

ACCOUNTING ADJUSTMENT

Dacian Gold Limited (Dacian Gold or the Company) (ASX: DCN) advises that Genesis Minerals Limited (Genesis) (ASX: GMD) acquired control of Dacian in September 2022. In accordance with the requirements of the Australian Accounting Standards, Genesis is required to assess their accounting treatment for the transaction and have advised Dacian that they will be accounting for the transaction as a business combination in accordance with AASB 3 Business Combinations. This requires Genesis to undertake a fair value assessment of the assets and liabilities of Dacian at the date of control.

Genesis has advised the Dacian Board that the Purchase Price Accounting assessment of fair value of the Dacian plant and equipment is materially higher than the Dacian carrying value. Dacian, in accordance with accounting principles, carries plant and equipment assets at the lower of cost and written down value. As a stand alone reporting entity Dacian cannot, under the current Australian Accounting Standards, recognise the uplift attributed by Genesis to the Mt Morgans plant and equipment.

Genesis has advised the Dacian Board that their fair value assessment of the Dacian exploration and evaluation assets and mine properties has resulted in a materially lower value than the Dacian carrying value of these assets.

The Dacian Board has reviewed the fair value assessment and in accordance with Australian Accounting Standards, Dacian, as an entity which will be consolidated with Genesis as the parent company, is required to impair the carrying value of the exploration and evaluation assets and the mine properties assets to their fair value where that fair value is lower than their carrying value.

Consequently, and subject to completion of half year review procedures, Dacian anticipates recording a non-cash impairment of approximately \$35 - \$40 million to the carrying value of its assets in its forthcoming financial results for the half-year ended 31st December 2022.

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

For further information, please contact:

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