



DGO Gold Limited

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30 November 2020

ASX Market Announcements Office
ASX Limited

Chairman's Address to Annual General Meeting

We enclose for release to the market the Chairman's address to shareholders at today's AGM.

Yours sincerely

Markus Ziemer
Company Secretary

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DGO Gold Limited 2020 Annual General Meeting

Monday, 30 November 2020

Chairman's Address

Welcome

Good morning fellow shareholders. Thank you for joining our virtual Annual General Meeting.

I acknowledge the Traditional Owners of the land on which we meet and the land on which we work, and pay my respects to their Elders past, present and emerging.

I am your Chairman Ed Eshuys and we are also joined by my fellow directors:

- Katina Law, who is a non-executive director, joining us for her first DGO AGM,
- executive director Bruce Parncutt and
- non-executive director Ross Hutton.

We also welcome our audit partner Tim Mann of BDO.

We look forward to meeting in person at our next meeting but given the Covid-19 measures we have opted for the prudent social distancing of a virtual meeting.

If we experience any technical issues today, a short recess or an adjournment may be required depending on the number of shareholders being affected. If this occurs, I shall advise you accordingly.

Formalities

Now for the formalities of the meeting.

The notice of the meeting was duly given and the meeting has been properly convened. We will turn to resolutions later in the meeting. Please note that only shareholders, proxy holders or shareholder company representatives may vote.

Quorum

I note that there is a quorum present and I declare the meeting open.

Agenda

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The Agenda for the Meeting will comprise my address as Chairman, followed by the formal business of the meeting which includes the resolutions of the meeting. After the formal part of the meeting closes, shareholders are invited to stay online for an update on our gold discovery activities.

Voting on the resolutions will be conducted by way of poll.

Shareholders attending the meeting online will be able to cast their vote using the electronic voting card received when online registration is validated. Please refer to the virtual annual meeting online portal guide or use the help line specified.

Following the voting, general business questions will be taken. Shareholders are able to click on the 'Ask Question' button, type your question and click submit. I encourage shareholders who have questions, to send their questions through as soon as possible.

Shareholder questions received prior to the meeting will be address during the general business questions.

Chairman's Address

The 2020 financial year was one of considerable growth and positive momentum for DGO.

Having commenced the year with a market capitalisation of \$21m the combined effect of value accretion of our investments, solid progress with our large scale greenfield opportunities, additional capital raisings and positive sentiment for the gold exploration sector have contributed to the growth in the size of the business to its level at end of the 2020 financial year of \$187m and more than \$200m today reflecting a share price increase of 460% for the year from 65 cents to \$3.61 at 30 June 2020.

Some of the factors driving our share price are outside our control, most notably the gold price. The medium-term upward trend in the gold price was a significant tail wind for DGO in 2020 more recently we have seen a softening in the gold price. However we remain confident that there remains considerable margin and attractiveness in the returns that can be earned in smart gold discovery regardless of the gold price. Also, from history it is evident that significant influences of negative interest rates, quantitative easing on a global scale and global tensions, will impact the ongoing demand for gold as a reliable and tangible store of wealth.

Turning to those matters more within our control and our progress in the 2020 financial year, it is evident that our strategy has generated success.

A brief recap of our strategy. We are building a portfolio of brownfield and greenfield gold and copper/gold discovery opportunities in Western Australia and South Australia through strategic:

- strategic equity investments
- exploration on our own tenements; and
- joint ventures.

Our targeted selection of brownfield discovery equity investments has focused to date on De Grey Mining and NTM Gold. In each case our investment has given DGO shareholders exposure to re-rating of those businesses. In the case of De Grey through the significant Hemi discovery in the Mallina basin in the Pilbara.

In the case of NTM Gold, our investment thesis was based on that company's attractive exploration portfolio and gold resources within trucking distance of four operating mills. As shareholders will be aware, NTM is now in the process of merging with the owner of one of those mills, Dacian Gold, in a deal which recognises the value of NTM's assets. Under the merger DGO will receive shares and options in Dacian in exchange for its current holding in NTM Gold, giving us exposure to the combined assets in a gold production and exploration company with 100,000 ounces of future annual gold production and a promising exploration portfolio. DGO is highly optimistic about the prospects for the merged assets and the combined team under Dacian's management.

More recently, we added Yandal Resources to DGO's Brownfield portfolio through a \$4 million investment. We see Yandal as having significant upside potential, particularly at the early-stage Gordon's Dam prospect where high grade gold has been intersected in drilling below a gold bearing palaeochannel.

We were pleased to announce in July our 40% stake in the Yilgarn Exploration Venture with leading Australian technology business SensOre. The joint venture Company is in the process of drill testing Tier 1 potential gold targets identified by SensOre's machine learning technology is applied to identifying gold exploration targets in the Yilgarn region of Western Australia.

Our own exploration work continues on DGO's tenements in Western Australia and South Australia. We spent \$3.8m on greenfield exploration in FY2020 and expect to spend more than \$7m in the current financial year. We consider this a conservative strategy of approximately 5% of DGO's market capitalisation. We will see a considerable uplift in drilling activity in December and in the first quarter of 2021 at our Mallina, Yerrida and Pernatty properties.

While our greenfield activities are a small part of our current asset value, they offer material upside if the scientific approach we are bringing achieves success, and accordingly this ongoing program warrants our continued focus.

In each of the areas where we explore, we are very cognisant that we are sharing the land of the traditional owners and pastoralists. We take our responsibility seriously to respect the rights and interests of those parties and to work with them for mutual benefit. We have in place native title agreements with 6 traditional owner groups and

in each location the process of conducting exploration works, such as drilling activity, is preceded by heritage surveys so that we are aware of areas of sensitivity. Our aim is to strengthen our knowledge and understanding of each of the groups with whom we work and develop enduring relationships. We are guided by our heritage and community policies and respect for all stakeholders who are impacted by our work.

Our program for the coming year, both through the companies we have invested in and our directly managed exploration program, is clearly very active and has high potential. We remain focused to ensure that our small team brings its energy and insight to execute on our strategy. Your directors and I remain optimistic that our strategy is the right one and we are committed to our continued efforts to create value for all shareholders.

- ENDS –

This announcement is authorised for release by Mr Eduard Eshuys, Executive Chairman.

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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 mineralisation.

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.