

DGO Gold Limited

ABN 96 124 562 849

Principal Office:
Level 17, 41 Exhibition Street
Melbourne VIC 3000
Australia

Telephone: + 61 3 9133 6251
Facsimile: + 61 9691 6899
Email: admin@dgogold.com.au
Website: www.dgogold.com.au

18 July 2019

DGO Gold Increases Its Investment in De Grey Mining Limited

SUMMARY

- **DGO Gold to increase its investment in De Grey Mining by participation in De Grey's current capital raising**
- **DGO directors Eduard Eshuys and Bruce Parncutt AO to join the board of De Grey**

DGO Gold (DGO:ASX) has entered into commitments with Bell Potter Securities Limited that will result in DGO increasing its investment in De Grey Mining (De Grey).

De Grey is raising additional capital by way of a placement of 60 million shares @ 5c per share and a renounceable entitlements issue of approximately 380 million shares at 5c per share.

DGO presently holds 25 million shares in De Grey representing approximately 5.9% of De Grey's issued capital prior to the capital raisings. DGO will subscribe for 6 million shares in the placement at 5c per share and has committed to taking up its full entitlement in the new issue being approximately 24 million shares at 5c per share. In addition DGO has agreed to sub-underwrite the De Grey entitlements issue to the extent of 70m shares at 5c per share.

DGO's shareholding in De Grey could potentially increase depending on any shortfall in De Grey shareholder's take up of their entitlements.

At the completion of the placement component of the capital raising DGO Gold will have the right to nominate two directors to the Board of De Grey to fill vacancies created by two retiring directors. The two De Grey director positions will be filled by Eduard Eshuys and Bruce Parncutt AO.

To support its commitments to the De Grey capital raising DGO has arranged a loan facility of up to \$2.5 million from five DGO shareholders. The loans can be drawn down as required at any time until 31 December 2019 and are repayable

from the proceeds of the issue of a new equity capital at any time prior to 31 July 2020. The loans will accrue interest at 10% p.a payable at repayment. DGO's cash position at 30 June was \$4.8 million.

DGO first invested in De Grey in July 2018 to gain exposure to its highly prospective province-scale gold exploration land position in the Pilbara, Western Australia. De Grey's drilling results from that date have exceeded DGO's expectations and resulted in the recently announced increase in resources from 1.2m ounces at the time of DGO's initial investment to 1.7m ounces now for a finding cost of approximately \$20 per ounce (DGO calculation from publicly released resource and exploration expenditure data).

DGO looks forward to playing a more active role in the next phase of De Grey's resource discovery strategy as the company seeks to grow its resource base to a corporate target of >3 million ounces. (De Grey ASX announcement 16 July 2019).



Eduard Eshuys

Executive Chairman

DGO GOLD

DGO's strategy is to build a portfolio of Western Australian gold discovery opportunities primarily through strategic equity investment and also through tenement acquisition and joint ventures. DGO differentiates itself as a listed gold company by seeking to identify and invest in gold discovery opportunities that meet three key criteria:

Low-finding cost – Brownfield gold discovery opportunities where finding costs are assessed to be comfortably below the brownfields average of \$20 per ounce.

Potential for scale – Initial resource potential of greater than 3 million ounces, required to support successful development.

Upside Optionality – Potential for long term resource growth well beyond 3 million ounces and potential for upside surprise via either a world class discovery (+10 million ounces) or substantial high grade mineralization.

DGO holds strategic gold and copper/gold exploration land positions in Western Australia and South Australia where it would expect to participate as a funded joint venture partner or shareholder by way of equity exchange.

The Company's exploration strategy is led by veteran gold geologist, Executive Chairman, Eduard Eshuys, supported by a specialist consultant team comprising, Professor Ross Large, former head of the Centre for Ore Deposits and Earth Sciences (CODES), Professor Neil Phillips, former head of Minerals at CSIRO and a specialist in Witwatersrand basin gold mineralization, Dr Stuart Bull, a sedimentary basin and Zambian Copper Belt specialist, and Barry Bourne of Terra Resources, a highly experienced mineral exploration geophysicist.