

Quarterly Activities Report Quarter ended 30 September 2017

Highlights

- ✓ Metal detecting at Scottie Well at Mallina in the Pilbara WA discovered 2 gold nuggets weighing **14g** and 1g, within a previously identified but not drilled **2 square kilometer soil anomaly**, over the “right geological age for sediment hosted gold mineralisation” Mallina Formation.
- ✓ Field activity at Mallina has now also mapped and sampled the **conglomerate** which has a strike length of at least 4km at the base of the **Mount Roe Basalt** in the west part of **EL 47/3327**.
- ✓ DGO expanded its Pilbara sediment hosted gold tenement holding to **2,899km²** with 13 exploration licence applications (covering 2,655km²) lodged following a literature review and comparison of the **Fortescue Group of the Pilbara** with the **Witwatersrand Basin** of South Africa.
- ✓ High priority drill target identified at **Ora Banda** in the Eastern Goldfields WA is associated with the extension of the regionally significant **Slippery Gimlet / Ora Banda Fault** and proximal to the **Zuleika Shear** and Northern Star Resources' Paradigm gold discovery.
- ✓ At Ora Banda, past wide spaced generally shallow vertical aircore / RAB drilling has defined a broad **+1.0km long by more than 250m** wide gold anomaly with a peak intersection of **12m at 37g/t from 48m to the end of hole**.
- ✓ The Company's search for **sediment hosted gold and copper-cobalt deposits** covers **7,321km²** in the the Pilbara, the Eastern Goldfields, and Yerrida Basin in Western Australia and in South Australia, in the Adelaide Fold Belt and Stuart Shelf.

Corporate Activities:

- ✓ On 6 September 2017 DGO held a General Meeting and all resolutions were approved by a show of hands.

EXPLORATION ACTIVITIES

PILBARA SEDIMENT HOSTED GOLD EXPLORATION

Mallina, Pilbara, Western Australia

Mallina is located 75 kilometers east of Purdy's Reward, the Artemis Resources Limited (ASX: ARV) / Novo Resources (TSX:NVO) joint venture discovery of gold nuggets in conglomerate underlying the Mount Roe Basalt, and 8 kilometers south west of Loudens Patch where gold nuggets were recently discovered by De Grey Mining Limited (ASX:DEG) also associated with a conglomerate at the base of the Mount Roe Basalt (See Figures 3 and 7).

Field reconnaissance at Mallina has identified a conglomerate at the base of the Mount Roe Basalt on the eastern flank of a broadly north – south trending ridge (see Figure 1) in the western area of EL 47/3327 (see Figure 5). The Mount Roe Basalt dips at 10-25 degrees to the west. The basal contact, largely obscured by basalt scree or alluvium, has a strike length of at least 4 kilometers within the company's land, and has been sampled with the samples submitted for assay. Past exploration by Aarex Resources NL in 1997 resulted in 2 modest soil anomalies 1 kilometer north of the outcropping basal contact of the Mount Roe Basalt in the northwest corner of EL 47/3327 (see Figure 5).



Figure1: Ridge of Mt Roe Basalt – eastern scarp looking south – EL 47/3327

The conglomerate at the base of the Mt Roe Basalt is weakly to moderately foliated with sub-rounded to sub-angular cobble sized to coarse-grained clasts. Clasts consist of quartz, chert, chlorite-sericite schist and possible basalt within a ferruginous and chloritic groundmass (see figure 2).



Figure 2: Conglomerate at base of Mt Roe Basalt – western side of EL 47/3327

DGO has identified two other areas within the company's exploration licence (EL 47/3327) with potential for the location of Mount Roe Basalt (see Figure 3) as a consequence of the important discovery of Mount Roe Basalt and gold nuggets in the vicinity of outcropping conglomerate 8 kilometers to the northeast, at Loudens Patch.

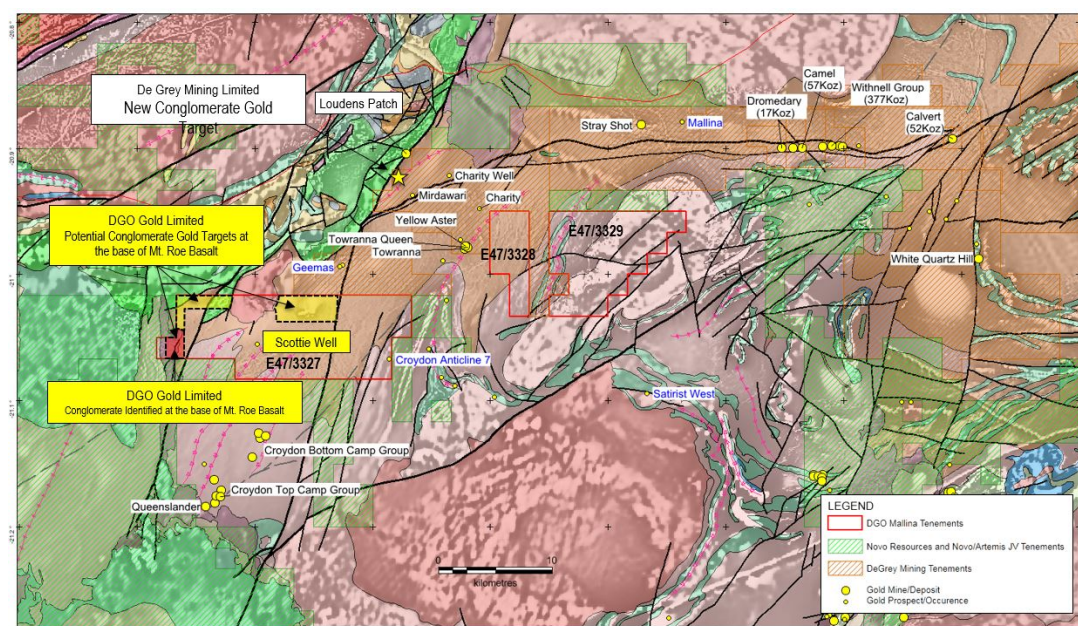
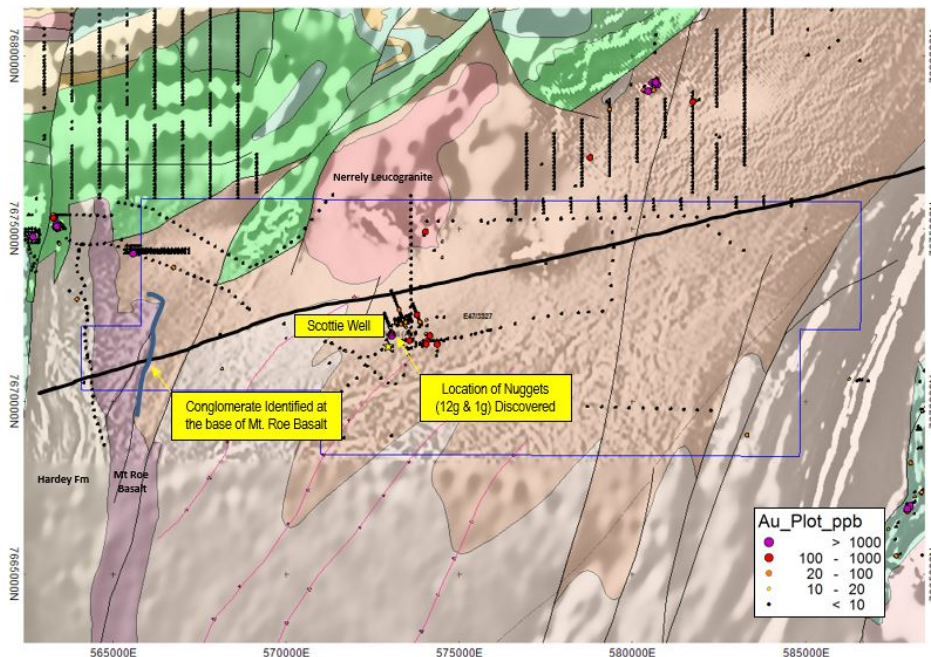


Figure 3: DGO Mallina Tenure with Significant Gold Deposits / Occurrences and Targets

DGO's recent field activity at Mallina also discovered 2 gold nuggets, of 14 grams and 1 gram respectively at Scottie Well in EL 47/3327 (see Figure 4 and 5) where past exploration outlined a gold in soil anomaly over an area of approximately 2 square kilometers.



Figure 4: 14gram nugget discovered by metal detecting within the 2km² gold soil anomaly at Scottie Well



Surface Au sampling over E47/3327 DGO tenement with significant concentrations seen in proximity to Scottie Well. Mt Roe Basalts of the Fortescue group have been confirmed by Novo and Artemis to host high grade gold within basal conglomerates. This unit resides on the western side of E47/3327 tenement and is lacking in surface geochemistry coverage.

Figure 5 – EL 47/3327 Geochemistry over Geology – Basal Conglomerate Highlighted

The nuggets are also with one in one of the target areas identified by the geophysical review of the Mallina area (see Figure 6). This target is associated with the east west fault, which parallels the Mallina Shear Zone, host to the Indee Gold mineralisation. north east of DGO's Scottie Well. The East-West Fault cuts the Mallina Formation, the sedimentary sequences of the "right geological age for sediment hosted gold mineralisation" as identified by the Centre of Excellence in Ore Deposits (CODES) at the University of Tasmania (UTAS). North east – south west trending splay faults extend from this major east-west fault through the area of a gold in soil anomalism at Scottie Well. This soil anomaly also overlaps the southern end of a near surface VTEM anomaly generated by a helicopter borne VTEM survey conducted by Normandy Exploration in 2000.

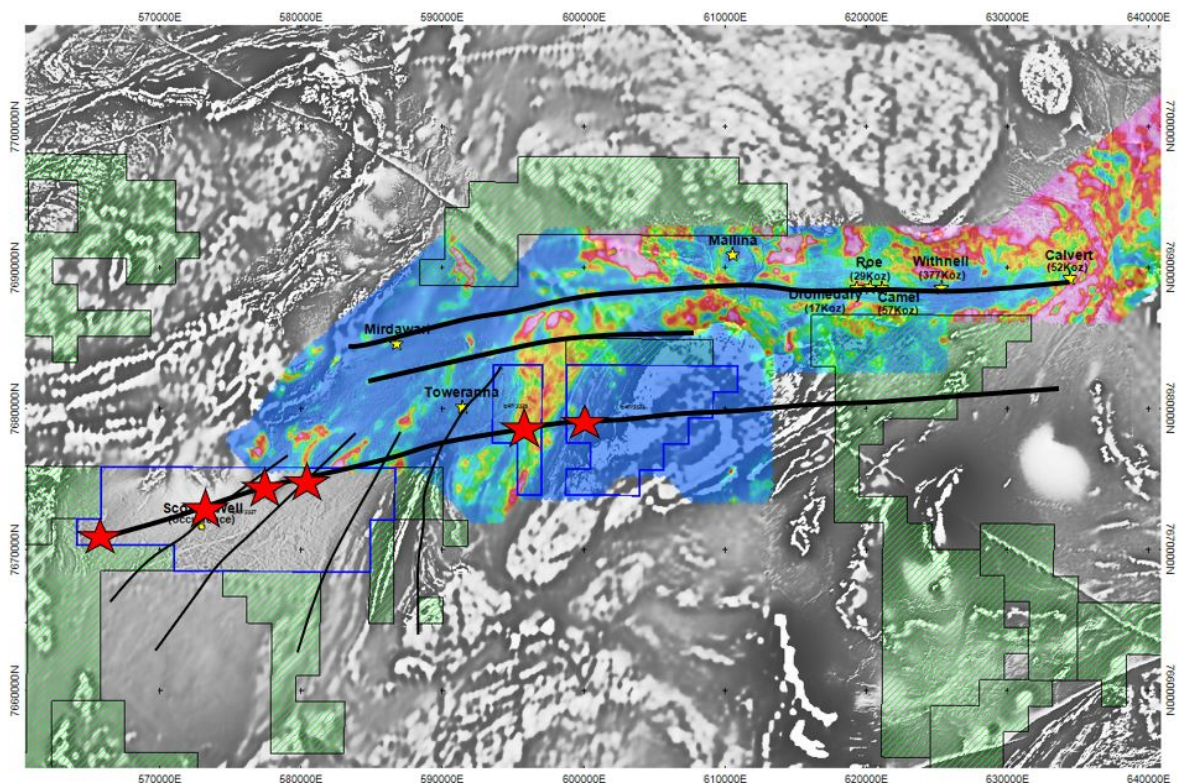


Figure 6 – Mallina Tenure – Geophysical Targeting

The Mallina tenements were applied for in June 2015 based on the Company's sediment hosted gold exploration strategy resulting from the support of research at CODES.

A comprehensive program of supervised metal detecting and geological reconnaissance is continuing at Mallina.

DGO has three granted exploration licences at Mallina, covering a land holding of 245km² in the highly prospective Pilbara south east of Karratha, and 13 exploration licence applications, covering 2,655km² of the upper portions of the Fortescue Group (see Figures 7 and 8). The company now holds a total of 2,899km² of land in the Pilbara subject to the granting of the new licence applications.

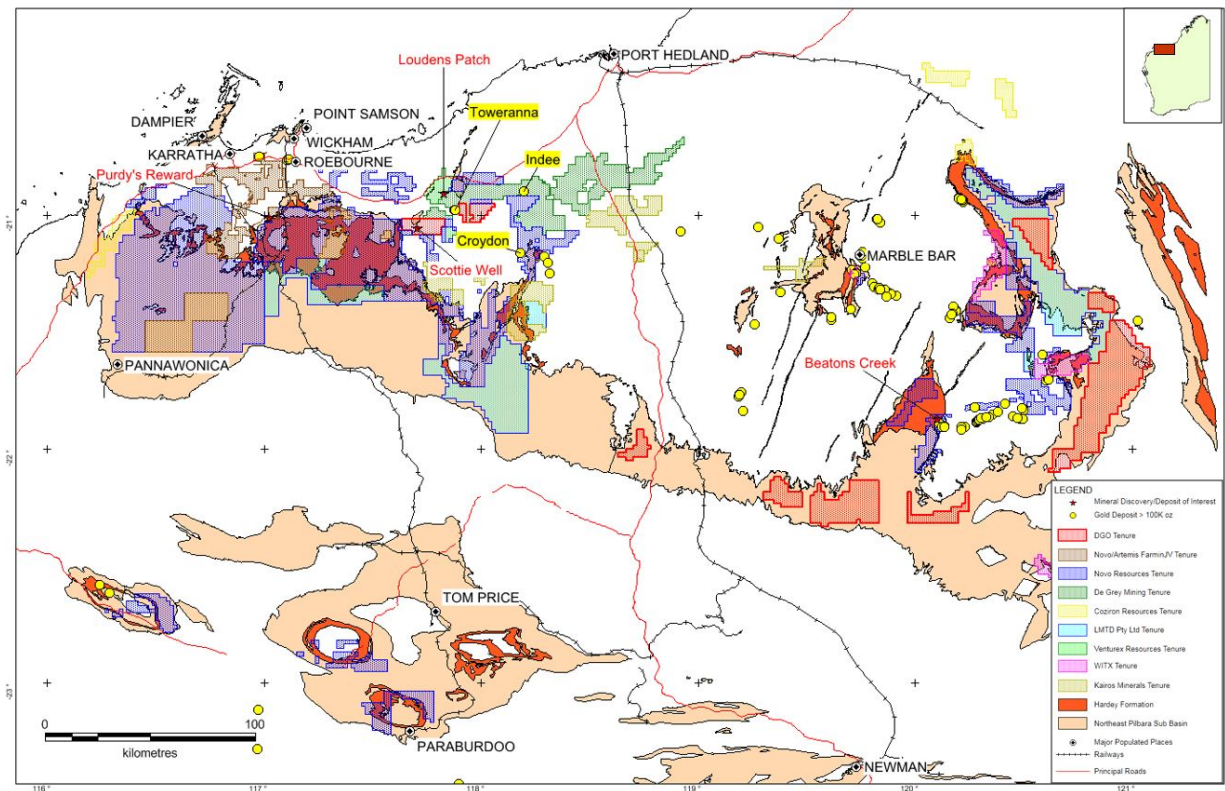


Figure 7 – DGO Mallina Tenure and Pilbara Exploration Licence Applications

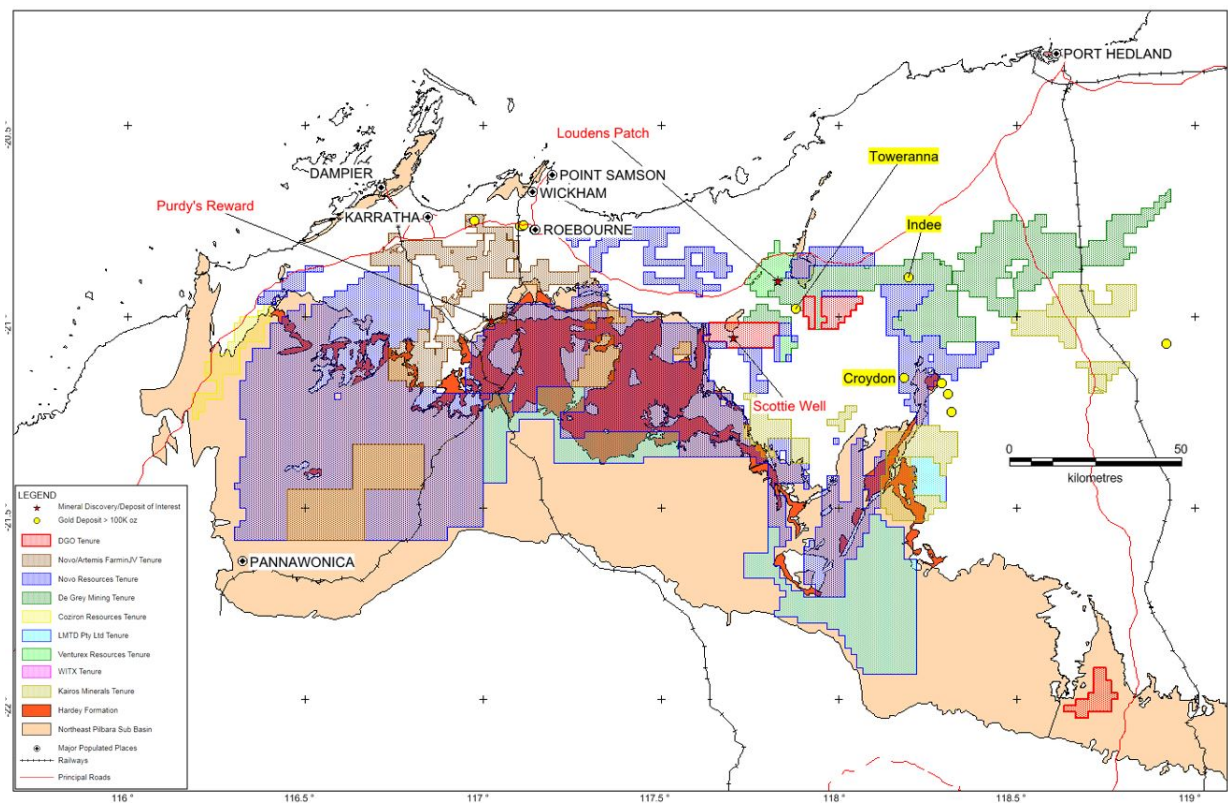


Figure 8: DGO Mallina Tenure relative to the Novo and De Grey tenure

Fortescue Group Tenement Applications, Pilbara, Western Australia

The 13 exploration licence applications that cover 2,655km² of the upper portions of the Fortescue Group (see Figure 9) were lodged as a consequence of a literature review and comparison of the Fortescue Group of the Pilbara with the Witwatersrand Basin of South Africa.

The Novo-Artemis gold nugget discovery at Purdy's Reward south of Karratha WA are associated with the Mount Roe Basalt and conglomerate at the base of the Fortescue Group. The Mount Roe Basalt and the overlying Hardey Formation, Tumbiana Formation and the Jeerinah Formation overlap in geological age with the Witwatersrand Basin 2700-3000 Ma (see Figures 10 and 11). The Hardey, Tumbiana and the lower part of the Jeerinah Formations appear to have sedimentary components suitable for the development of sequence boundaries at which the gold "reefs" occur within the Witwatersrand Basin sediments. The Witwatersrand gold "reefs" are associated with distinctive thin conglomerate and sandstone horizons which occur at specific positions within the mid to upper part of the basin sediments.

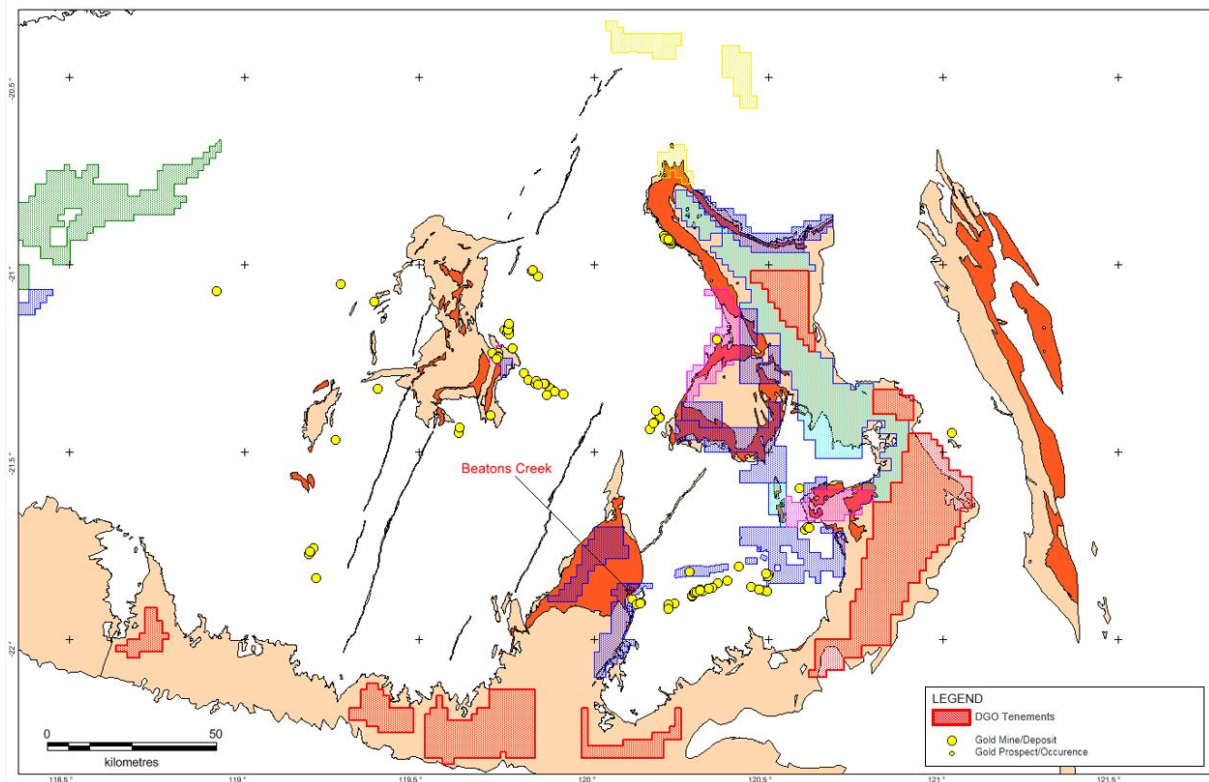


Figure 9: DGO Pilbara Exploration Licence Applications

Compilation of open file past exploration data and geological literature research has commenced.

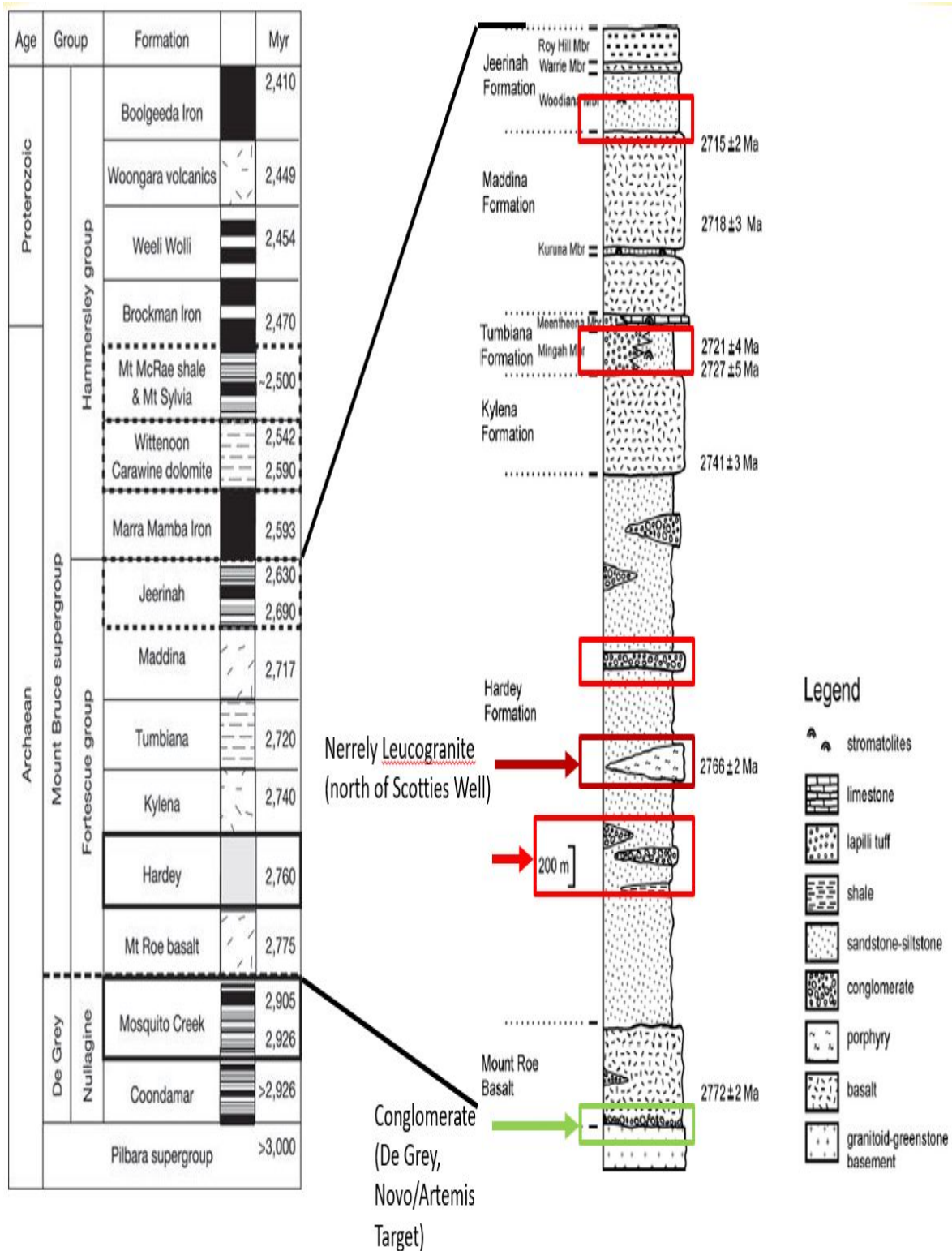


Figure 10: Fortescue Group Stratigraphic Column

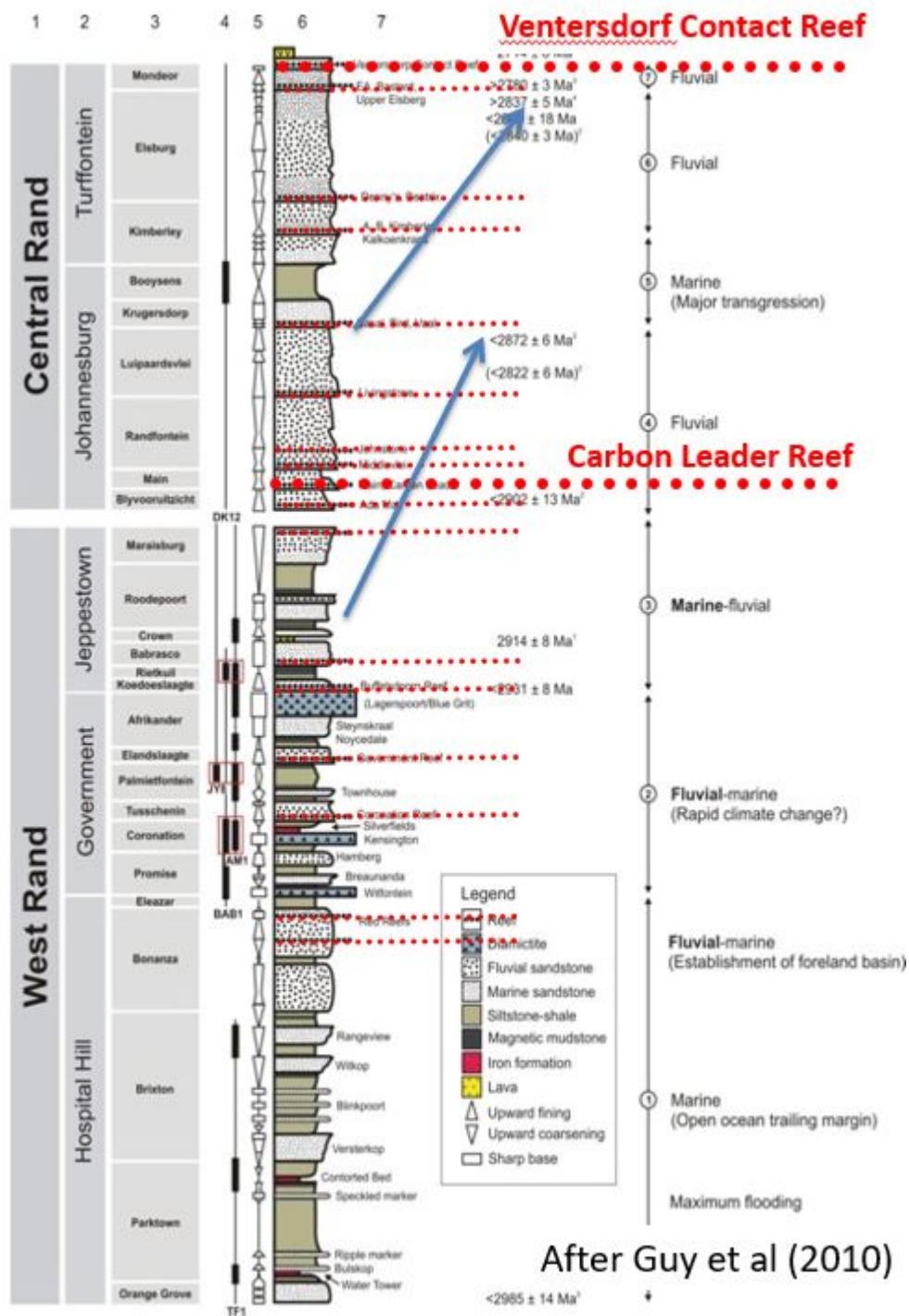


Figure 11: Witwatersrand Stratigraphic column

Ora Banda, Eastern Goldfields Western Australia

DGO's Ora Banda is covered by shallow surficial recent sediments where vertical aircore / RAB drilling returned encouraging results in past exploration.

Historically anomalous results including a “**discovery type**” intersection of **12m at 37g/t from 48m** (to EOH) (see Figure 14) occurred in the area of the extension of the Slippery Gimlet / Ora Banda Fault system intersecting the Orinda Sill (see Figure 12 and 13). No previous drilling in this area has exceeded depths of 150m with approximately 90% of the drilling being less than 100m vertical.

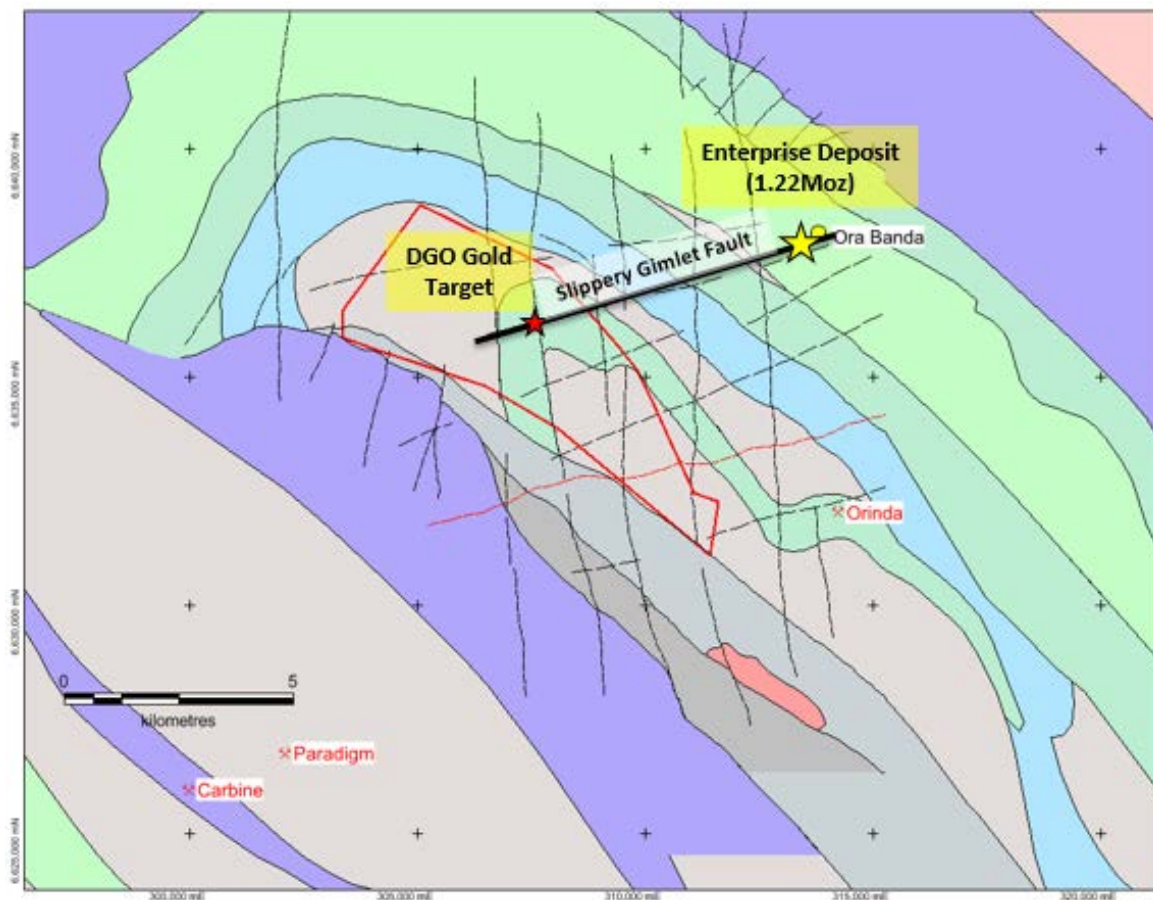


Figure 12: DGO's Ora Banda Target on Slippery Gimlet Fault Trend

The review of geophysical and past exploration data over DGO's Ora Banda tenements identified a faulted sequence of the Orinda Sill within Black Flag Group sediments. This work indicated that the ENE/EW trending Slippery Gimlet / Ora Banda Fault system that produced high density high grade shoots at the Enterprise Deposit (1.22Moz) within the Mt Pleasant Sill to the north east, extends to the south west and cross cuts the Orinda Sill within DGO's tenements (see Figure 12). The Orinda Sill hosts gold at the Orinda and Mascot prospects to the east of the Ora Banda tenements.

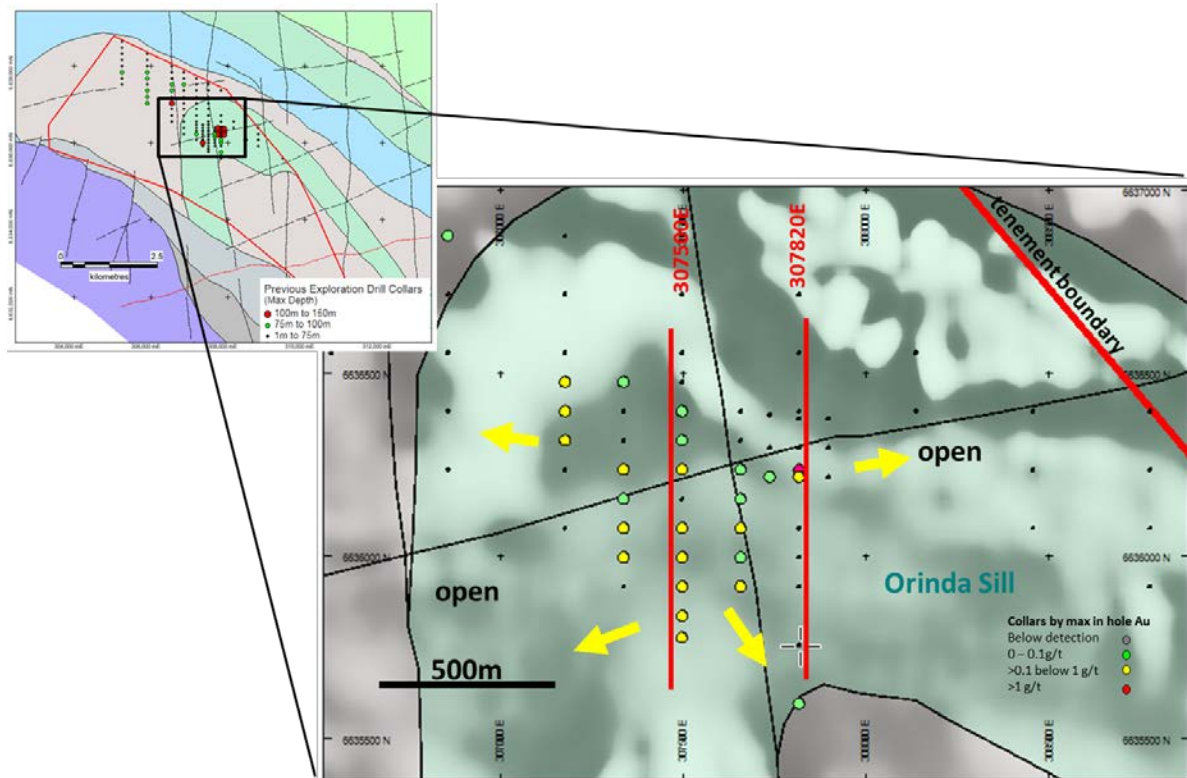


Figure 13: DGO's Ora Banda, Gold Anomaly Associated with Faulting within the Orinda Sill

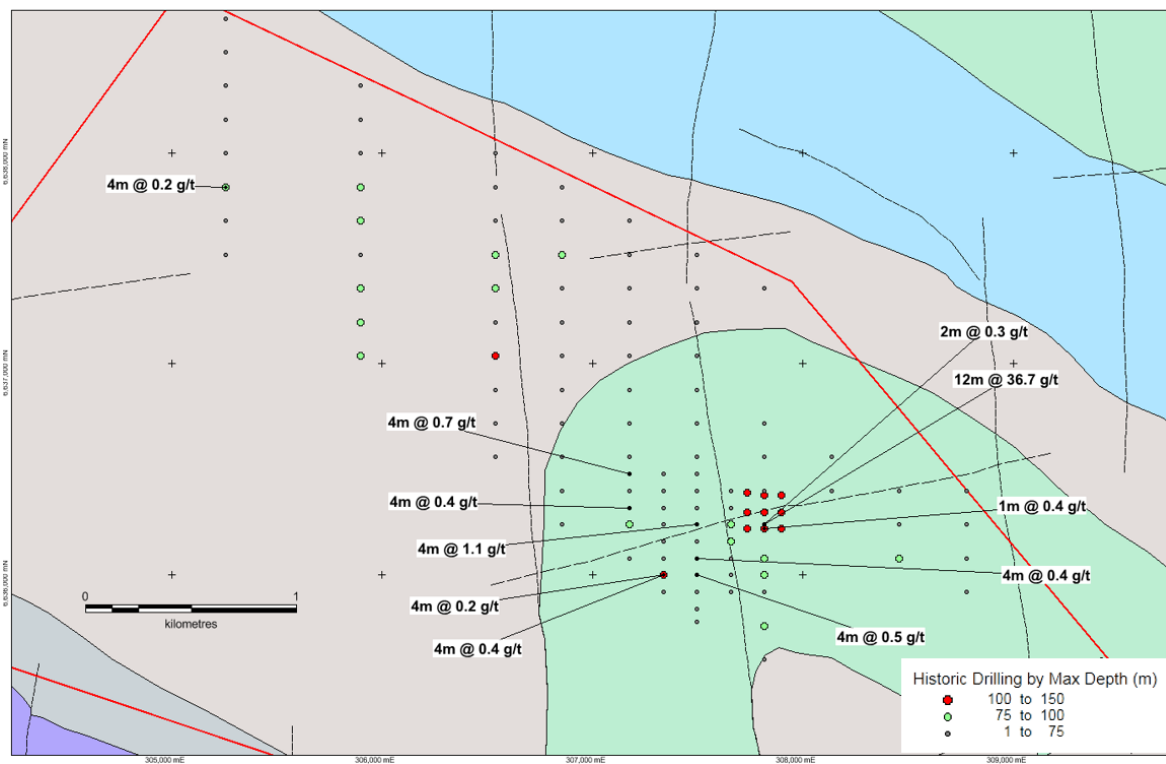


Figure 14: DGO's Ora Banda Tenure, Historical Drilling Intersections over Geology

Vertical aircore / RAB drilling at Ora Banda, which generally ranged from 50m to 70m deep, has defined a broad **+1.0km long by more than 250m wide gold anomaly** (as defined by +0.1g/t maximum gold in hole) associated with the intersection of the extension of the Slippery Gimlet / Ora Banda Fault system and a potential fold closure within the Orinda Sill (see Figures 13 and 14). The anomaly remains open to the west and east along the trend of the fault and potentially to the south west and south.

The gold anomaly defined from the vertical aircore / RAB drilling is coincident with a magnetic low (interpreted alteration zone?) that broadly parallels the trend of the extension of the Slippery Gimlet / Ora Banda Fault system through the Orinda Sill (see Figure 13).

The Ora Banda and Black Flag areas cover predominantly Black Flag Group sediments proximal to the regionally significant Zuleika Shear zone to the north and north west of Kalgoorlie (see Figure 15). This region includes the highly productive Kundana, Mt Pleasant and Ora Banda mining centres.

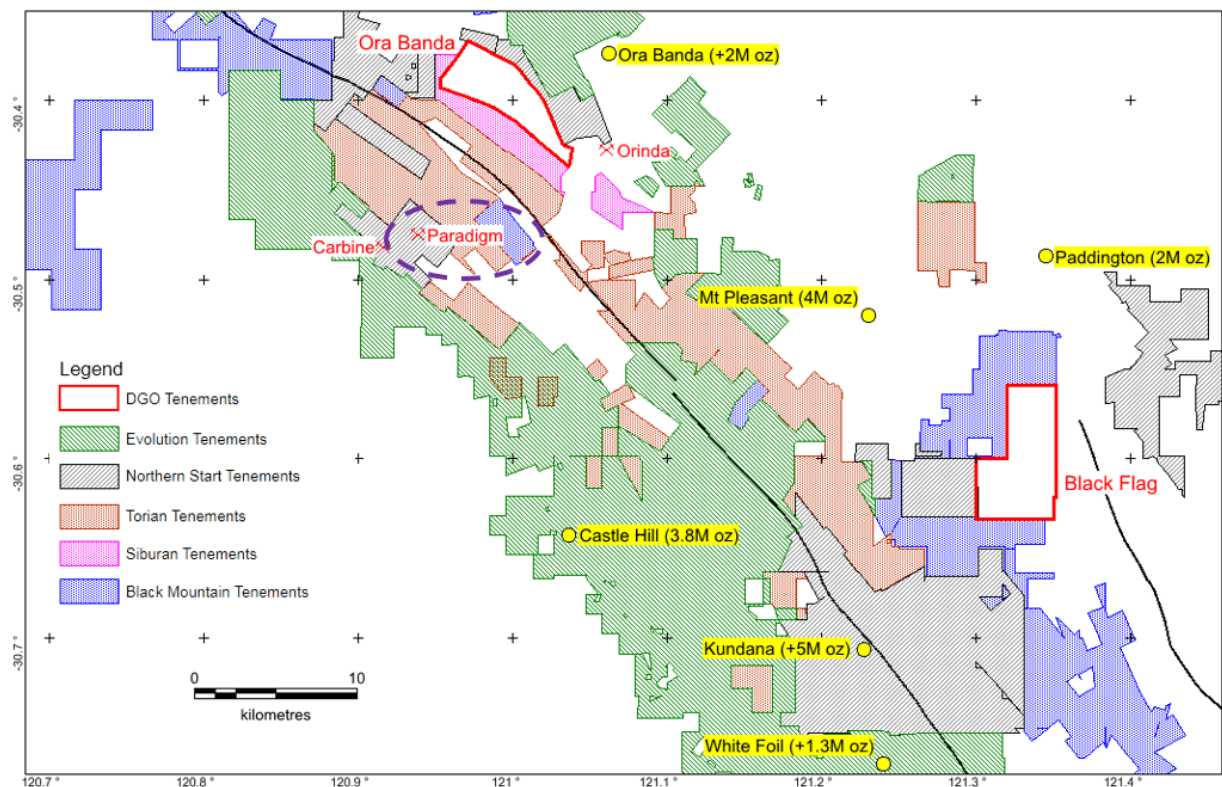


Figure 15: DGO's Ora Banda and Black Flag Tenure Relative to Significant Gold Deposits

DGO hold four areas in the Black Flag Group in the Eastern Goldfields of Western Australia; Ora Banda and Black Flag in the Northern Black Flag area, and Mt Edwards and Lake Randall JV in the Southern Black Flag area (see Figure 16).

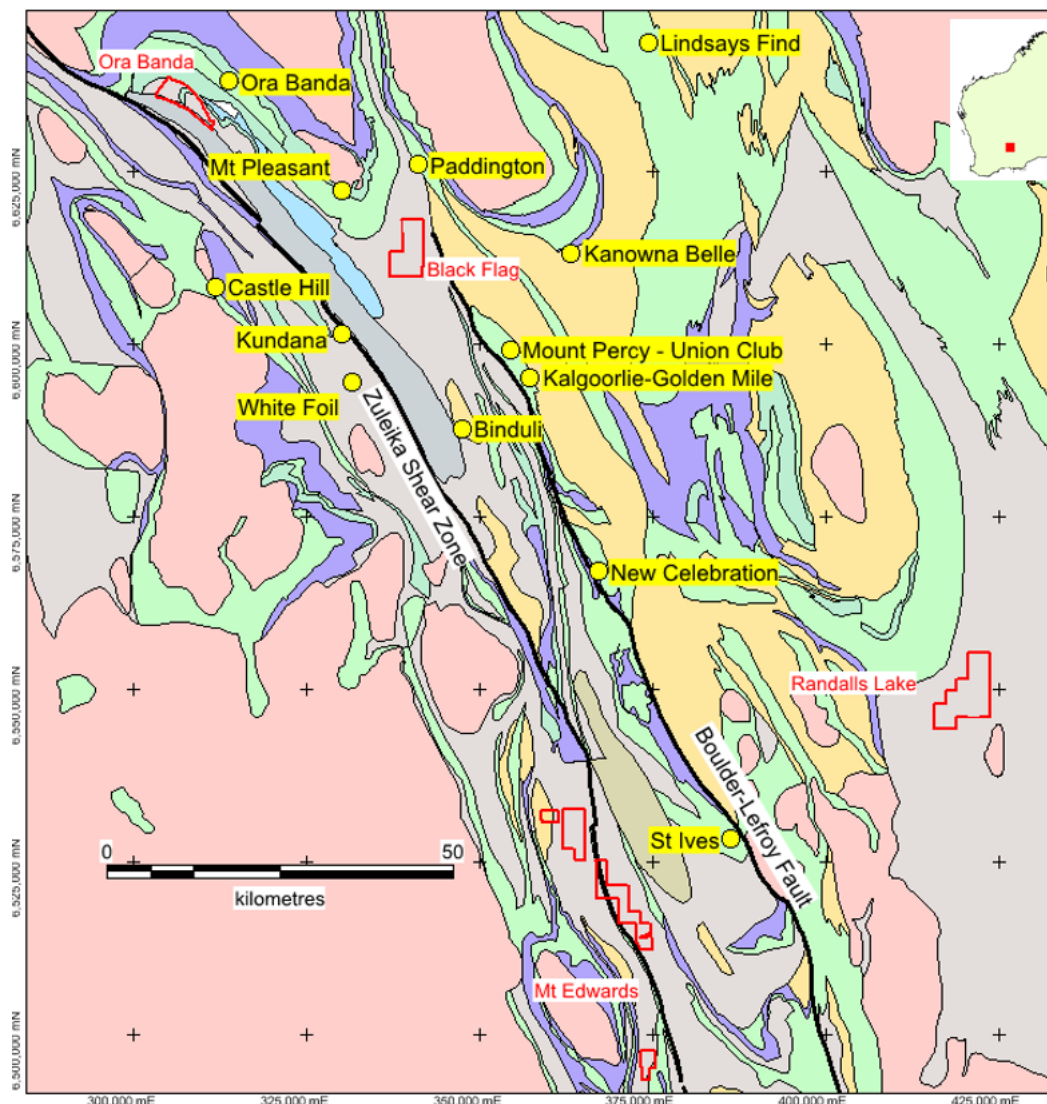


Figure 16: DGO Tenure – Black Flag Group, Eastern Goldfields, Western Australia

LAND HOLDINGS

DGO now holds tenure covering a total of 7,321km² (under application, joint venture or granted) across Western Australia and South Australia covering some of the high priority targets identified by the CODES research. See Table 1 for a full listing of tenements.

Subsequent to the end of the quarter DGO applied for 13 exploration licenses (E45/5029 to 5035, E46/1203 to 1208) in the Pilbara of Western Australia (Fortescue Group) and the Lake Randall JV exploration licence (E15/1573) and the Bookaloo North exploration licence EL6030 (former application E2017/00049) were granted.

CORPORATE

On 6 September 2017 DGO held a General Meeting and all resolutions were approved by a show of hands.

On 16 November 2017 DGO will be holding its Annual General Meeting.

At the date of this report there are 4,168,736 exercisable at \$0.40 on or before 30 June 2020 and 10,561,374 fully paid ordinary shares on issue.

A handwritten signature in black ink, appearing to read 'E. Eshuys', with a stylized flourish at the end.

Eduard Eshuys
EXECUTIVE CHAIRMAN

DGO Gold

DGO's exploration strategy is focused on the search for major sediment-hosted gold deposits in Australia. The company holds exploration land positions in the Pilbara WA, The Eastern Goldfields, WA, and the Adelaide Geosyncline in SA covering 7,321 km².

The company's strategy, led by veteran gold geologist, Executive Chairman Eduard Eshuys is based on the extensive research of Distinguished Professor Ross Large, former Head of the Centre for Excellence in Ore Deposits (CODES) of the University of Tasmania. Professor Large is a member of DGO's specialist consultant team that includes Professor Neil Phillips, former head of Minerals at CSIRO and a specialist in Witwatersrand basin gold mineralisation, Dr Stuart Bull a sedimentary basin specialist and Barry Bourne of Terra Resources, a highly experienced mineral exploration geophysicist.

Research undertaken by CODES has identified a concentration of the world's major gold deposits during several distinct geological time frames coinciding with periods of higher than normal concentration of gold in the oceans. DGO's landholdings have been acquired in favourable locations in sedimentary basins of analogous geological age.

	Tenements - Granted	Tenements - Applications	Area (km2)
Western Australia			
Mt Edwards	E15/1465, 1488, 1514		81
Ora Banda	P24/4946 - 4956		22
Black Flag	P24/4986 - 4992, E24/197		32
Mallina	E47/3327 - 3329		245
Fortescue Group		E45/5029 - 5035, E46/1203 - 1208	2655
Yerrida Basin	E51/1590, 1729, 1730, 1748 - 1753	E51/1833	1655
Lake Randall JV	E15/1573		53
<i>Sub-Total</i>			4742
South Australia			
Mt Barker	EL5770, EL5812, EL5946		328
Dawson	EL5737, EL5876, EL5877	E2017/00091	861
Yerelina	EL5813		145
Bookaloo	EL6030		490
Wirrabara		E2017/00053	755
<i>Sub-Total</i>			2579
TOTAL			7321

Table 1: DGO Tenement Holdings as at 26 October 2017

Competent person statement

Exploration or technical information in this release has been prepared by **Mr. Ian Prentice BSc**, who is a consultant to DGO Gold Limited and a Member of the Australian Institute of Mining and Metallurgy. Mr. Prentice has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr. Prentice consents to the report being issued in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

DGO Gold Limited

ABN

96 124 562 849

Quarter ended ("current quarter")

30 September 2017

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(217)	(217)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(74)	(74)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	3	3
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes refunded	-	-
1.7	Other (research and development tax offset)	-	-
Net Operating Cash Flows		(288)	(288)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments (i)	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (sale of Mt Coolon Gold Mines Pty Ltd)	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(288)	(288)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(288)	(288)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	215	215
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (deposit for exercise of option)	10	10
1.19	Other (share issue costs)	(65)	(65)
	Net financing cash flows	160	160
	Net increase (decrease) in cash held	(128)	(128)
1.20	Cash at beginning of quarter/year to date	959	959
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	831	831

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.2 Aggregate amount of payments to the parties included in item 1.2	74
1.2 Aggregate amount of loans to the parties included in item 1.10	-

1.2 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	345
4.2 Development	-
4.3 Production	-
4.4 Administration	94
Total	439

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	331	959
5.2 Deposits at call	500	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	831	959

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed		Nil		
6.2 Interests in mining tenements acquired or increased		Nil		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

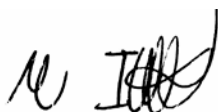
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter	-	-	-	-
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	10,363,689	10,363,689	N/A	N/A
7.4 Changes during quarter				
(a) Increases through issues	100,000	100,000	\$0.40	\$0.40
(b) Decreases through returns of capital, buy-backs	698,162	698,162	\$0.25	\$0.25
	-	-	-	-
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter	-	-	-	-
(a) Increases through issues				
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	4,366,421	-	<i>Exercise Price</i> \$0.40	<i>Expiry date</i> 30 June 2020
7.8 Issued during quarter	698,162	-	\$0.40	30 June 2020
7.9 Exercised during quarter	100,000	-	\$0.40	30 June 2020
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>	-	-	-	-

+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)	-	-	-	-
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 31/10/2017
(Company Secretary)
Print name: Michael J Ilett

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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