

DGO Gold Limited

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Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sirs,

RE: DGO Gold Expands Position in Eastern Goldfields of WA

DGO Gold Limited (“DGO”) has entered in to a joint venture at Lake Randall, an exploration licence application (E15/1573) covering an area of 53 km² in the Lake Randall region, 80km south of Kalgoorlie, WA. The Lake Randall tenement is **considered prospective for sediment hosted and vein array gold mineralisation.**

- DGO’s Lake Randall joint venture over **Archaean meta sediments** in the Eastern Goldfields of WA is part of the Company’s strategy of exploring for gold deposits in sedimentary basins of the “right geological “age.
- Review of open file geophysical and geological data has identified high strain zones adjacent to small granites within the tenement application proximal to regional scale faulting on or close to the contact between meta sediments and meta volcanics.
- Shallow lake and near lake sediments within the tenement application is likely to have masked any potential surface geochemistry and restricted an enhanced appreciation of the underlying geology.
- There has been no recorded drilling by previous explorers within the tenement application, partly explained by the masking effect of the shallow cover.
- DGO can earn up to a 90% interest in the joint venture by sole funding exploration activities to completion of a Bankable Feasibility Study.
- Lake Randall was identified as prospective through the comprehensive data review by Dr Douglas Haynes, who has been involved in a number of important mineral discoveries in Australia and Africa.

DGO Gold Limited (“DGO”) has entered in to a joint venture with a private consortium, Romardo Gold (WA) Pty Ltd (“Romardo”), over the Lake Randall area in the Eastern Goldfields of Western Australia. Lake Randall consists of an exploration licence application ELA15/1573, covering an area of 53km², located about 10km south south west of the Randalls Gold Mine and 80km south east of Kalgoorlie (see Figure 1). Lake Randall is considered prospective for sediment hosted and vein array gold mineralisation in high strain zones adjacent to small granites proximal to regional scale faulting.

The joint venture is consistent with, and part of, the Company’s ongoing greenfield exploration strategy focusing on exploring for gold deposits in sedimentary basins of the “right” age for the occurrence of sediment hosted gold mineralisation as indicated by the research by CODES at the University of Tasmania.

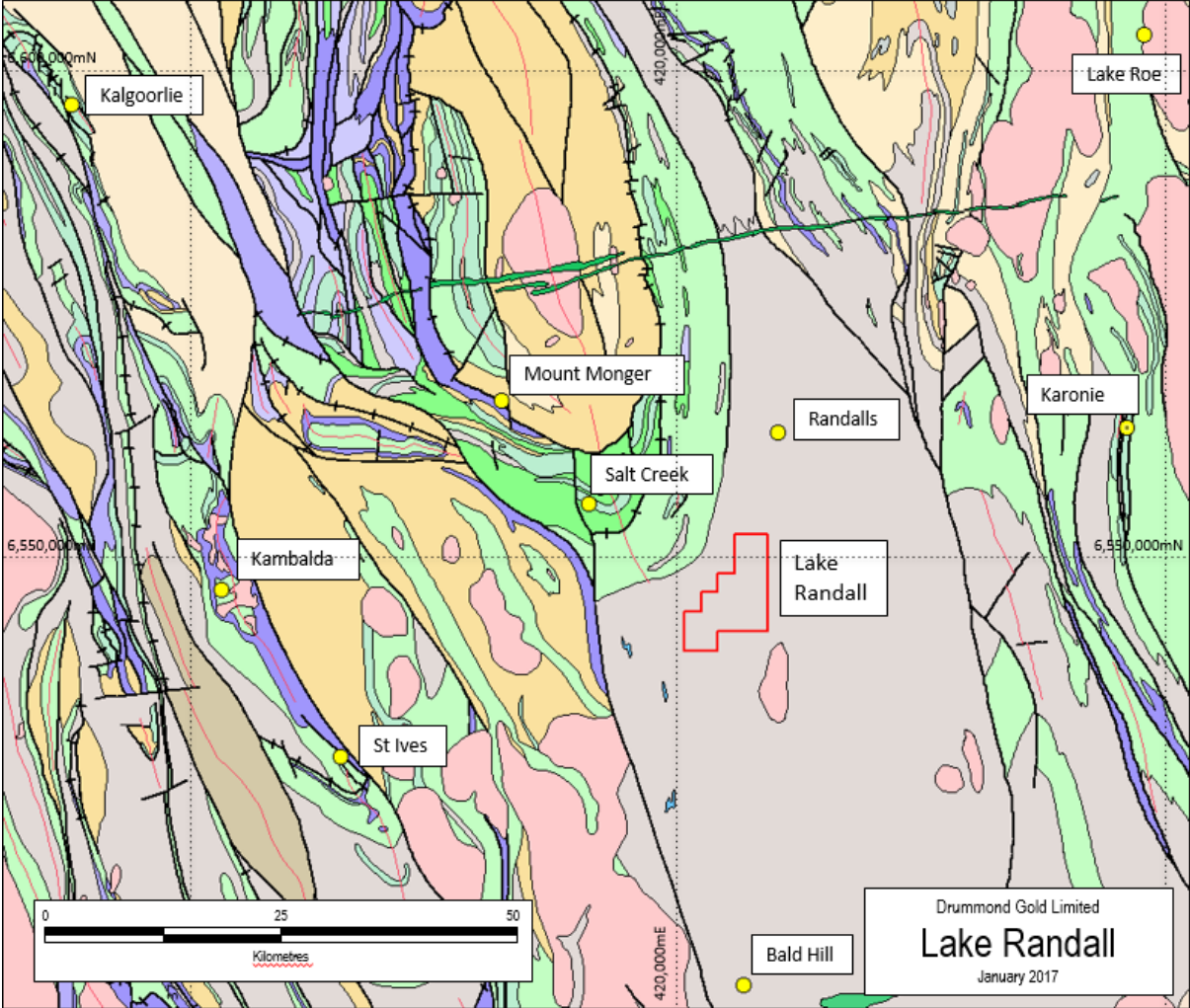


Figure 1: Lake Randall, Exploration Licence Application Location

Review of open file gravity, aeromagnetics and geology data has identified regional scale faulting to the immediate west of the exploration licence application with major strike slip NNE trending faults and shorter low displacement NW – SE trending faults within the tenement. The gravity data indicates the presence of small buried granites within this interpreted high strain zone proximal to a major bend in the strike slip faults.

Interpretation of the regional magnetics indicates that the cover in the area of the exploration licence application is very shallow, with no significant magnetic “noise” masking the underlying structures.

A review of drilling completed in the area by previous explorers, as per the Department of Mines and Petroleum WAMEX database, indicates that there has been no drilling completed on the exploration licence application (see Figure 2). This can be partly explained by the shallow cover masking any potential surface geochemistry and restricting an enhanced appreciation of the underlying geology.

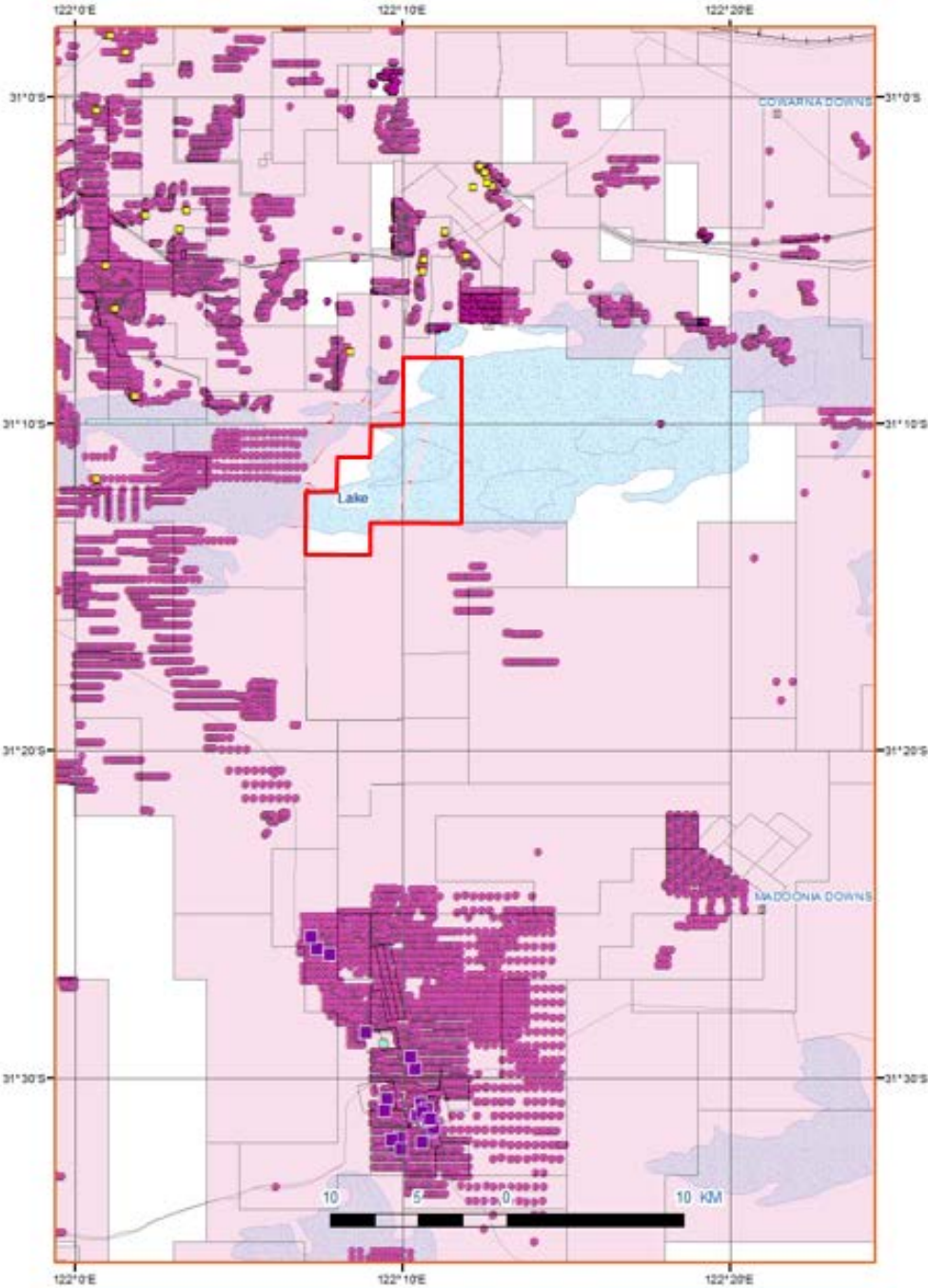


Figure 2: Lake Randall, Open File Drill Data

The Lake Randall target was generated as a result of a comprehensive review for sediment hosted gold mineralisation in the Eastern Goldfields of Western Australia by Dr. Douglas Haynes. Douglas Haynes has 45 years of highly successful experience in metalliferous minerals exploration, first with WMC Resources in junior and senior roles, then with BHP (BHP Billiton), and subsequently as an independent consultant managing Douglas Haynes Discovery Pty Ltd. Douglas Haynes has collaborated in the discovery of a major gold deposit in the East Yilgarn Craton; and in the discovery of a major base metal deposit, Kamo a copper, West of Kolwezi (DRC); Olympic Dam copper-uranium-gold and the Wirrda Well copper-gold deposits, South Australia (1973-1977), the Yandan epithermal gold deposit, Queensland (1984), the Nifty copper deposit, Western Australia (1979), and through mentoring, the Ernest Henry copper-gold deposit, Queensland (1987).

Joint Venture Terms

Under the terms of the joint venture agreement, DGO can earn up to a 90% interest in the Lake Randall joint venture by:

1. Meeting all costs associated with the tenement application and to bring targets to a drill ready stage to earn a 30% interest,
2. Funding a minimum of 1,00m of drilling to earn a further 21% interest, taking its interest in the joint venture to 51%,
3. Spending a further \$700,000 on drilling and associated activities over a two year period to earn a further 19% interest, taking its interest in the joint venture to 70%, and
4. Sole funding activities to completion of a Bankable Feasibility Study to earn a further 20% interest, taking its interest in the joint venture to 90%, subject to Romardo's right to elect to contribute its 30% of joint venture costs.

Upon reaching a decision to mine, Romardo can elect to contribute its 10% of joint venture costs or revert to a 2.5% net smelter royalty (or equivalent).

Please contact the Company if you have further queries in relation to this transaction.

Yours faithfully
DGO GOLD LIMITED



EDUARD ESHUYS
CHAIRMAN