

30 October 2019

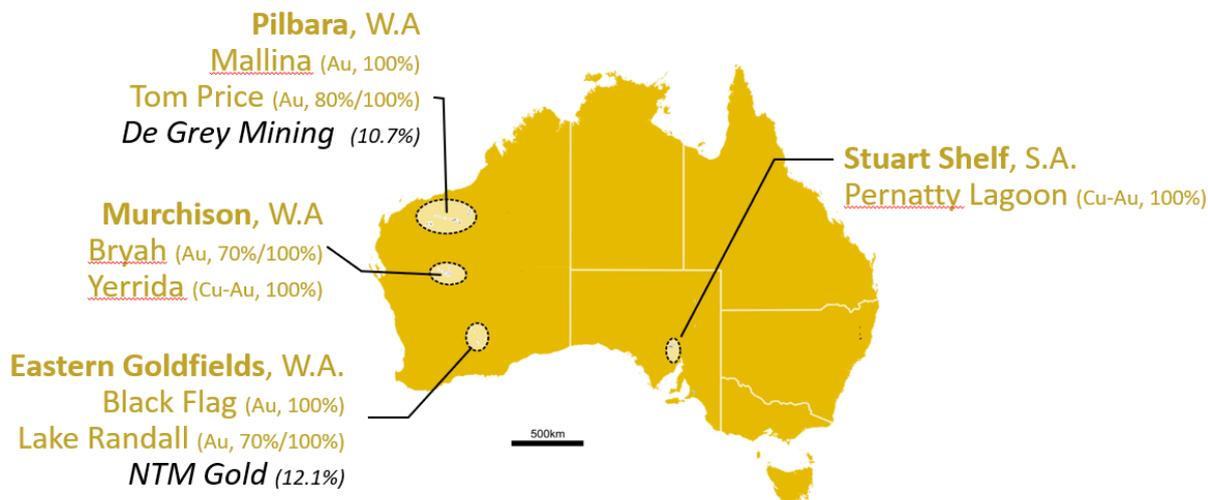
## Quarterly Activities Report Quarter ending 30 September 2019

DGO Gold Limited ("DGO") has continued to implement its strategy of building a portfolio of strategic investments in Western Australian gold discovery opportunities, focusing on opportunities with low discovery cost and potential for significant resource scale.

### Highlights

- RC Drilling at Black Flag intersects 4m @ 7.5g/t Au from 116m. The hole finished in mineralisation and mineralisation is open in all directions
- Airborne electromagnetic (EM) and magnetic survey at Bryah identified nine EM anomalies along an anticlinal structure adjacent to an extensive and well known gold nugget field, Judge's Find
- Airborne electromagnetic and magnetic survey at Yerrida identified seven high priority EM anomalies in lithologies equivalent to the formations that host the DeGrussa and Monty copper/gold deposits
- Ground gravity survey at Lake Randall completed. Interpretation of results is due in the coming weeks.

### DGO Investments



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## **Brownfields Investments**

### **Investment in De Grey Mining Limited (DGO 10.7%)**

During the quarter DGO increased its investment in De Grey through underwriting and participation in De Grey's \$22 million capital raising. DGO invested \$3.866 million, increasing its shareholding to 10.7% in the ordinary shares of De Grey (prior to the exercise of options) becoming De Grey's largest shareholder. Messrs Eshuys and Parncutt joined the board of De Grey during the quarter.

De Grey raised \$22 million in new equity, completed the purchase of a significant part of the land position making up its province scale Pilbara Gold Project, and continued its active program of discovery and resource drilling. Significant results include the discovery of new high grade zones of mineralisation at Mallina with drilling results such as 40m @ 3.9g/t Au from 8m (DEG ASX announcement, 27 September 2019).

### **Investment in NTM Gold Limited (DGO 12.1%)**

DGO increased its investment in NTM Gold by \$0.47 million through participation in a \$3.7 million capital raising, maintaining its position as NTM's largest shareholder with approximately 12.1% in the ordinary shares of NTM (prior to the exercise of options).

NTM Gold raised \$3.7 million in new equity during the quarter and continued its discovery program along their Mertondale land position. Significant recent results at Hub including 7m @ 7.8g/t from 55m (NTM ASX announcement, 30 August 2019) and 6m @ 12.9g/t from 63m (NTM ASX announcement, 23 October 2019) continue to show the potential of the under-explored Mertondale Shear Zone.

The investments in NTM and De Grey continue to meet, and exceed, DGO's brownfields gold discovery investment criteria of low finding cost (<\$20 per ounce), potential for scale (>3 million ounces) and upside optionality (long term resources growth well beyond 3 million ounces)

## **Greenfields Exploration**

### **Black Flag, Eastern Goldfields, W.A (DGO 100%)**

Black Flag is located 20km northwest of Kalgoorlie in Western Australia's Eastern Goldfields.

During the quarter, DGO completed an RC drilling program to test extensions of the mineralised structural corridor extending from Horizon Minerals Limited's (HZR) Teal Well mine site, through First Au Limited's (FAU) Gimlet gold resource project and into DGO's Black Flag tenements.

Results received in October showed that a significant mineralised zone of 4m @ 7.5g/t from 116m was intersected in BFRC0005. The mineralisation is associated with quartz veins, sulphide (pyrite) rich, and sheared andesite, and is open in all directions. Follow-up drilling of four RC holes to test the vertical and lateral extent of the identified mineralisation has been completed and results are expected in late November.

Refer DGO's announcement on 22 October 2019.

### **Bryah, Murchison, WA (DGO 70-100%)**

Bryah is located 60km north of Meekatharra, adjacent to Judge's Find, an area of known gold nugget occurrences where surface mining for gold has occurred for some time although the source of this alluvial gold is unknown. The area is prospective for sediment-hosted gold which is thought to be controlled by thrust-fault bounded, anticlinal structures at the contact of the Juderina Sandstone and Johnson Cairn Formation black shales.

During the quarter DGO completed a 170 line kilometre combined helicopter time domain electromagnetic (Xcite™ HTDEM) and magnetic survey. The results of the survey were received in October and showed nine EM anomalies along an anticlinal structure bounded by thrust faults adjacent to Judge's Find. These are compelling drill targets and DGO is seeking the required approvals to conduct an aircore drilling program in early 2020.

Refer DGO's ASX announcement on 21 October 2019.

### **Yerrida, Murchison, WA (DGO 100%)**

Yerrida is located in the Yerrida Basin, south of the DeGrussa copper-gold mine. DGO's detailed data review and analysis has confirmed that the Yerrida Basin is prospective for both DeGrussa style copper-gold mineralisation and stratiform sediment-hosted copper deposits analogous to the world-class Zambian Copper Belt.

During the quarter DGO completed a 560 line kilometre combined helicopter time domain electromagnetic (Xcite™ HTDEM) and magnetic survey. The results of the survey were received in October and identified seven EM anomalies in stratigraphic positions equivalent to the formations which host the DeGrussa and Monty copper/gold deposits. A further EM anomaly lies adjacent and parallel to a copper and gold geochemical anomaly identified by previous explorers. This target has geological characteristics analogous to Zambian Copper Belt deposits.

Refer DGO's ASX announcement on 21 October 2019.

### **Lake Randall, Eastern Goldfields, W.A (DGO 70-100%)**

Lake Randall is located 50km east of Kambalda and immediately south of Silverlake Resources' Mt Belches Mining Centre. Little previous exploration has been carried out due to the lake and transported sediment cover.

During the quarter DGO conducted a ground gravity survey to define drill targets. Results for this program are currently being processed and interpreted by consultant geophysicists and will be released in the coming weeks.

### **Mallina, Pilbara, WA (DGO 100%)**

DGO's Mallina tenements adjoin De Grey Mining's Pilbara Gold Project and share a similar geological and structural setting to De Grey's tenements which host substantial structurally controlled gold resources.

The DGO tenement package incorporates over 30km's of strike length of a major ENE-trending structure that parallels the Mallina Shear Zone (MSZ). A NE trending splay is associated with a 20km strike length gold anomaly that defines the Scotties Well target.

During the quarter, DGO continued to progress approvals for a widely spaced aircore drilling program to evaluate a series of large (2 x 1km) elevated gold-in-soil anomalies which broadly correspond with the interpreted position of the ENE shear. These gold anomalies together with the historic gold anomaly and gold nugget locality that defines the Scotties Well target, present a large 16 kilometre long target of elevated gold over a structurally complex area.

**Tom Price, Pilbara, WA (DGO 80-100%)**

DGO's land position covers a large, 70 km long regional anticlinal structure, with the Pyradie Formation outcropping in the central zone of the structure and interpreted to lie below younger units on the limbs. Previous exploration of the structure identified anomalous gold mineralization up to 2.8 g/t gold in rock chip samples of siliceous chert units assigned to the Pyradie Formation (IGO ASX announcement 28 July 2003).

During the quarter DGO progressed land access approvals for future work programs.

**Pernatty Lagoon, Stuart Shelf, SA (DGO 100%)**

The Stuart Shelf contains BHP's world class Olympic Dam copper-gold-uranium mine, and a number of other copper-gold deposits including Oz Minerals' Prominent Hill and Carapateena.

DGO's stratiform sediment-hosted copper/gold discovery strategy, conducted in conjunction with research at the Centre for Ore Deposits and Earth Sciences (CODES) at the University of Tasmania, is based on models from the Zambian Copper Belt (ZCB). The targeting program has delineated a ZCB style target at Pernatty Lagoon in transition zone sediments between the outcropping Woocalla Dolomite and the deeper-basin Tapley Hill shales. Additionally, geophysical studies have identified partially coincident gravity and magnetic responses that are typical of IOCG deposits and prospects elsewhere on the Stuart Shelf underlying the younger rocks.

During the quarter DGO progressed land access approvals for future work programs.

**Yarmana West, Eastern Goldfields, W.A (DGO 100%)**

Interpretation of geophysical datasets has identified greenstones to the west of the Yamarna Belt. This represents the under-explored Deleta Greenstone Belt covered by younger sediments. During the quarter DGO progressed the grant of these applications.

**Corporate**

- DGO completed a \$2 million placement to a professional and sophisticated investor in September 2019.
- Cash as at 30 September 2019 - \$4.08 million
- At the end of the quarter, the Company had 35,196,362 fully paid shares, 842,175 40c unlisted options, 10,042,129 \$1 unlisted options and 2,850,000 performance rights on issue.



**Eduard Eshuys**  
**Executive Chairman**

**Competent person statement**

Exploration or technical information in this release has been prepared by **David Hamlyn**, who is the General Manager - Exploration of DGO Gold Limited and a Member of the Australian Institute of Mining and Metallurgy. Mr Hamlyn 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 Hamlyn consents to the report being issued in the form and context in which it appears.

**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 seeks 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 comparable to 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 (+5 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 AO, 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.

## Appendix I: Recent Announcements Relating to Exploration Activities During the Quarter

Date	Title
22 Oct. 19	Significant drilling results at Black Flag
21 Oct. 19	EM survey Defines Priority Gold Targets at Bryah
21 Oct. 19	EM Survey Defines Copper/Gold Targets at Yerrida
10 Sept. 19	Share Placement
2 Sept. 19	Black Flag Drilling to Commence

## Appendix II: DGO Gold Tenement Holdings

Project	Location	Tenement Number	Interest Beginning of Quarter	Interest at End of Quarter
Lake Randall	WA	E15/1573 <sup>1</sup>	30	30
		E25/584 <sup>2</sup>	100	100
Ora Banda	WA	P24/4946-4956 <sup>3</sup>	100	0
Black Flag	WA	E24/197,	100	100
		P24/4986-4992	100	100
Mallina	WA	E47/3327-3329	100	100
		E47/4267, 4270 <sup>2</sup>	0	100
Rocky Pool	WA	E45/5034-5035 <sup>3</sup>	100	0
Warrawagine	WA	E45/5031-5033 <sup>3</sup>	100	0
Tom Price	WA	E47/3898, 3900 <sup>2</sup>	100	100
		E47/3629, 3651, 3716 <sup>4</sup>	0	0
Bryah	WA	E51/1590 <sup>5</sup>	51	51
		E51/1729	100	100
Yerrida	WA	E51/1730, 1748-1753	100	100
		E51/1833, 1897,	100	100
		E51/1920, 1921 <sup>2</sup>	100	100
		E51/1725, 1726 <sup>6</sup>	0	0
Yamarna West	WA	E38/3343, 3344 <sup>2</sup>	100	100
Pernatty Lagoon	SA	EL 6145, 6302	100	100
Bookaloo	SA	EL 6030	100	100
		ELA 2019/88 <sup>2</sup>	100	100
Myall North	SA	EL 6303	100	100
Dawson	SA	EL 5737, 5876, 5877, 6036, 6269 <sup>3</sup>	100	0
Wirrabara	SA	EL 6237 <sup>3</sup>	100	0

<sup>1</sup> Farm-in and Joint Venture with Romardo Gold WA Pty Ltd – DGO earning up to 70%

<sup>2</sup> Tenement application – on grant 100% DGO

<sup>3</sup> Tenements expired/relinquished

<sup>4</sup> Farm-in and Joint Venture with Forge Resources Swan Pty Ltd – DGO earning 100% gold rights only

<sup>5</sup> Farm-in and Joint Venture with TasEx Geological Services Pty Ltd – DGO earning 90%

<sup>6</sup> Option to Purchase with Middelen Pty Ltd – DGO 100% on exercise of Option

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

**Name of entity**

DGO Gold Limited

**ABN**

96 124 562 849

**Quarter ended ("current quarter")**

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (three months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(531)	(531)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(218)	(218)
1.3 Dividends received (see note 3)		
1.4 Interest received	16	16
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)	64	64
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(669)</b>	<b>(669)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(134)	(134)
(b) tenements (see item 10)		
(c) investments	(4,335)	(4,335)
(d) other non-current assets		

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## Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (three months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide detail if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(4,469)</b>	<b>(4,469)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	2,000	2,000
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	(83)	(83)
3.5	Proceeds from borrowings	2,500	2,500
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>4,417</b>	<b>4,417</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,803	4,803
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(669)	(669)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,469)	(4,469)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,417	4,417
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,082</b>	<b>4,082</b>

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5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	4,082	2,103
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (term deposit)		2,700
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,082</b>	<b>4,803</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	139
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Director fees, expense reimbursements, rent and consultancy fees.

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	2,500	2,500
8.2 Credit standby arrangements		
8.3 Other (credit card)	30	28
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Unsecured credit card limit \$30,000 and loans of \$2.5m from DGO shareholders.

## Mining exploration entity and oil and gas exploration entity quarterly report

9. Estimated cash outflows for next quarter		\$A'000
9.1	Exploration and evaluation	1,067
9.2	Development	
9.3	Production	
9.4	Staff costs (included in 9.1 & 9.5)	
9.5	Administration and corporate costs	246
9.6	Other (provide details if material)	
<b>9.7</b>	<b>Total estimated cash outflows</b>	<b>1,313</b>

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements lapsed, relinquished or reduced	P24/4946-4956 Ora Banda WA E45/5031-5035 East Pilbara WA EL 6237 Wirrabara SA EL5737, 5876, 5877, 6036, 6269 Dawson SA	Expired Surrendered Surrendered Surrendered	100% 100% 100% 100%	0% 0% 0% 0%
10.2	Interests in mining tenements acquired or increased	E47/4267, 4270 Mallina WA	Application	0%	100%

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: \_\_\_\_\_  
Executive Chairman

Date: .....30 October 2019 .....

Print name: ... Eduard Eshuys .....

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**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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.