

PRELIMINARY DECEMBER QUARTER UPDATE

December quarter production of 27,162oz delivers Dacian into strong net cash position

HIGHLIGHTS

- Production of 27,162oz for the December quarter and year to date production of 59,961oz is tracking well for FY2021 guidance of 110,000-120,000oz
- Repaid \$15.7M in debt during the quarter, total debt now stands at \$23.4M
- Cash and gold-on-hand at 31 December 2020 totals \$37.9M for a net cash and gold position of \$14.5M, a \$15.1M improvement from 30 September 2020
- Hedge commitments reduced to 55,488oz at an average price of \$2,140/oz
- Merger with NTM Gold announced on 16 November 2020 scheduled for completion mid March 2021

Dacian Gold Ltd (**Dacian Gold** or **the Company**) (ASX: DCN) is pleased to provide the following preliminary operating and corporate update for the December quarter.

Managing Director, Leigh Junk commented: "This continues Dacian's strong turnaround and positions us well to meet our annual targets during FY2021. The Mt Morgans operating result for the quarter has facilitated an additional performance-based debt repayment reducing debt to \$23.4M, which is now forecast to be extinguished from operating cashflows during 2021. Dacian's growing financial strength is ideally timed with the pending merger with NTM and its compelling pipeline of development projects. We look forward to incorporating the Redcliffe Gold Project into Mt Morgans to extend mine life and to diversify and bolster production."

MT MORGANS GOLD OPERATION

Production for the December quarter was 27,162oz, with 1H FY2021 totalling 59,961oz which is on track towards FY2021 guidance of 110,000-120,000oz.

Ore was sourced predominantly from Heffernans and Mt Marven open pits while stripping activities continued at the Doublejay open pit as planned.

During the quarter a safety incident occurred whilst undertaking a planned reline of the SAG mill which resulted in an overrun of the mill shutdown by a period of 7 days. This resulted in reduced overall mill throughput for the quarter and impacted recovered gold. Following completion of the reline, throughput rates then returned to normal levels at an annualised run-rate of 2.9Mtpa. Despite the extended shutdown the operations performed well and is positioned favourably to maintain annual gold production inline with stated guidance.

CORPORATE AND FINANCE

Total cash and gold-on-hand at 31 December 2020 was \$37.9M (30 September 2020: \$38.5M) for a \$15.1M improvement in the net cash and gold position to \$14.5M (30 September 2020: net debt of \$0.6M).

The Company repaid \$15.7M in debt during the quarter including an additional performance based payment of \$4.4M, reducing total debt to \$23.4M. Hedge commitments reduced by 6,000oz as planned to a total of 55,488oz at an average price of \$2,140/oz.

NTM TRANSACTION

On 16 November 2020, Dacian announced an all-scrip merger with NTM Gold. Documentation and approvals are progressing towards a NTM General Meeting of shareholders scheduled for early March 2021 with an anticipated closing date of mid March 2021.

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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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