



## DACIAN AND NTM GOLD AGREE MERGER TO UNLOCK SHAREHOLDER VALUE THROUGH REGIONAL CONSOLIDATION

- Dacian Gold Limited (ASX: DCN) and NTM Gold Limited (ASX: NTM) have agreed to a merger via a NTM Scheme of Arrangement under which Dacian will acquire 100% of the shares in NTM.
- NTM Shareholders to receive 1 Dacian share for every 2.7 NTM shares held at the Scheme Record Date. In conjunction, NTM Options to be exchanged for new Dacian Options at the 2.7 exchange ratio and on equivalent terms.
- Upon implementation of the Scheme, Dacian shareholders will hold approximately 68.4% and NTM shareholders will hold approximately 31.6% of the Merged Group, respectively.
- The Scheme is unanimously supported by the Board of NTM and two of NTM's largest shareholders representing a combined 32.9% voting interest, subject to no superior proposal emerging.
- Both groups of shareholders to benefit from strategic consolidation of regional Mineral Resources and integration of the Redcliffe Gold Project into the Mt Morgans Gold Operations.
- Dacian and NTM will host a joint conference call at 11:30 AEDT (8:30am AWST) today.

Dacian Gold Limited (**Dacian**) (ASX: DCN) and NTM Gold Limited (**NTM**) (ASX: NTM) are pleased to announce that they have entered into a binding Scheme Implementation Deed (**SID**), under which the two companies will merge by way of a NTM Scheme of Arrangement (**Scheme or Merger**). The Merger will combine two complementary West Australian gold companies, leveraging Dacian's operational expertise and processing infrastructure to unlock the development potential of the Redcliffe Gold Project through regional consolidation (**Merged Group**).

Under the terms of the Scheme, each NTM Shareholder will receive 1 Dacian share for every 2.7 NTM shares held at the Scheme record date. As a result, shareholders of Dacian and NTM will hold 68.4% and 31.6%, respectively, of the issued ordinary shares in the Merged Group. In conjunction, outstanding NTM options will be exchanged for new Dacian options at the 2.7 exchange ratio and on equivalent terms.<sup>1</sup>

The NTM Board unanimously recommends that NTM Shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to an Independent Expert opining the Scheme is in the best interest of NTM Shareholders. NTM Shareholders, including all NTM Directors and the two largest shareholders, Empire Resources Group (13.7%) and DGO Gold Limited (13.6%), representing a combined voting interest of 32.9% intend to vote all the shares that they hold in NTM in favour of the Scheme, in the absence of a superior proposal.

**Leigh Junk, Managing Director of Dacian, commented:** "This merger will create value by delivering on our strategy of extending mine life, diversifying our production base and increasing operational flexibility at Mt Morgans. This is a logical step for Dacian to expand operations in our region by unlocking resources within haulage distance of our substantial processing infrastructure, enabling future resource and reserve additions to be brought quickly into production."

*The merger with NTM creates an industry leading portfolio of advanced exploration targets underpinned by potential high-margin, low capital intensity development opportunities, which would significantly expand Dacian's production profile through the addition of high-grade deposits to our operating plan, further future proofing our business."*

**Andrew Muir, Managing Director of NTM, commented:** "This is a compelling transaction for NTM and provides the financial, processing and operating strength to unlock the value of the Redcliffe Gold Project. The transaction is an outstanding opportunity for NTM given the proximity of both companies' assets and delivers to NTM shareholders immediate exposure to gold production while still enabling them to benefit from future exploration success at both Redcliffe and Mt Morgans."

<sup>1</sup> Existing 60M NTM options (\$0.10/s exercise price, expiring on 31 March 2022) to be exchanged for new Dacian Options at the 2.7 ratio, resulting in 22.2M Dacian Options being issued at a \$0.27/s exercise price, expiring on 31 March 2022. The only holder of options in NTM is DGO Gold Limited. Eduard Eshuys is a Non-Executive Director of NTM and Executive Chairman of DGO Gold Limited and is considered to hold a relevant interest in the security holdings of DGO Gold Limited in NTM.

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## STRATEGIC RATIONALE AND MERGER HIGHLIGHTS

- **“On Strategy” transaction that delivers high-value Mineral Resources within haulage distance to extend mine life:**
  - Aligned with Dacian’s corporate strategy centred on a simplified operating plan of predominantly open pit production and growth through organic exploration, development and regional consolidation.
  - Strategic consolidation of shallow, high-grade Mineral Resources at NTM’s Redcliffe Gold Project including 890kt @ 4.9g/t Au for 141koz that sit within a Mineral Resource Estimate of 13.4Mt @ 1.57g/t for 679koz.
  - The Redcliffe Gold Project lies within a 100km radius of Dacian’s Mt Morgans Gold Operations.
- **Operational diversity and flexibility with additional optimisation opportunities:**
  - Opportunity to diversify production at Mt Morgans via a second mining centre creating operating flexibility and reducing risk.
  - Opportunities to enhance and extend Dacian’s existing mine plan given the presence of high-grade, shallow oxide mineralisation such as at the Hub and GTS deposits.
  - Potential for significant mine life extensions at Mt Morgans and to realise the full potential of the combined Merged Group’s Mineral Resource base of 45.4Mt @ 1.88g/t for 2.75Moz.
  - Significant potential to optimise the Redcliffe Gold Project’s grade profile, highlighted by the 50%+ increase in Mineral Resource average grade from 1.57g/t to 2.40g/t by lifting the cut-off grade by 0.5g/t to 1.0g/t (except for the Hub deposit).
- **Leverages Dacian’s processing infrastructure, operations in the region and strengthening financial position:**
  - Realises significant capital expenditure synergies for NTM Shareholders by leveraging Dacian’s recently constructed 2.5Mtpa processing facilities (with achieved throughput of 2.9Mtpa).
  - Allows for rapid integration of NTM’s Redcliffe Gold Project into Dacian’s Mt Morgans Gold Operations.
- **Significant combined pipeline of exploration and development opportunities:**
  - The Merged Group will have a highly prospective land position of over 1,300km<sup>2</sup> in the Leonora-Laverton District with a significant organic growth pipeline of advanced exploration targets and Mineral Resource growth opportunities.
  - Strong cash flows supporting discovery and delineation of potential future production sources.
  - NTM’s exploration personnel will transition to the Merged Group, maintaining a continued and comprehensive knowledge base on the Redcliffe Gold Project.

## KEY BENEFITS FOR NTM SHAREHOLDERS

- **Immediate value realisation event at an attractive premium:**
  - Exchange ratio of 1 Dacian share per 2.7 NTM shares represents an Implied Offer Price of \$0.141 per share based on Dacian’s 30-day VWAP and a 26.1% premium to the 30-day VWAP of both companies.<sup>2</sup>
  - An immediate and significant increase in the potential value of NTM’s resources, particularly the near surface high grade mineralisation, via the ability to access to Dacian’s processing facilities.
- **Significant shareholding in an established gold producer with ongoing exposure to the Redcliffe Gold Project:**
  - NTM Shareholders will hold a significant pro forma shareholding of 31.6% in the Merged Group.
  - The Scheme provides an immediate transition from an explorer to gold producer whilst retaining meaningful exposure to ongoing exploration success at the Redcliffe Gold Project.
  - Enables the Merged Group to accelerate and de-risk the development strategy of the Redcliffe Gold Project by utilising Dacian’s established infrastructure and operational expertise.
- **Exposure to potential improved market rating and enhanced liquidity of the Merged Group:**
  - As a shareholder in the Merged Group, NTM Shareholders can expect to benefit from deeper trading liquidity and broader research coverage, enhanced scale and market positioning and potential future inclusion in relevant gold and ASX indices.

<sup>2</sup> VWAP is the volume weighted average price and is sourced from IRESS and based on the period immediately prior to announcement date of 16 November 2020.

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## TRANSACTION SUMMARY

The Merger is to be implemented by way of a NTM Scheme of Arrangement, under which Dacian will acquire 100% of the shares in NTM. NTM Shareholders will receive 1 Dacian share for each 2.7 NTM shares held on the Scheme record date. As a result, shareholders of Dacian and NTM will hold 68.4% and 31.6%, respectively, of the issued ordinary shares in the Merged Group. Capital Gains Tax scrip-for-scrip rollover relief is expected for Australian NTM Shareholders.<sup>3</sup>

The outstanding NTM options will, subject to ASX granting a waiver of Listing Rule 6.23.2, be exchanged for approximately 22.2 million new Dacian options at the 2.7 exchange ratio and on equivalent terms including an adjusted exercise price of \$0.27 per share and the same maturity date of 31 March 2022.<sup>4</sup>

The NTM Board unanimously recommends that NTM Shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to an Independent Expert opining the Scheme is in the best interest of the NTM Shareholders. NTM Shareholders, including all NTM Directors and the two largest shareholders, Empire Resources Group (13.7%) and DGO Gold Limited (13.6%), representing a combined voting interest of 32.9% intend to vote all the shares that they hold in NTM in favour of the Scheme, in the absence of a superior proposal.

Upon implementation of the Scheme, the Merged Group will have approximately 813 million ordinary shares outstanding and continue to trade as Dacian Gold Limited under the ticker DCN:ASX.

Key customary conditions to the implementation of the Scheme include, amongst others:

- Approval being obtained from NTM Shareholders in relation to the Scheme (requiring approval of a majority in number of NTM Shareholders voting and approval of NTM Shareholders who represent at least 75% of the total votes cast);
- Court approval in relation to the Scheme;
- The Independent Expert opining that the Scheme is in the best interests of NTM Shareholders, and not changing, withdrawing or qualifying that conclusion; and
- No material adverse change or prescribed event (each as defined in the SID) occurring in relation to either Dacian or NTM.

The Scheme Implementation Deed includes exclusivity arrangements in respect of NTM (including “no shop”, “no talk” and “no due diligence” restrictions, notification obligations and a “matching right” in favour of Dacian) and a customary break fee payable by NTM in certain circumstances. The exclusivity arrangements are subject to customary exceptions that enable the NTM Board to comply with its fiduciary and / or statutory duties.

Full details of the terms and conditions of the Scheme are set out in the Scheme Implementation Deed, a copy of which has been released to the ASX in a separate announcement.

## LEADERSHIP AND INTEGRATION

Following the implementation of the Scheme, Dacian will continue to be led by Managing Director, Leigh Junk and Chairman, Ian Cochrane, and NTM Director Eduard Eshuys will join the Board as a non-executive Director. NTM’s exploration personnel will transition to the Merged Group, maintaining a continued and comprehensive knowledge base on the Redcliffe Gold Project.

## FINANCIAL INFORMATION

The Merged Group is estimated to have a pro forma market capitalisation of \$285 million, cash and equivalents of \$44 million and debt of \$39 million for a net cash position of approximately \$5 million as at 30 September 2020.

<sup>3</sup> NTM Shareholders should seek tax advice in relation to these matters and refer to the Scheme Booklet, when made available, for further details.

<sup>4</sup> Please refer to Footnote 1 for additional details on the option exchange.

## TIMETABLE AND NEXT STEPS

NTM Shareholders do not need to take any action in relation to the Scheme at this stage.

A Scheme Booklet will be circulated to all NTM Shareholders. The booklet will contain full details of the proposed Scheme, including the basis for the NTM Board's unanimous recommendation that NTM Shareholders approve the proposed Scheme in the absence of a superior proposal and subject to the Independent Expert concluding that the Scheme is in the best interests of NTM Shareholders.

An indicative timeline is set out below:

Event	Date
First Court hearing	13 January 2021
NTM to dispatch Scheme Booklet to its Shareholders	18 January 2021
Scheme Meeting	18 February 2021
Second Court Hearing (Approval)	22 February 2021
Effective Date	23 February 2021
Record Date	25 February 2021
Implementation Date	3 March 2021

## ADVISORS AND COUNSEL

Treadstone Resource Partners is acting as financial advisor and HWL Ebsworth Lawyers is acting as legal advisor to Dacian in relation to the Merger.

Steinepreis Paganin is acting as legal advisor to NTM in relation to the Merger.

## CONFERENCE CALL

Dacian and NTM will host a joint investor call in relation to the Scheme at 11:30am AEDT (8:30am AWST) today, 16 November 2020. The call can be accessed via the following link:

<https://s1.c-conf.com/diamondpass/10011012-88kslz.html>

Authorised for release to the ASX by Leigh Junk, Managing Director (DCN) and Andrew Muir, Managing Director (NTM).

## CONTACTS

<p>Leigh Junk            Managing Director            Dacian Gold Limited            +61 8 6323 9000            Info@daciangold.com.au</p>	<p>Phil Russo            General Manager – Corporate Development            Dacian Gold Limited            +61 8 6323 9000            info@daciangold.com.au</p>	<p>Andrew Muir            Managing Director            NTM Gold Ltd            +61 8 9481 6666            amuir@ntmgold.com.au</p>
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## IMPORTANT NOTICE AND DISCLAIMER

### COMPLIANCE STATEMENTS

#### Dacian

**Mineral Resource and Ore Reserve:** This Announcement contains references to Dacian's Mineral Resource and Ore Reserve estimates, which have been extracted from the ASX announcement titled "2019 Mineral Resource and Ore Reserve Update" dated 27 February 2020 (**February Announcement**).

**Production targets and forecast financial information:** This Announcement contains production targets and forecast financial information derived from production targets which were first disclosed in the February Announcement.

**Exploration Results:** This Announcement contains references to Dacian's exploration results, which has been extracted from the following ASX announcements titled 'Mt Morgans Gold Operation Exploration Update' dated 24 July 2020 and 'High Grade Drilling Results Along Strike At Mt Marven' dated 23 October 2020.

Dacian confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcements. In the case of the Mineral Resource and Ore Reserve estimates, all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. In the case of the production targets and forecast financial information, all the material assumptions underpinning the production targets and forecast financial information in the February Announcement continue to apply and have not materially changed.

#### NTM

**Mineral Resource:** This Announcement contains references to NTM's Mineral Resource estimates, which have been extracted from the ASX announcements titled "Maiden Hub Resource of 141koz" dated 1 September 2020 and 'Redcliffe Resource Increases by 94% to 538koz' dated 12 June 2018.

**Exploration Results:** This Announcement contains references to NTM's exploration results, which has been extracted from the following the ASX announcements titled 'Hub Deposit Extends with More High Grades at Depth' dated 28 October 2020 and 'Hub Extension Program Intersects Further High Grades' dated 21 September 2020.

NTM confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcements and, in the case of the Mineral Resource estimate, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Unless otherwise stated, all dollar values in this Announcement are reported in Australian dollars.

## MINERAL RESOURCES

### Dacian – Mt Morgans Mineral Resources (31 December 2019)

Deposit	Cut-off Grade g/t Au	Measured			Indicated			Inferred			Total		
		kt	g/t Au	koz Au	kt	g/t Au	koz Au	kt	g/t Au	koz Au	kt	g/t Au	koz Au
Westralia UG	2.0	303.0	5.5	53.0	1,950.0	6.0	375.0	1,648.0	4.3	227.0	3,902.0	5.2	655.0
Ramornie UG	2.0	0.0	0.0	0.0	212.0	3.2	22.0	61.0	3.1	6.0	274.0	3.1	27.0
Transvaal UG	2.0	367.0	5.8	68.0	404.0	5.3	69.0	482.0	4.7	73.0	1,253.0	5.2	210.0
Morgans North	2.0	27.0	3.5	3.0	174.0	3.2	18.0	306.0	3.5	34.0	507.0	3.4	55.0
Phoenix Ridge UG	2.0							481.0	8.1	125.0	481.0	8.1	125.0
Jupiter UG	2.0				583.0	3.0	57.0	615.0	2.4	47.0	1,197.0	2.7	104.0
Jupiter OP <sup>^</sup>	0.5	917.0	1.2	35.0	13,891.0	1.3	584.0	1,182.0	1.1	42.0	15,990.0	1.3	661.0
Mt Marven OP <sup>^</sup>	0.5				469.0	1.8	27.0	42.0	1.5	2.0	511.0	1.8	29.0
Cameron Well OP <sup>^</sup>	0.5				2,511.0	1.1	89.0	373.0	1.3	16.0	2,884.0	1.1	105.0
Maxwells OP <sup>^</sup>	0.5				250.0	1.4	11.0	40.0	1.6	2.0	290.0	1.3	12.0
Mine Stockpiles	0.5	241.0	0.6	5.0							241.0	0.6	5.0
LG Stockpiles	0.5	938.0	0.7	22.0							938.0	0.7	22.0
Jupiter LG Stockpiles	0.5	3,494.0	0.5	57.0							3,494.0	0.5	57.0
<b>Total</b>		<b>6,287.0</b>	<b>1.2</b>	<b>243.0</b>	<b>20,444.0</b>	<b>1.9</b>	<b>1,252.0</b>	<b>5,230.0</b>	<b>3.4</b>	<b>574.0</b>	<b>31,962.0</b>	<b>2.0</b>	<b>2,067.0</b>

<sup>^</sup>Reported within a \$2,400/oz pit optimisation.

### NTM – Redcliffe Gold Project JORC Resource at 0.5g/t Au cut-off

Deposit	Indicated			Inferred			Total		
	kt	g/t Au	koz Au	kt	g/t Au	koz Au	kt	g/t Au	koz Au
Hub (2020)				890.3	4.9	140.8	890.3	4.9	140.8
GTS (2018)	1,050.7	1.9	65.2	1,785.6	1.3	73.1	2,836.3	1.5	138.4
Kelly (2018)				3,065.9	0.8	82.8	3,065.9	0.8	82.8
Nambi (2018)	702.6	2.7	60.5	866.6	2.8	77.2	1,569.2	2.7	137.7
Bindy (2018)				2,739.7	1.1	99.5	2,739.7	1.1	99.5
Redcliffe (2018)				1,255.6	1.1	44.1	1,255.6	1.1	44.1
Mesa/West Lode (2018)				1,058.7	1.0	35.4	1,058.7	1.0	35.4
<b>Grand Total</b>	<b>1,753.3</b>	<b>2.2</b>	<b>125.7</b>	<b>11,662.4</b>	<b>1.5</b>	<b>553.0</b>	<b>13,415.7</b>	<b>1.6</b>	<b>678.7</b>