

DGO Gold Limited

ABN 96 124 562 849

Principal office:

27 General Macarthur Place
Redbank Qld 4301
Australia

Postal address:

P.O. Box 294
Carole Park Qld 4300
Australia

Telephone: + 61 7 3381 5368

Facsimile: + 61 7 3381 5365

Email: ilettd@gogold.com.au

Website: www.dgogold.com.au

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Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sirs,

RE: Mallina – Gold in the Pilbara, WA

DGO Gold Limited (“DGO”) has a significant land holding in the West Pilbara south east of Karratha in Western Australia consisting of three granted exploration licences which were applied for in June 2015.

- DGO assisted by research at the Centre of Excellence in Ore Deposits (CODES) at the University of Tasmania (UTAS) identified the Mallina area in the Pilbara as having sediments analogous in age with the Witwatersrand gold province in South Africa. Mallina is 75 kilometers east of Purdy’s Reward and adjacent to and surrounded by Novo Resources Corporation (Novo) exploration licences.
- The recent discovery of abundant gold nuggets associated with conglomerates, by prospectors with metal detectors and the sampling activities by Novo and Artemis Resources Limited at Purdy’s Reward south of Karratha has highlighted the potential for sediment hosted Witwatersrand style mineralisation in the Pilbara.
- The discovery has demonstrated the validity of the Company’s sediment hosted gold mineralisation focus and the research by CODES in identifying regions of Australia with sediments which are analogous in age to the world’s largest sediment hosted gold deposits.
- Public domain airborne magnetic data indicates that Mallina potentially contains the basal units of the Fortescue Group overlying Archaean basement under the cover of younger rocks and may have a similar geological setting to Purdy’s Reward.
- Historical exploration at Mallina identified visible gold in panned stream sediment concentrates and epithermal quartz veining and breccias within adjacent granite basement rocks.
- In addition, a review of open file geophysical data identified high priority targets associated with an east west trending structure parallel to the Mallina Shear Zone to the north which hosts the Indee Gold resources.

The recent discovery of gold nuggets in conglomerates by the Artemis Resources Limited (ASX: ARV) / Novo Resources Corporation (TSX.V: NVO) joint venture at Purdy's Reward south of Karratha in the Pilbara, WA and approximately 75km to the west of Mallina has highlighted the potential for sediment hosted Witwatersrand style mineralisation in the Pilbara of Western Australia (refer ASX: ARV numerous announcements). Novo Resources Corporation's exploration licence applications surround DGO's Mallina tenements as shown in Figure 1.

DGO Gold Limited ("DGO") has three granted exploration licences, covering a significant land holding of 245km² in the highly prospective Pilbara south east of Karratha. The exploration licences were applied for in June 2015 based on the Company's sediment hosted gold exploration strategy resulting from the support of research at the Centre of Excellence in Ore Deposits (CODES) at the University of Tasmania (UTAS).

Research by CODES identified the Mallina area as having sediments and important geological structures analogous in geological age with the Witwatersrand gold province in South Africa. The Hamersley Basin of the Pilbara shares many similarities to those of the Witwatersrand Basin (see Figure 5). The discovery of abundant gold nuggets associated with conglomerates in the Purdy's Reward area by metal detecting in an area where previous GSWA mapping had not identified the "right" age conglomerates is an important breakthrough in validating the Company's sediment hosted gold strategy.

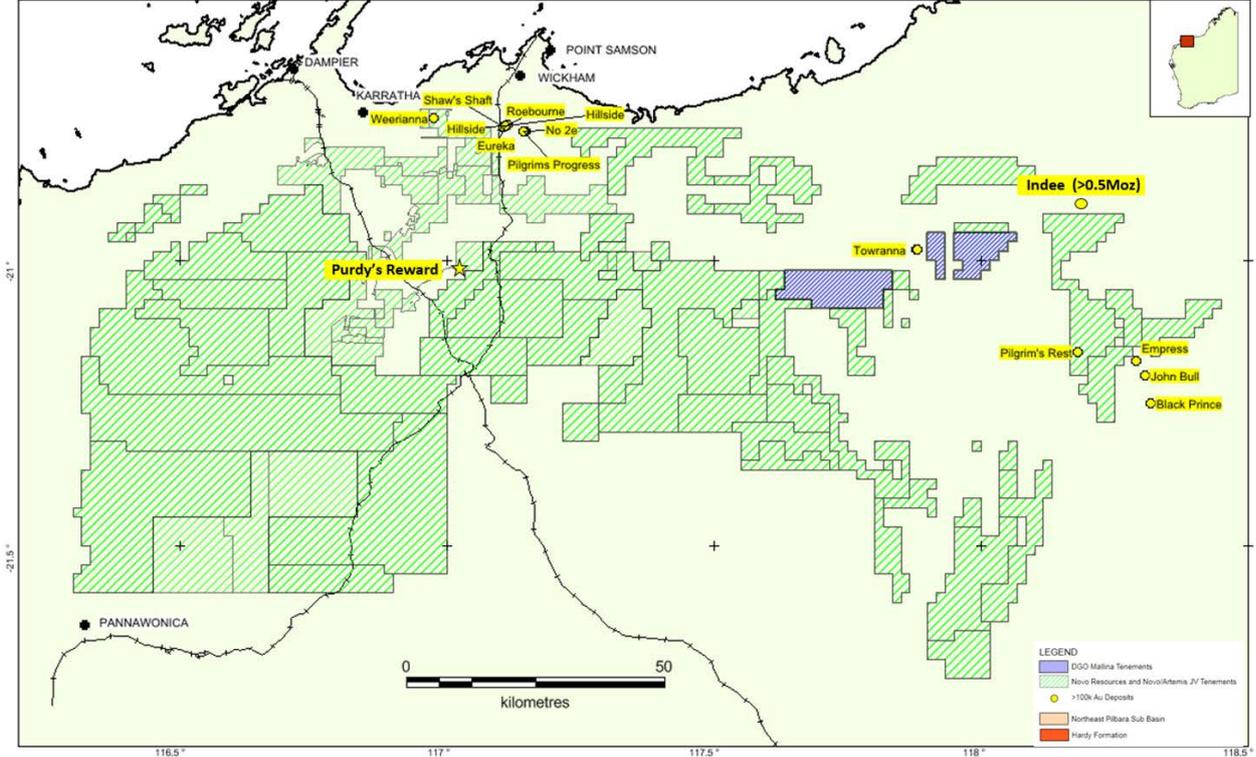


Figure 1: DGO Mallina Tenure relative to the Novo / Artemis tenure

Mallina potentially has a similar geological position as the Artemis / Novo tenure covering the basal units of the Fortescue Basin Group overlying Archaean basement. Figure 2 shows the location of Mallina relative to the airborne magnetics reduced to the pole image (colour) overlying the first vertical derivative image (grey scale). This image shows Archaean basement in the eastern portion of E47/3329 and to the north of E47/3327.

De Grey Mining Limited's (ASX: DEG) Indee Gold Project (under option), which has historical production and hosts a resource (JORC 2014) of 345,000oz is located along strike to the north east of DGO's tenure.

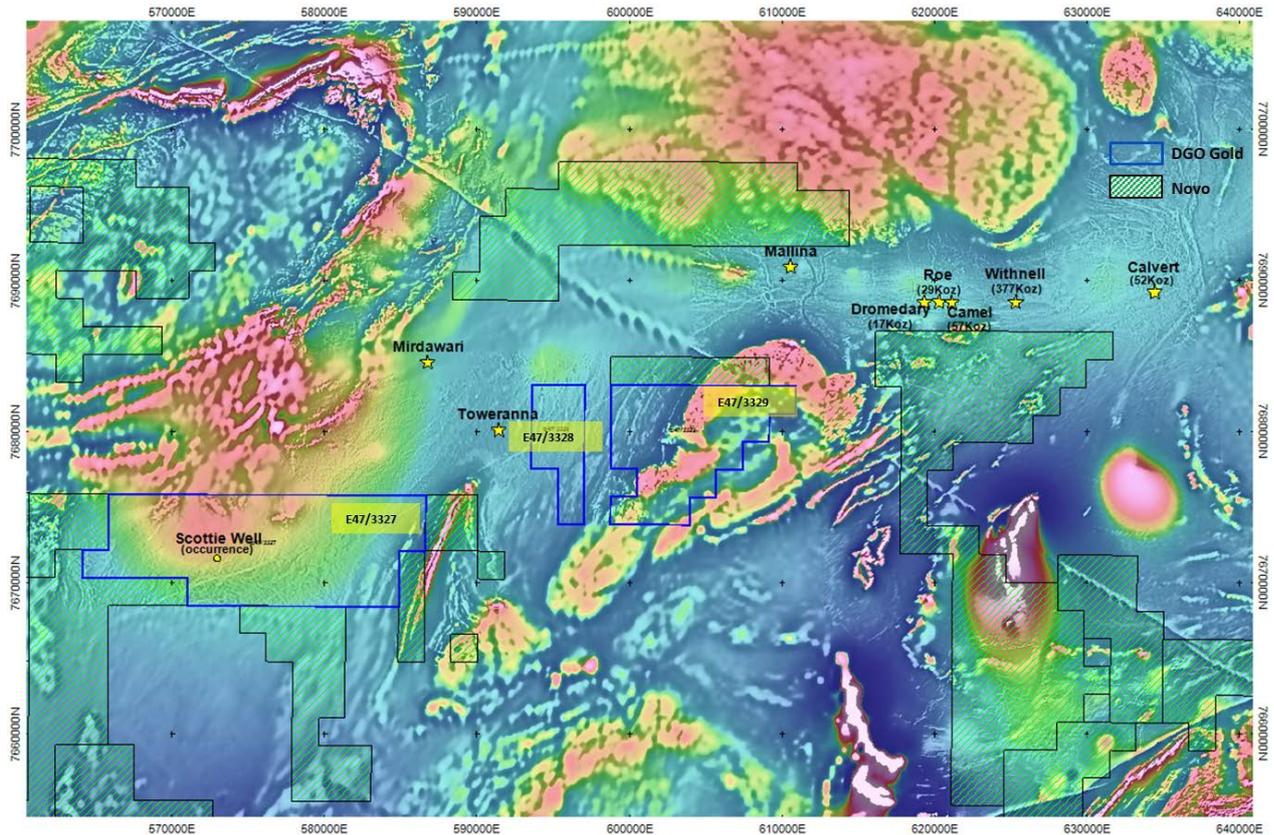


Figure 2: DGO Mallina Tenure over Magnetics (RTP on 1VD)

Stream sediment sampling at Scotties Well returned visible gold in panned concentrates with follow up soil sampling returning sporadic soil anomalous with results of up to 145ppb Au. At Opaline Granite Well geological mapping identified epithermal quartz veining and breccias within the Opaline Granite proximal to the contact with the Mallina Formation sediments. Narrow epithermal veining has been mapped at Orange Rock North (see Figures 2 and 4).

A review has been completed of open file geophysical and past exploration data, including regional magnetics and a helicopter borne EM survey undertaken by Normandy Exploration in 2000 over the broader Indee area. This survey extended over the area now covered by E47/3328 and E47/3329 (see Figure 3).

The review has identified an east west fault that parallels the Mallina Shear Zone, which hosts the Indee Gold Project to the north east of DGO's tenure. The Indee Gold Project is hosted in a turbiditic sandstone unit overlain by a shale rich facies.

Field reconnaissance to confirm the geological setting and to assess the scope for the presence of gold bearing conglomerate layers or other sedimentary units within the sedimentary sequences overlying Archaean basement (see Figure 4) is planned to commence shortly.

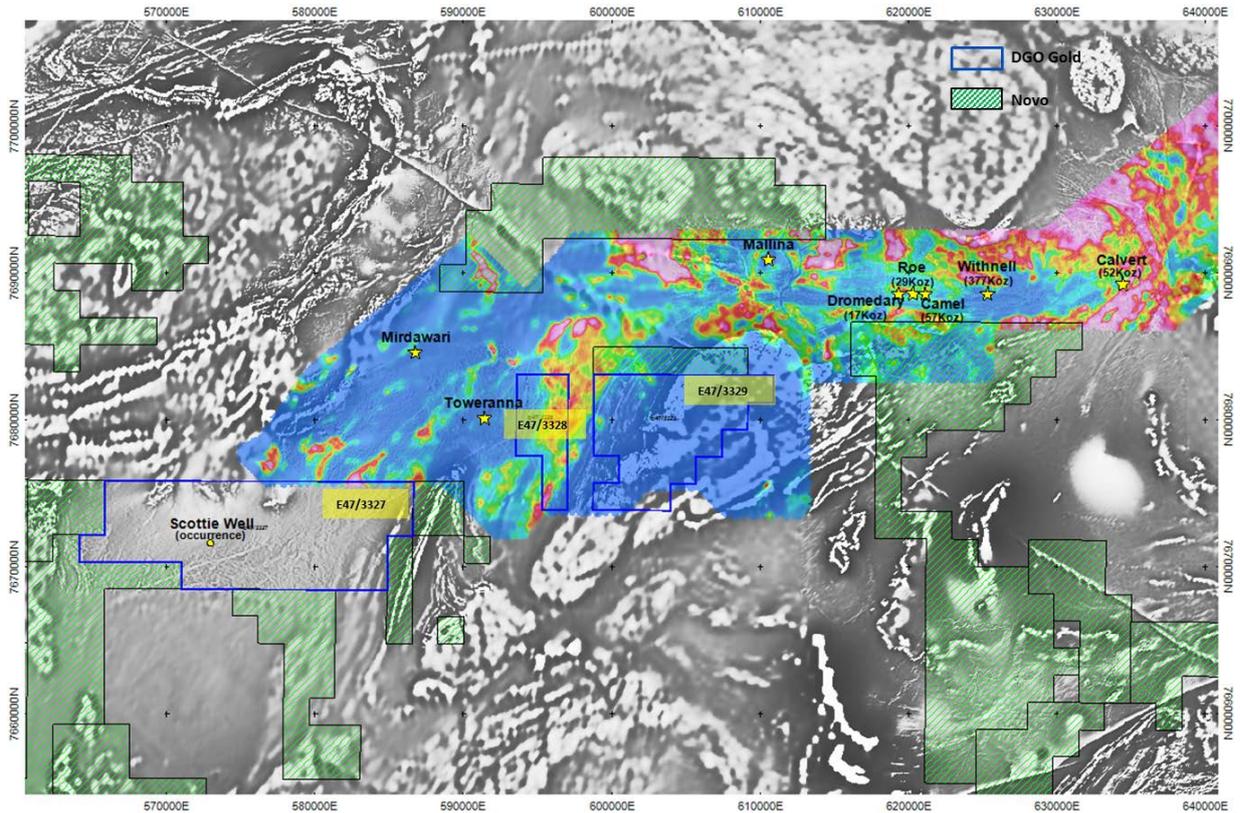


Figure 3: DGO Mallina Tenure –HeliEM / 1VD Magnetics data

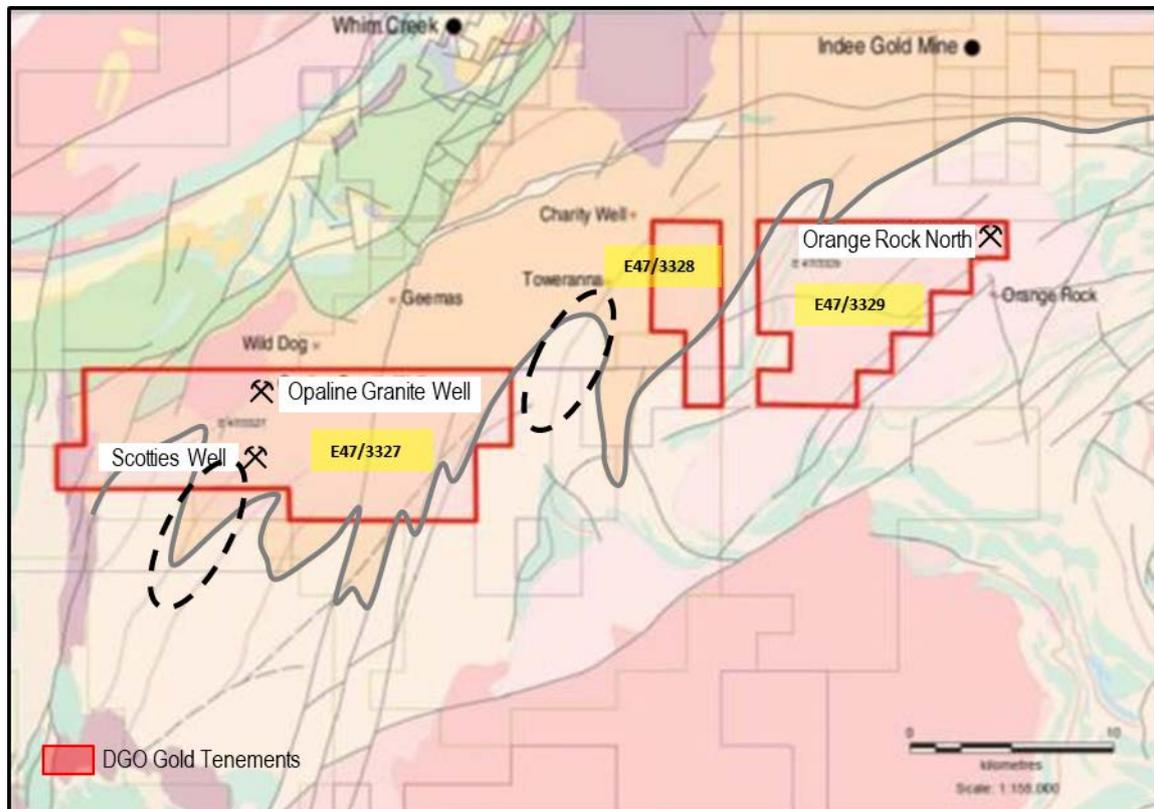


Figure 4: DGO Mallina Tenure Geology and Prospects

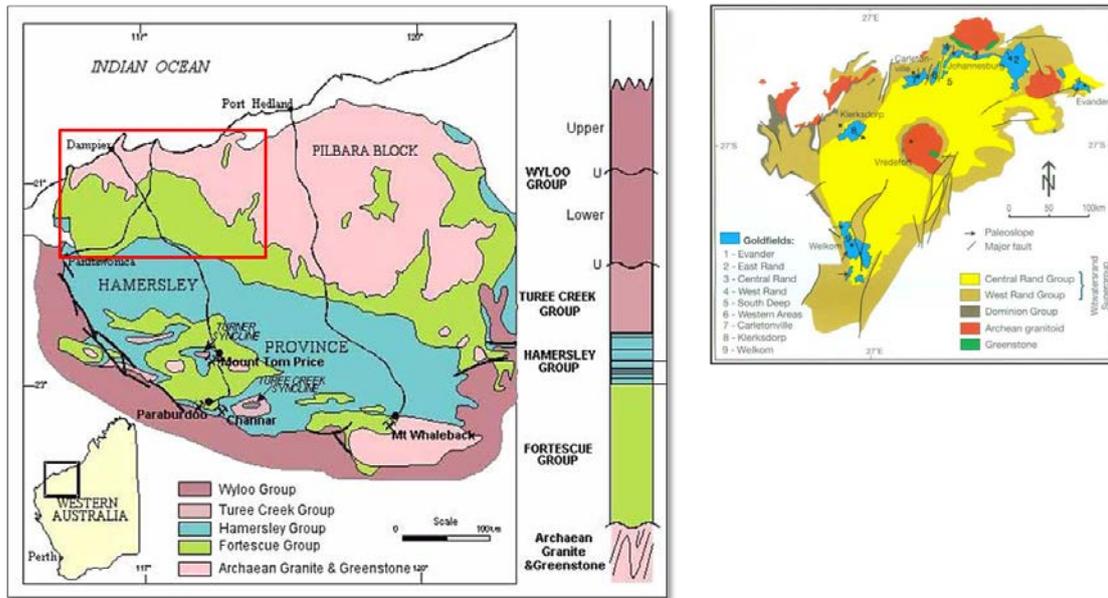


Figure 5: Hamersley Basin vs Witwatersrand Basin Shown at Approximately Same Scale

Should there be any enquires please feel free to the contact on the office on +61 7 3381 5368.

Yours faithfully
DGO GOLD LIMITED

EDUARD ESHUYS
CHAIRMAN