

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Dacian Gold Limited

ABN

61 154 262 978

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | In accordance with the ASX announcements dated 29 November 2016 and 1 December 2016: <ul style="list-style-type: none">• approximately 18 million ordinary shares to be issued pursuant to the Placement; and• approximately 41 million ordinary shares to be issued pursuant to the Entitlement Offer. The exact number of shares are still to be finalised and are subject to shareholding reconciliation and rounding. |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares issued on the same basis as all other existing fully paid ordinary shares. |

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| | |
|---|---|
| <p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | <p>The shares issued will rank equally with all existing shares from the date of issue.</p> |
| <p>5 Issue price or consideration</p> | <p>\$2.50 per share.</p> |
| <p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p> | <p>Proceeds from the capital raising are to be used to fund the development of the Mt Morgans Gold Project, further exploration drilling and general corporate purposes. Further details are set out in the ASX announcement dated 29 November 2016 and investor presentation dated 1 December 2016.</p> |
| <p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p> | <p>No</p> |
| <p>6b The date the security holder resolution under rule 7.1A was passed</p> | <p>N/A</p> |
| <p>6c Number of +securities issued without security holder approval under rule 7.1</p> | <p>N/A</p> |
| <p>6d Number of +securities issued with security holder approval under rule 7.1A</p> | <p>N/A</p> |

| 6e | Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting) | N/A | | | | | | | | | |
|--|---|---|--------|--------|--|----------------------------------|---|--------|--------|--|----------------------------------|
| 6f | Number of +securities issued under an exception in rule 7.2 | N/A | | | | | | | | | |
| 6g | If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation. | N/A | | | | | | | | | |
| 6h | If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements | N/A | | | | | | | | | |
| 6i | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements | N/A | | | | | | | | | |
| 7 | <p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p> | <p>The proposed issue dates are as follows:</p> <ul style="list-style-type: none"> • Shares issued under the Placement – Friday, 9 December 2016 • Shares issued to institutional shareholders under the Entitlement Offer – Friday, 9 December 2016 • Shares issued to retail shareholders under the Entitlement Offer – Thursday, 29 December 2016 | | | | | | | | | |
| 8 | Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable) | <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">+Class</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">Up to 194,686,670 (subject to rounding)</td> <td style="vertical-align: top;">Ordinary fully paid shares (DCN)</td> </tr> </tbody> </table> | Number | +Class | Up to 194,686,670 (subject to rounding) | Ordinary fully paid shares (DCN) | <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">+Class</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">Up to 194,686,670 (subject to rounding)</td> <td style="vertical-align: top;">Ordinary fully paid shares (DCN)</td> </tr> </tbody> </table> | Number | +Class | Up to 194,686,670 (subject to rounding) | Ordinary fully paid shares (DCN) |
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| 9 Number and ⁺ class of all ⁺ securities not quoted on ASX (including the ⁺ securities in section 2 if applicable) | Number | ⁺ Class |
|---|-----------|---|
| | 5,100,000 | Options exercisable at \$0.83 each and expiring 9 October 2017. |
| | 500,000 | Options exercisable at \$0.56 each and expiring 28 February 2019. |
| | 1,000,000 | Options exercisable at \$0.64 each and expiring 24 September 2019. |
| | 2,000,000 | Options exercisable at \$0.45 each and expiring 17 November 2019 |
| | 1,500,000 | Options exercisable at \$1.21 each and expiring 30 September 2020. |
| | 1,650,000 | Options exercisable at \$1.22 each and expiring 28 February 2021. |
| | 300,000 | Options exercisable at \$2.05 each and expiring 28 February 2021. |
| | 500,000 | Options exercisable at \$3.72 each and expiring 30 June 2021. |
| | 140,000 | Performance rights expiring 11 October 2020 and performance measurement date of 30 June 2017. |
| | 200,000 | Performance rights expiring 11 October 2020 and performance measurement date of 30 June 2018. |
| | 330,000 | Performance rights expiring 11 October 2020 and performance measurement date of 30 June 2019. |

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| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | N/A |
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Part 2 - Pro rata issue

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| 11 | Is security holder approval required? | No |
|----|---------------------------------------|----|

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| 12 | Is the issue renounceable or non-renounceable? | Non renounceable |
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| 13 | Ratio in which the ⁺ securities will be offered | 3 new shares for every 10 shares held on the record date |
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| 14 | ⁺ Class of ⁺ securities to which the offer relates | Fully paid ordinary shares |
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| 15 | ⁺ Record date to determine entitlements | 7pm (AEDT) Monday, 5 December 2016 |
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| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | No |
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| 17 | Policy for deciding entitlements in relation to fractions | Fractional entitlements will be rounded up to the nearest whole number of shares |
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| 18 | Names of countries in which the entity has security holders who will not be sent new offer documents | For the retail component of the Entitlement Offer all countries other than Australia and New Zealand. |
| | <small>Note: Security holders must be told how their entitlements are to be dealt with.</small> | For the institutional component of the Entitlement Offer all countries other than Australia, New Zealand, United Kingdom, United States, Malaysia, Canada, Singapore and Hong Kong. |
| | <small>Cross reference: rule 7.7.</small> | |

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| 19 | Closing date for receipt of acceptances or renunciations | Entitlement Offer to institutional shareholders Thursday, 1 December 2016 |
| | | Entitlement Offer to retail shareholders - Tuesday, 20 December 2016 |

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| 20 | Names of any underwriters | N/A |
| 21 | Amount of any underwriting fee or commission | N/A |
| 22 | Names of any brokers to the issue | Canaccord Genuity (Australia) Limited and Euroz Securities Limited |
| 23 | Fee or commission payable to the broker to the issue | Fees to Joint lead managers include: <ul style="list-style-type: none">• a combined management and selling fee equal to 2.5% of the Institutional Entitlement Offer Proceeds;• a combined management and selling fee equal to 2.5% of the Placement Proceeds; and• a combined management and selling fee of 1% of the Retail Entitlement Offer proceeds. |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders | N/A |
| 25 | If the issue is contingent on security holders' approval, the date of the meeting | N/A |
| 26 | Date entitlement and acceptance form and offer documents will be sent to persons entitled | No Prospectus is required. A Retail Entitlement Offer Booklet and Entitlement and Acceptance form will be sent to Eligible Retail Shareholders on or about 7 December 2016. |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | N/A |
| 28 | Date rights trading will begin (if applicable) | N/A |
| 29 | Date rights trading will end (if applicable) | N/A |
| 30 | How do security holders sell | N/A |

| | | |
|----|---|---|
| | their entitlements <i>in full</i> through a broker? | |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | N/A |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | N/A |
| 33 | ⁺ Issue date | <p>The proposed issue date for the Institutional Entitlement offer is Friday 9 December 2016</p> <p>The proposed issue date for the Retail Entitlement Offer is Thursday 29 December 2016</p> |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories

- 1 - 1,000
- 1,001 - 5,000
- 5,001 - 10,000
- 10,001 - 100,000
- 100,001 and over

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37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

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| N/A |
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39 +Class of +securities for which quotation is sought

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| N/A |
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40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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| N/A |
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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

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| N/A |
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| | Number | +Class |
|--|--------|--------|
| 42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38) | N/A | |

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.


- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: 
(Director/Company secretary)

Date: 1 December 2016

Print name: Kevin Hart

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1 DECEMBER 2016

ASX ANNOUNCEMENT NOTICE UNDER SECTION 708AA OF THE CORPORATIONS ACT 2001

On Tuesday, 29 November 2016, Dacian Gold Limited (**Company**) announced that it is undertaking a pro-rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) and institutional placement (**Placement Offer**). Today, the Company has advised that the terms of the Entitlement Offer and the Placement Offer have been amended.

The Company now seeks to raise up to approximately \$148 million (before offer costs).

Under the Entitlement Offer, eligible shareholders will be invited to subscribe for 3 fully paid ordinary shares (**New Shares**) for every 10 existing shares in the Company held as at the Record Date, 7.00pm (AEDT) on Monday, 5 December 2016 at an issue price of \$2.50 per New Share.

The Entitlement Offer will comprise an accelerated institutional component and a retail component.

The Placement Offer will be for approximately 18 million New Shares at an issue price of \$2.50 per New Share.

Further details regarding the Entitlement Offer and the Placement Offer are set out in the amended ASX announcement and investor presentation lodged earlier today.

The Company advises that it will offer the New Shares for issue to investors under Part 6D.2 of the Corporations Act 2001 (**Act**) and states that this notice updates the notice given to ASX on 29 November 2016 under paragraph 708AA(2)(f) of the Act, as modified by ASIC Corporations Instruments 2016/73 and 2016/84.

Accordingly, the Company confirms that:

1. The Company will offer the New Shares under the Entitlement Offer and the Placement Offer without disclosure to Investors under Part 6D.2 of the Act.
2. As at the date of this notice, the Company has complied with:
 - (a) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (b) section 674 of the Act.

A.C.N: 154 262 978
A.B.N: 61 154 262 978

T: +61 8 6323 9000
F: +61 8 6323 9099

E: info@daciangold.com.au
W: www.daciangold.com.au

O: Level 2, 1 Preston Street, Como WA 6152
P: PO Box 2152, Como WA 6152 3450-1375-2068v1



3. As at the date of this notice, there is no excluded information as defined in section 708AA(8) and section 708AA(9) of the Act which is required to be disclosed by the Company.
4. The potential effect that the Entitlement Offer and Placement Offer will have on the control of the Company and the consequences of that effect will depend on a number of factors, including investor demand and existing shareholdings. However, given the structure of the Entitlement Offer as a pro-rata issue, the Entitlement Offer and Placement Offer are not expected to have any material effect or consequences on the control the Company.

For and on behalf of the Board

Rohan Williams

Executive Chairman