

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

## Equity raising to recapitalise Dacian and position Mt Morgans for high margin, sustainable production

### Highlights

- Institutional Placement and 1 for 1 Entitlement Offer to raise up to approximately A\$98 million (together the “Offer”)
- New shares to be issued at A\$0.30 per share (“Offer Price”)
- A minimum of A\$80 million of the Offer is underwritten by Macquarie Capital (Australia) Limited and Canaccord Genuity (Australia) Limited
- The Offer will facilitate Dacian’s recapitalisation and reinstatement to official quotation on the Australian Securities Exchange (pending the successful completion of the Placement and institutional component of the Entitlement Offer)
- Proceeds of the Offer will be directed to the partial repayment of Dacian’s Project Debt Facility, pre-stripping activities at the Doublejay open-pit, targeted exploration activities and working capital
- The Directors of Dacian have committed to take up to \$5.7 million of the Offer via their existing entitlements and/or through sub-underwriting of the Offer
- With a deleveraged balance sheet and rejuvenated corporate strategy, Dacian is now well positioned to pursue its simplified operating plan with a three-year outlook targeting average 110,000 oz per annum at an all-in sustaining cost (“AISC”) of A\$1,350/oz

Dacian Gold Limited (“**Dacian**” or the “**Company**”) (ASX:DCN) is pleased to announce the Company is conducting an institutional share placement and an accelerated pro rata non-renounceable entitlement offer to raise up to approximately A\$98 million (collectively, the “**Offer**”).

Dacian is undertaking the Offer to recapitalise and reposition the Company to deliver upon its proven, low risk three year outlook as announced to the ASX on 27 February 2020. Assuming the successful completion of the Offer to raise gross proceeds of up to \$98 million<sup>1</sup>, the proposed use of funds is outlined in the following table:

<sup>1</sup> The Offer is underwritten to a minimum of \$80 million. In the event less than A\$98 million (but more than A\$80 million) is raised, use of funds will be incrementally scaled back from further repayments of the Project Debt Facility, ongoing exploration activities and working capital.

Uses of funds	A\$m
Partial repayment of Project Debt Facility <sup>2</sup>	50
Pre-stripping activities at Doublejay	15
Exploration activities	15
General working capital and Offer costs	18
<b>Total</b>	<b>98</b>

Dacian's Managing Director, Leigh Junk, commented:

*"Today's equity raising recapitalises Dacian's balance sheet and transitions the Company into a de-risked, sustainable and high margin gold producer. Together with the appointment of a new leadership team, an updated and independently verified Mineral Resource and Ore Reserve, and a three-year outlook that focuses on proven open-pit operations, this equity raising will effect a recapitalisation that will position Dacian to unlock the full potential of its asset base."*

*"Our substantial Mineral Resource, advanced near-mine exploration targets and historical stockpiles present several opportunities to extend Mt Morgans beyond the three year outlook, while the optionality that Westralia presents for the Company under a re-optimised operating model provides currently dormant upside potential."*

*"The proceeds from the Offer will enable the Company to deleverage the balance sheet and execute on its operating plan to generate sustained positive cash flow, while also providing the ability to invest in the future growth strategy for Dacian and Mt Morgans."*

## Equity raising

Dacian is conducting the Offer to raise up to approximately A\$98 million, comprised of:

- An institutional placement of up to 99.4 million new fully paid ordinary shares in Dacian ("**New Shares**") to raise up to approximately A\$30 million ("**Placement**")<sup>3</sup>; and
- A 1 for 1 accelerated pro rata non-renounceable entitlement offer of up to 228.4 million New Shares to raise up to approximately A\$68 million ("**Entitlement Offer**").

<sup>2</sup> An amount of \$24.7 million is to be repaid by 30 April 2020, with a further amount of up to A\$25.3 to be used for discretionary, accelerated debt reduction

<sup>3</sup> Dacian has notified ASX that it intends to rely on the class waiver decision "Temporary Extra Placement Capacity" issued by ASX on 31 March 2020 to increase its placement capacity under ASX Listing Rule 7.1 from 15% to 25%, and to include in its calculation for the purposes of Listing Rule 7.1 the number of New Shares that may be issued under the underwritten component of the Entitlement Offer.

All New Shares offered under the Offer will be issued at a price of A\$0.30 per New Share, which represents a:

- 79% discount to the last traded price of A\$1.40 on 31 January 2020<sup>4</sup>; and
- 60% discount to the TERP of A\$0.75<sup>5</sup>.

The above discounts reflect the fact that trading in Dacian shares on ASX has been in voluntary suspension since 3 February 2020. Since that time, the Company has announced an updated Mineral Resource and Ore Reserve estimate as well as a three year production outlook. There has also been an extreme impact on global financial and capital markets following the outbreak of the COVID-19 virus.

A minimum of A\$80 million of the Offer is underwritten by Macquarie Capital (Australia) Limited and Canaccord Genuity (Australia) Limited. This will enable Dacian to deliver upon its recapitalisation strategy, including funding its near term debt repayments. Final gross proceeds will be subject to the level of uptake of the Retail Entitlement Offer, which is only partly underwritten. In the event less than A\$98 million is raised, use of funds will be incrementally scaled back from further repayments of the Project Debt Facility, ongoing exploration activities and working capital.

Each New Share issued under the Offer will rank equally with existing fully paid ordinary shares in Dacian (“**Share**”) on issue. Dacian will, upon issue of the New Shares under the Offer, seek quotation of the New Shares on the ASX.

Under the Entitlement Offer, eligible shareholders are invited to subscribe for one New Share for every 1 existing Shares held as at 7:00pm (Sydney time) on Tuesday, 14 April 2020 (“**Record Date**”).

Eligible institutional shareholders will be invited to participate in the accelerated institutional component of the Entitlement Offer (“**Institutional Entitlement Offer**”), which is being conducted today, Wednesday 8 April 2020, along with the Placement.

The retail component of the Entitlement Offer (“**Retail Entitlement Offer**”) will be open from Friday, 17 April 2020 to Friday, 1 May 2020 to eligible retail shareholders with a registered address in Australia or New Zealand as at 7:00 pm (Sydney time) on the Record Date. A prospectus in respect of the Offer has been lodged with the ASX today and is expected to be mailed to eligible retail shareholders on Friday, 17 April 2020. Eligible retail shareholders will also be invited to subscribe for shares over and above their entitlement, subject to the overall level of participation in the Entitlement Offer.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferable.

---

<sup>4</sup> Dacian has been in voluntary suspension since 3 February 2020 (Please refer to ASX Announcement dated 3 February 2020 titled Suspension from Official Quotation)

<sup>5</sup> The theoretical ex-rights price (“TERP”) is the theoretical price at which Dacian shares should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Dacian’s shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal the TERP. TERP is calculated by reference to Dacian’s closing price of A\$1.40 on 31 January 2020. The TERP also includes New Shares to be issued under the Placement.

The Directors of Dacian have committed to take up to \$5.7 million of the Offer via their existing entitlements and/or through sub-underwriting of the Offer

Macquarie Capital (Australia) Limited and Canaccord Genuity (Australia) Limited will act as joint lead managers and bookrunners to the Offer. Euroz Securities Limited will act as co-lead manager to the Offer.

Treadstone Resource Partners acted as financial advisor and Corrs Chambers Westgarth acted as legal counsel to Dacian in relation to the Offer.

## Offer timetable

An indicative timetable of key dates in relation to the Offer is detailed below.

Event	Date
Announcement of Offer Institutional Entitlement Offer and Placement opens	Wednesday, 8 April 2020
Institutional Entitlement Offer and Placement closes	Thursday, 9 April 2020
Suspension in trading lifted and trading resumes on an “ex-entitlement” basis	Tuesday, 14 April 2020
Record Date for determining Eligible Shareholders under the Entitlement Offer	7:00pm (Sydney time) on Tuesday, 14 April 2020
Retail Entitlement Offer opens and Prospectus dispatched	Friday, 17 April 2020
Settlement of New Shares issued under the Institutional Entitlement Offer and the Placement	Friday, 17 April 2020
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer and the Placement	Monday, 20 April 2020
Retail Entitlement Offer closes	5:00pm (Perth time) on Friday, 1 May 2020
Settlement of Retail Entitlement Offer	Thursday, 7 May 2020
Allotment of New Shares issued under the Retail Entitlement Offer	Friday, 8 May 2020
Dispatch of holding statements and normal trading of New Shares issued under Retail Entitlement Offer	Monday, 11 May 2020

Note: The timetable above is indicative only and may be subject to change. Dacian reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Dacian reserves the right to extend the closing date of the Entitlement Offer, to accept late applications under the Offer (either generally or in particular cases) and to withdraw the Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares.

## Further information

Further details of the Offer are set out in the Investor Presentation and Prospectus also lodged on the ASX today. The Investor Presentation and Prospectus contain important information including key risks and foreign selling restrictions with respect to the Offer.

If you have any questions in relation to the Offer, please contact the Dacian Information Line on 1300 140 315 (within Australia) or +61 3 9415 4295 (outside of Australia) between 8:30am and 5:00pm (Sydney time) Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

– END –

*This ASX announcement was approved and authorised for release by the Board of Dacian Gold Limited*

For further information please contact:

Leigh Junk Dacian Gold Limited +61 8 6323 9000 leigh.junk@daciangold.com.au	Phil Russo Dacian Gold Limited +61 8 6323 9000 phil.russo@daciangold.com.au
--	--

This announcement is not financial product advice and has not taken into account your objectives, financial situation or needs. This announcement has been prepared for release in Australia. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any jurisdiction in which such an offer would be illegal. The offer and sale of the securities referred to in this announcement have not been, and will not be, registered under the United States Securities Act of 1933 (the **U.S. Securities Act**), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the new shares to be offered and sold in the Entitlement Offer and the Placement may not be offered or sold, directly or indirectly, to persons in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The new shares to be offered and sold in the Retail Entitlement Offer may not be offered or sold, directly or indirectly, to any person in the United States or any person acting for the account or benefit of a person in the United States.

This announcement contains "forward-looking statements" and comments about future events, including statements about the plans, objectives and strategies of the Company's management, Dacian's expectations about the performance of its business, production guidance, Dacian's ability to implement its recapitalisation strategy, the results of the optimisation studies for the Westralia mining area and the results of Dacian's exploration activities. Forward-looking statements may include words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "outlook", "upside", "likely", "intend", "should", "could", "may", "target", "plan", and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication, prediction or guarantee of future performance. Actual results may differ materially from those expressed or implied in such statements and these differences may be material. The forward looking statements in this announcement involve known and unknown risks and other factors, many of which are beyond the control of, or unknown to, Dacian, its directors, officers and employees, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Such forward looking statements are based on information available to Dacian as at the date of this announcement. Recipients are cautioned not to place undue reliance on forward looking statements and except as required by law or regulation, Dacian assumes no liability to update these forward looking statements. Such statements speak only as of the date hereof, and Dacian has no obligation to update or revise any such statements to reflect any change in events, conditions or circumstances on which any such statement is based. No representation or warranty, express or implied, is made by the Company that the matters stated in this announcement will be achieved or prove to be correct. Recipients of this announcement must make their own investigations and inquiries regarding all assumptions, risks, uncertainties and contingencies which may affect the future operations of the Company or the Company's securities.