beresford, and Allanson mine areas, with stoping contributing approximately 98% of the underground mined ore tonnes in the quarter (June Qtr: 36%).

Table 1: Key underground statistics

Key Underground Statistics	Unit	Sept 22 Q
Stope Ore Mined	t	46,808
Development Ore Mined	t	1,102
Total Ore Mined	t	47,910
Mined Ore Grade	g/t	4.65
Contained Gold Mined	oz	7,158
Metres Developed – Capital	m	0
Metres Developed – Operating	m	23
Total Development	m	23

Underground mines have now been closed with all mining at Mt Morgans now suspended. An outstanding effort from the Mt Morgans operation team has resulted in a seamless transition from miner to low grade stockpile processor and explorer, with a solid balance sheet supporting ongoing activities.

A total of 759,621t of ore was milled during the quarter (equivalent to an annualised rate of 3.0 million tonnes per annum), at an average feed grade of 0.96 g/t Au containing 23,441 ounces (see Table 2).

Total September quarter production was 21,525 ounces of gold recovered at a recovery rate of 91.8%.

Table 2: Key processing statistics

Key Processing Statistics	Unit	Sept 22 Q
Ore Milled	t	759,621
Processed Grade	g/t Au	0.96
Contained Gold	oz	23,441
Gold Recovery	%	91.8
Gold Recovered	oz	21,525

Open pit mining stockpiles and stronger than anticipated production from the Westralia underground drove solid production for the first quarter of the financial year. The Company has fully transitioned from mined ore to processing of low grade stockpiles from October 2022.

CORPORATE AND FINANCE

The Company had cash of \$39.4 million and 1,853 ounces of gold-on-hand for \$4.8 million at 30 September 2022 for a total of \$44.2 million (30 June 2022: \$37.9 million) (see Table 3). Cash reflects stronger than anticipated underground performance, excellent mill performance and as announced 12 July 2022, the placement of 123.9 million shares at 10.2 cents per share to secure \$12.6 million. The strong balance sheet position secures the transition from miner to exploration Company as announced 17 June 2022 with final mining related claims being finalised in the December 2022 quarter.

The Company repaid \$1.8 million in bank debt during the quarter reducing the bank debt position to a nominal \$200,000.

Table 3: Net cash analysis

Key Cash/Debt Statistics	Unit	30 Sept 22	30 Jun 22
Cash	\$M	39.4	17.5
Gold-on-Hand	oz	1,853	1,577
Gold-on-Hand	\$M	4.8	4.1
Total Cash and Gold	\$M	44.2	21.6
Debt ¹	\$M	(0.2)	(2.0)
Net Cash²	\$M	44.0	19.6

1 – excluding lease commitments

2 – before creditor and commitments

At 30 September 2022 the Company's hedging was 3,000oz at a weighted average price of \$2,809/oz.

The Genesis takeover offer launched in July 2022 has reached 74% acceptances. The offer is unconditional and is scheduled to close Monday 17 October 2022. In September Genesis as the new majority shareholder, nominated Mr Tony Kiernan, Mr Morgan Ball, and Mr Lee Stephens to join the Dacian Board as non-executive directors. In addition Mr Craig McGown joined as an independent non-executive director and Chair, joining independent non-executive director Ms Sue-Ann Higgins. Mr Mick Wilkes and Mr Eduard Eshuys resigned as directors. The Company thanks departing directors for their contribution.

- ENDS -

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

For further information, please contact:

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