DGO Gold Limited

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Quarterly Activities Report
Quarter ended 31 March 2018

Highlights

- ✓ DGO Gold's focus is on the discovery of **sediment hosted gold** and **copper-cobalt deposits** in Australia across the **Pilbara**, the **Eastern Goldfields**, and the **Yerrida Basin** of Western Australia and the **Adelaide Fold Belt** and **Stuart Shelf** in South Australia. Granted and application exploration licences total **8,123km^2**
- ✓ Extensive compilation, review, integration and evaluation of past exploration data, government and public domain geophysical and geochemical data completed and generated high potential drill targets: -
    - Ora Banda in the Eastern Goldfields – past drilling intersected 12m @ 36.7 g/t Au within a target area defined by shallow drilling and the E-W structure extending from Ora Banda mines of east – 2,500m RC drilling scheduled to commence 30 April 2018.
    - Mallina in the Pilbara of Western Australia – Scottie Well coincident nugget location, EM feature and 1.5km long soil anomaly 1.5 km and 4km long conglomerate gold target at base of the Mount Roe Basalt scheduled for drilling in June 2018.
    - Mount Tom Price in the southern Pilbara – strong historical surface geochemical responses, 3.5 g/t and 0.8 g/t Au highlight gold mineralisation under cover target for drilling once appropriate approvals are in place.
- ✓ Pilbara sediment hosted gold tenement holding reduced to **3588km^2 focused on most prospective exploration licence application areas** over the Hardey, Tumbiana and Jeerinah Formations of the **Fortescue Group** sediments with age and lithological analogues to the **Witwatersrand Basin** of South Africa.
- ✓ The Company's South Australian granted and exploration licence applications total **2,848km^2** over sediment hosted copper-cobalt and gold targets.

EXPLORATION ACTIVITIES

Extensive compilation, review, integration and evaluation of past exploration data, government and public domain geophysical and geochemical data has been completed and generated several high potential drill targets as follows -

- Ora Banda, 35 km NW of Kalgoorlie in the Eastern Goldfields. Past drilling intersected 12m @ 36.7 g/t Au within a target area defined by shallow drilling and the E-W structure extending from Ora Banda mines to the east. The program of RC drilling, 2,000-2,500m for 20-25 holes, is scheduled to be commenced on 30 April 2018.

- Mallina in the Pilbara of Western Australia –

  - Scottie Well is a sediment hosted gold in Mallina Formation basement – nuggets have been located in vicinity of coincident near surface EM feature, soil anomaly 1.5 km in length and on a regional structural fault trend.

  - Conglomerate gold target - hydrothermal alteration, oxidised sulphides and gold traces identified in sampling of conglomerate outcrop over a strike length of 4 km at base of the Mount Roe Basalt has confirmed the prospectivity of the conglomerate.

  - The drilling of these two Mallina targets is expected to commence in June 2018.

- Tom Price in the southern Pilbara. Strong historical surface geochemical responses, including 3.5 g/t and 0.8 g/t Au provide clear exploration targets which will be drilled once appropriate approvals are in place.

EASTERN GOLDFIELDS WESTERN AUSTRALIA

DGO holds four areas in the Black Flag Group meta-sediments in the Eastern Goldfields of Western Australia. The Ora Banda and Black Flag tenements in the Northern Black Flag area and the Mt Edwards and Lake Randall JV in the Southern Black Flag area (Figure 1) were acquired to test for sediment hosted gold mineralisation.

The discovery of the multi-million ounce Invincible Deposit in the St Ives camp by Goldfields Limited in 2012 highlighted the untested prospectivity of the Black Flag Group sediments and the potential for sedimentary hosted gold deposits in the Eastern Goldfields.

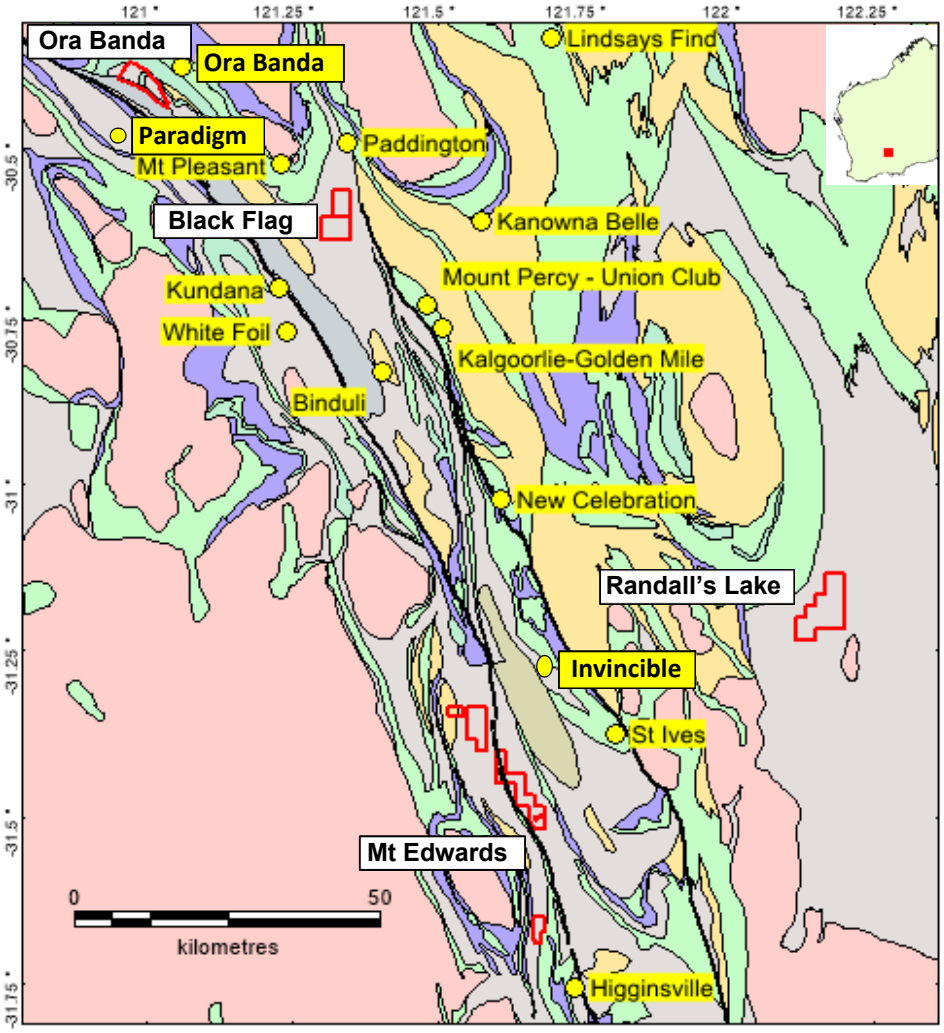


Figure 1: DGO Tenure – Black Flag Group, Eastern Goldfields, Western Australia

The Ora Banda tenement area is the most advanced exploration target of the Eastern Goldfields projects. It consists of 11 contiguous prospecting licences (P24/4946 to P24/4956) that cover a combined area of 21.8km^2 located approximately 50 kilometres north-west of Kalgoorlie.

The project covers a folded sequence of Black Flag Group sediments and intermediate to felsic volcanics, the north-west trending unconformable contact with the conglomerates and sandstones of the Kurrawang Formation in the south west and the layered gabbroic Orinda Sill along the north east margin of the tenement group

The regionally significant north-west striking Zuleika Shear is located approximately 4.0 kilometres to the south west of the tenement group. A syncline sub parallel to the Zuleika Shear extends through the central and northern portion of the tenement group.

The regolith in the region of the tenement group consists of alluvial / colluvial deposits or duricrust, with no evidence of outcrop other than limited subcrop in the north east.

Past exploration, since 2001, included vertical RAB/aircore drilling which defined a +1.0

kilometre long by more than 250 metres wide gold anomaly, highlighted by an intersection of 12 metres at 36.7g/t Au from 48 metres to EOH.

The two major gold mineralisation zones in relation to DGO's tenements are highlighted in red, the Ora Banda District >2Mozs Au and the Zuleika District >4Mozs Au and regionally important Zuleika Shear.

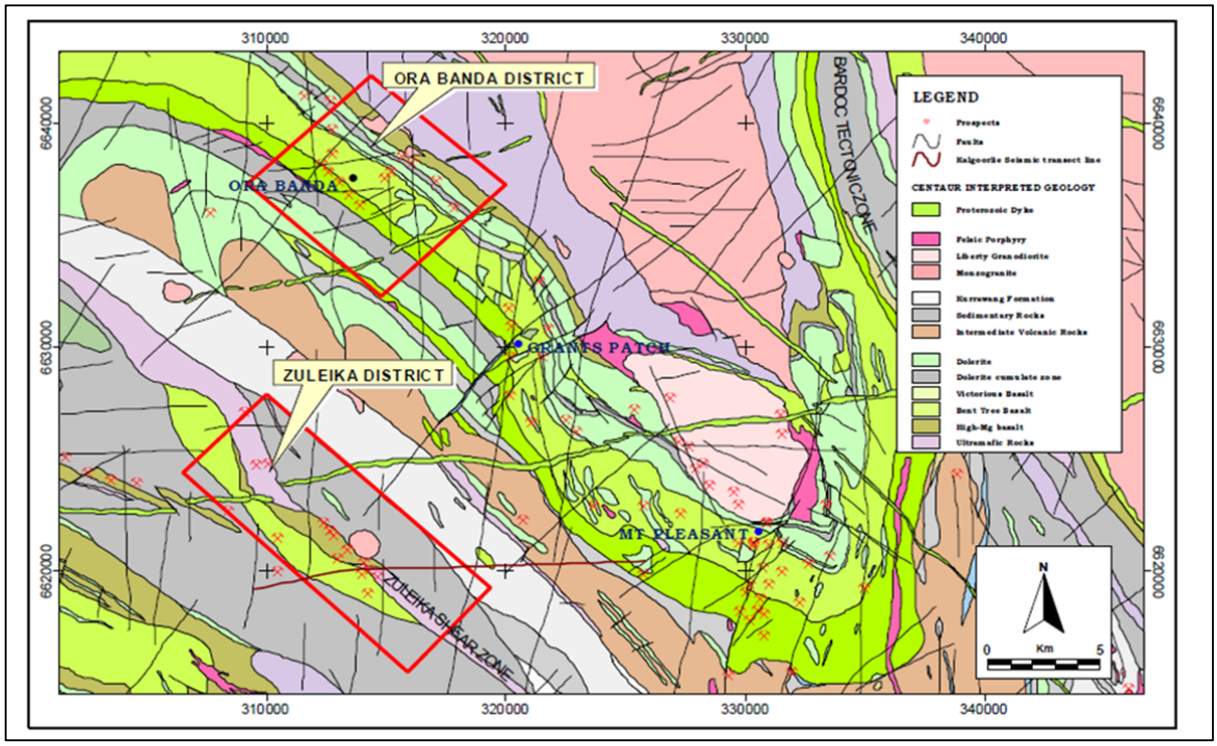


Figure 2: Geological map of the major formations observed within the northwest Kalgoorlie region

Detailed geological and geophysical review indicates that this gold anomaly is associated with an apparent fold closure within the Orinda Sill intersected by the ENE/EW trending Slippery Gimlet/Ora Banda Fault system. A coincident magnetic low (interpreted alteration zone?) broadly parallels the trend of the extension of the Slippery Gimlet/Ora Banda Fault system through the Orinda Sill.

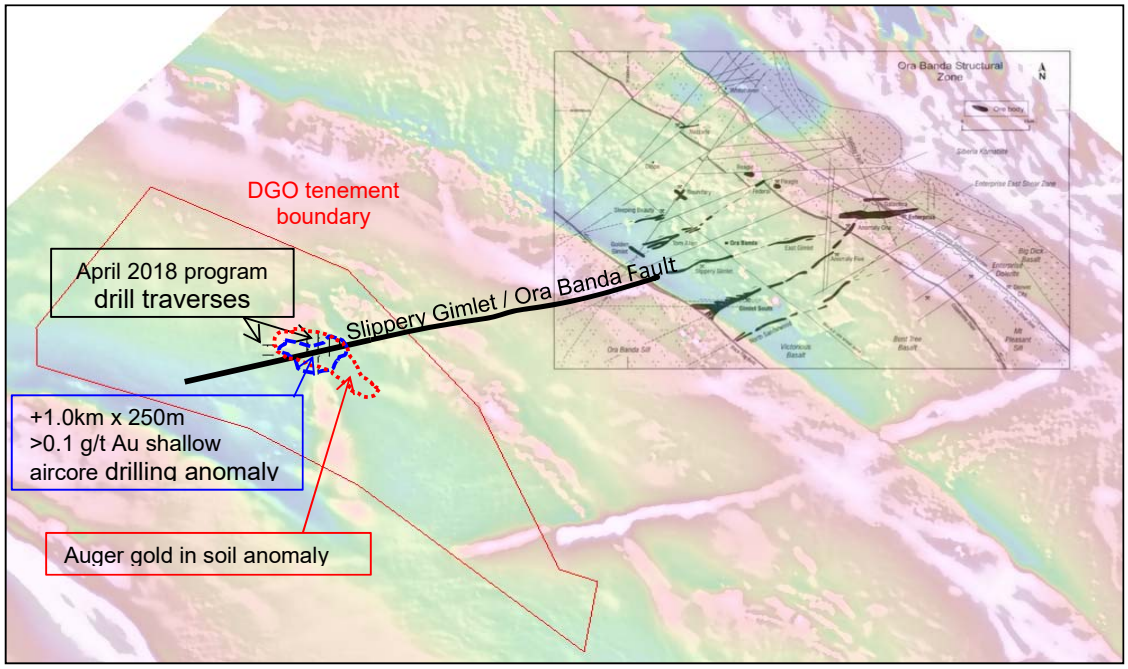


Figure 3: Ora Banda Anomalies and Structure overlain on Magnetic Image

An initial RC drilling program commenced in late April 2018. Twelve RC holes are being drilled on four 200 metres spaced traverses across the interpreted intersection of the Slippery Gimlet Fault with the Orinda Sill and four holes will be completed on two 160 metres spaced traverses to test the western faulted sediment-Sill contact. Results of this drilling are expected in late May 2018.

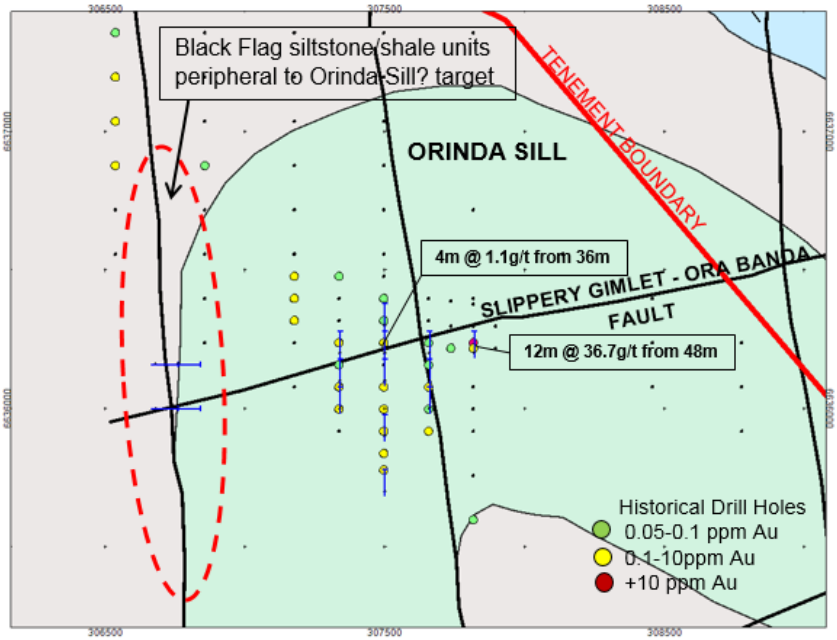


Figure 4: Ora Banda Geology, Drilling and Targets

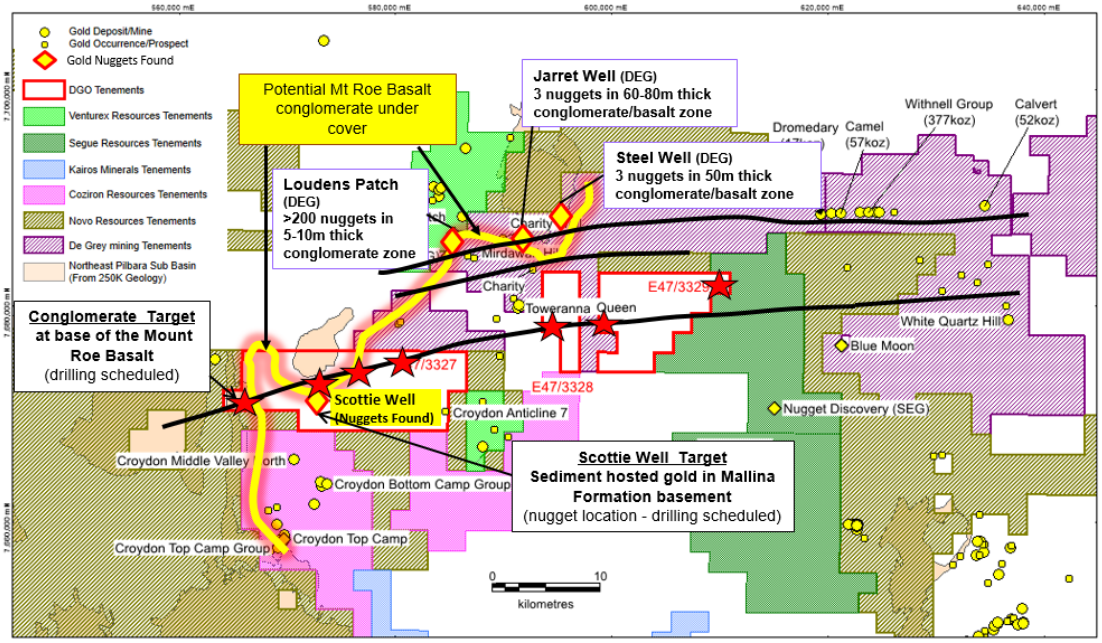
Drill testing of the Ora Banda tenements has the potential to identify significant gold mineralisation within the under explored Black Flag Group sediment sequence and the associated faulted Orinda Sill.

Data compilation and review of historical exploration is progressing on other Eastern Goldfields projects in conjunction with monitoring of recent company activity and exploration developments in adjacent areas to prioritise DGO's exploration programs.

PILBARA SEDIMENT HOSTED GOLD EXPLORATION

Mallina, Pilbara, Western Australia

Mallina is located 75 kilometres east of Purdy's Reward and eight kilometres south west of Loudens Patch where gold nuggets in conglomerate underlying the Mount Roe Basalt have been reported by the Artemis Resources Limited (ASX: ARV) / Novo Resources (TSX: NVO) joint venture and De Grey Mining Limited (ASX: DEG) respectively.



Base of Mt Roe Gold occurrences sourced from Novo Resources TSX presentation March 2018

Figure 5: DGO Mallina Tenure with Significant Gold Deposits / Occurrences and Targets ★

Two priority targets have been identified for drill testing:

- the **basal Mt Roe Basalt conglomerate** both outcropping (4km long) or where it is interpreted to lie under shallow surface cover; and
- at **Scottie Well** where a drill target has been defined by a near surface EM anomaly, a 1.5km long gold-in-soil anomaly and the recent recovery of two gold nuggets

Conglomerate at the base of the Mount Roe Basalt has been mapped on the eastern flank of a broadly north – south trending ridge in the western area of E47/3327. The Mount Roe Basalt caps the ridge and dips at 10-25 degrees to the west so the basal contact which hosts the prospective conglomerate horizon is largely obscured by basalt scree or alluvium. Sporadic outcrops of the conglomerate have been observed over a strike length of at least four kilometres within E47/3327.

Rock samples collected across the conglomerate/basalt contact for analysis at the Centre for Excellence in Ore Deposits (CODES) of the University of Tasmania, under a research agreement between the Company and CODES, identified ferruginous and gossanous breccias with angular and brecciated clasts in a ferruginous matrix at the base of the vesicular Mount Roe Basalt. Laser–ICPMS analysis of pyrite detected minor gold in the gossanous breccia samples and a correlation between gold and lead demonstrating that the oxidised pyrite in the breccia is hydrothermal, not detrital, and lead isotope results indicate that the pyrite mineralisation has an age of **around 2800-2900 Ma**, similar to pyrite in the Witwatersrand reefs. The mineralisation at the base of the Mount Roe Basalt is not detrital or secondary, and has an age similar to the age of the Witwatersrand reefs.

The laser ablation results show that the mineralising fluid at the base of the Mount Roe Basalt carried a gold signature and RC drilling is proposed through the outcropping Mount Roe Basalt to test the basal conglomerate for sites favourable to the accumulation and concentration of gold.

Prospecting at Scottie Well in E47/3327, reported in the September Quarter, recovered two gold nuggets (14g and 1g) where past exploration outlined a gold in soil anomaly over an area of approximately two square kilometres. The soil anomaly remains a priority target for structurally controlled hydrothermal gold mineralisation in the basement Mallina Formation metasediments.

A Program of Works Approval was approved by the Department of Mines, Industry Relations and Safety (DMIRS) to facilitate drilling and ground disturbing activities at Scotties Well and the conglomerate/breccia targets at the base of the Mount Roe Basalt on E47/3327. Drilling on these targets is scheduled for June 2018.

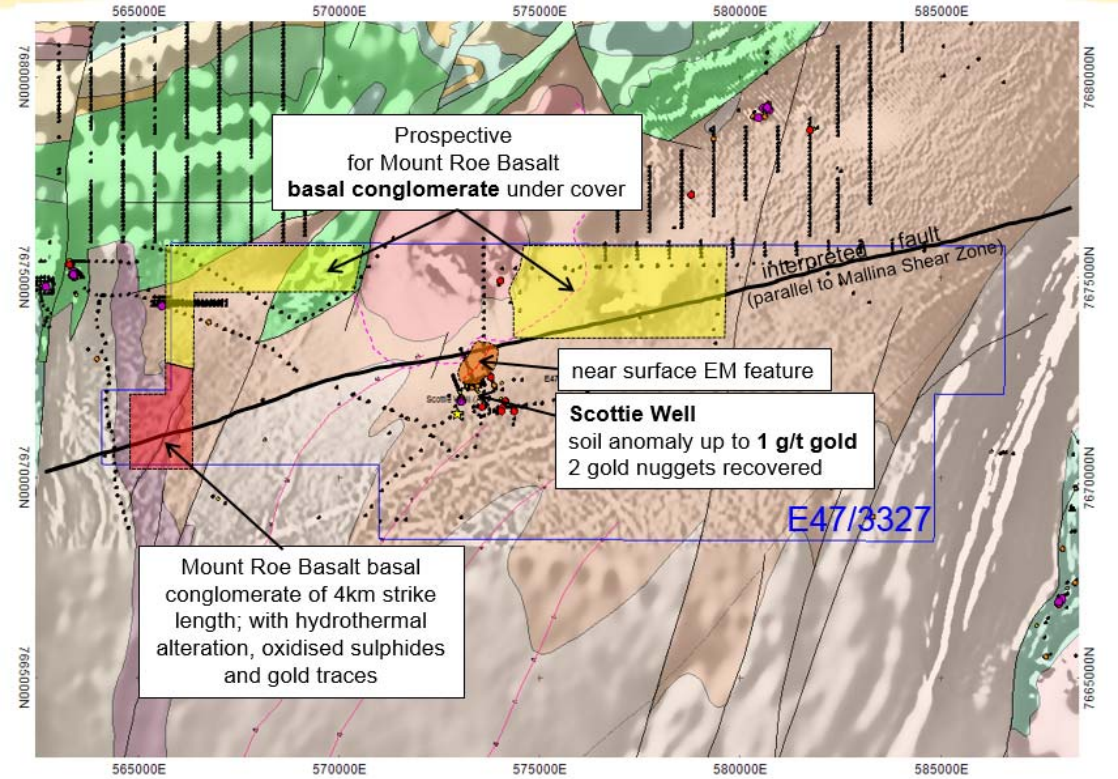


Figure 6: E47/3327 Target Areas over Geology

Lower order exploration targets are also identified in E47/3327 and the Mallina East tenements, E47/3328 and E47/3329, associated with the regional east-west structure which passes through the tenements (Figures 6, 7 and 8). This structure parallels the Mallina Shear zone which hosts De Grey Mining's Indee gold resources (23.9mt @ 1.6g/t for 1.21Mozs Au) to the northeast. Further geophysical analysis and sampling is warranted to evaluate these targets.

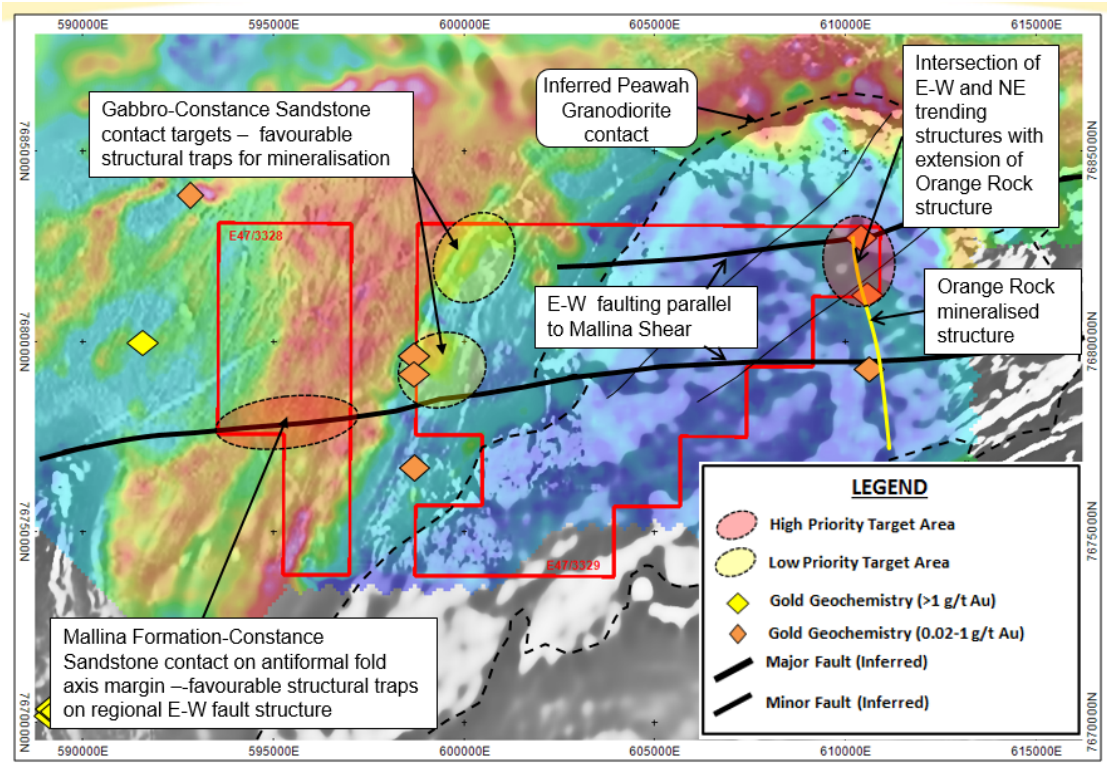


Figure7: East Mallina, E47/3328 and E47/3329 Target Areas over Magnetics

Fortescue Group Tenement Applications, Pilbara, Western Australia

The Novo-Artemis and De Grey Mining gold nugget discoveries associated with the Mount Roe Basalt and conglomerate at the base of the Fortescue Group has been likened to the Witwatersrand mineralisation in South Africa. 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 Figure 8). 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.

The Hardey, Tumbiana and the lower part of the Jeerinah Formations appear to have sedimentary components suitable for the development of sequence boundaries similar to those at which the gold "reefs" occur within the Witwatersrand Basin sediments. These Formations are the focus of DGO's research and review of past exploration results and all government geological, geophysical and geochemical data across the Pilbara.

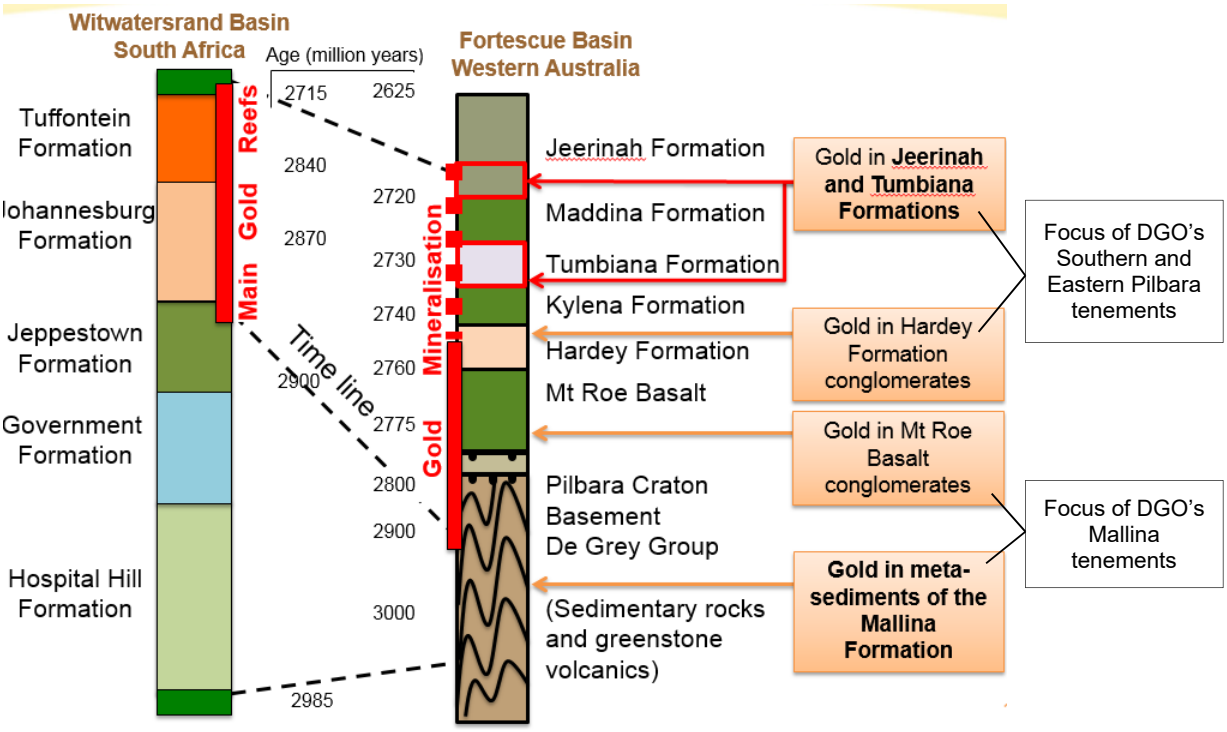


Figure 8: Witwatersrand and Fortescue Group Stratigraphic Columns

DGO's decision to apply for 4,758 km^2 of exploration licences covering sediments of the middle-upper Fortescue Group in late 2017 in the Pilbara has borne fruit. Compilation of open file past exploration data and geological literature research has been completed over the application areas and has identified large areas worthy of follow up and two drill ready gold in soil targets near Mount Tom Price (Figure 11).

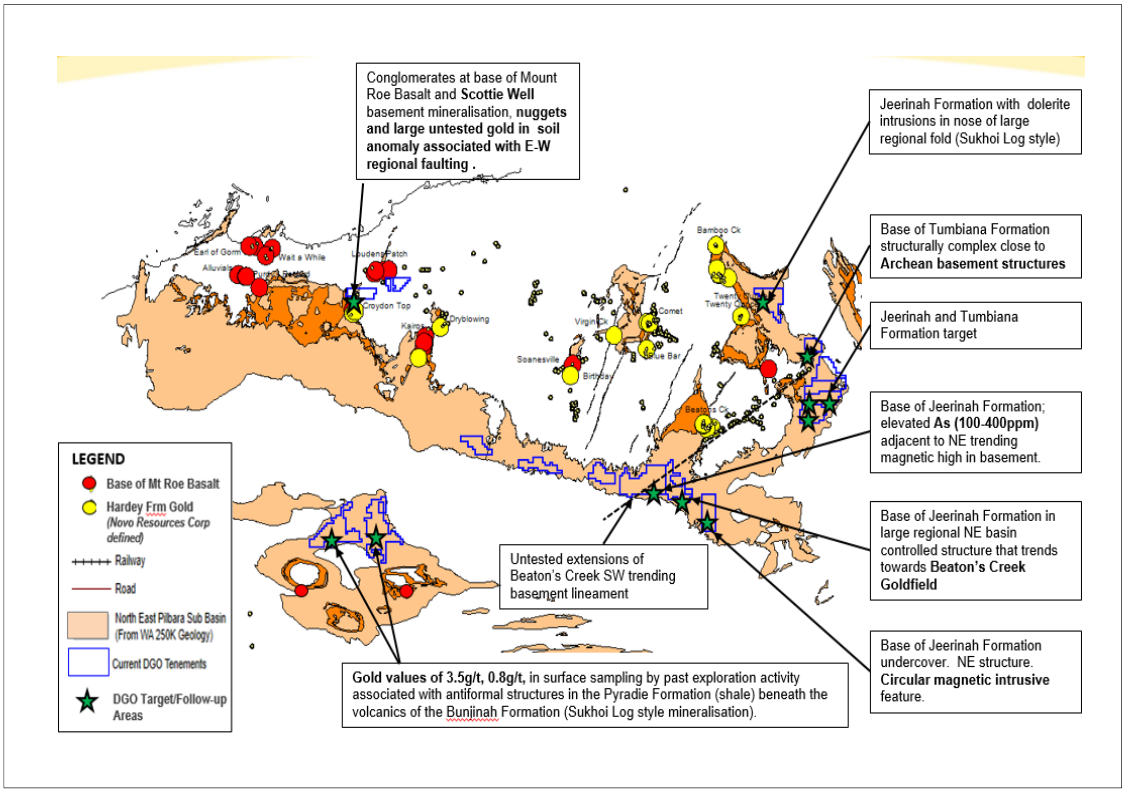


Figure 9: DGO Tenements, Prospective Geology and Targets
(rationalised exploration licence applications shown)

The review has also facilitated rationalisation of the tenement applications with applications over less prospective areas being withdrawn. DGO's granted exploration licences and exploration licence applications in the Pilbara will cover **3,588km^2** (Figure 10) when registration of amendments lodged to licence applications is finalised.

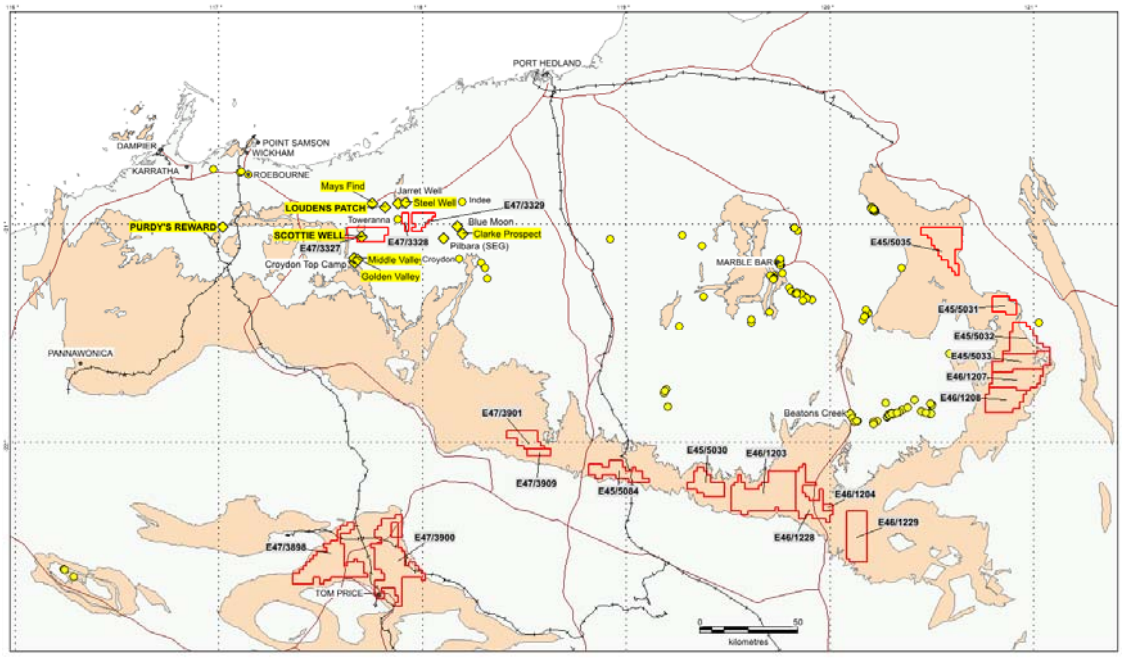


Figure 10: DGO Pilbara Exploration Licence Applications

Granted exploration licences and exploration licence applications covering 3,588km^2

Strong gold targets have been identified in licence applications, ELA47/3898 and ELA47/3900, north of Mount Tom Price from a review of past exploration data Initially attracted by strong radiometric responses of the targeted upper units of the Fortescue Group the review of past exploration identified significant gold mineralisation in the Fortescue Group meta-volcanics and meta-sediments of the Pyradie Formation immediately to the west and east of DGO's applications, E47/3898 (Figure 12).

High grade historical surface sample grades up to 3.5 g/t gold are evident in ELA47/3898 and potential extensions to the known gold mineralisation to the east, in the prospective Pyradie Formation, are overlain by Bunjinah Formation meta-volcanics along the axis of an anticlinal structure. Scant soil sampling and no drilling has been conducted to test the Pyradie Formation or the base of the equally prospective Jerrinah Formation which flank the tenements.

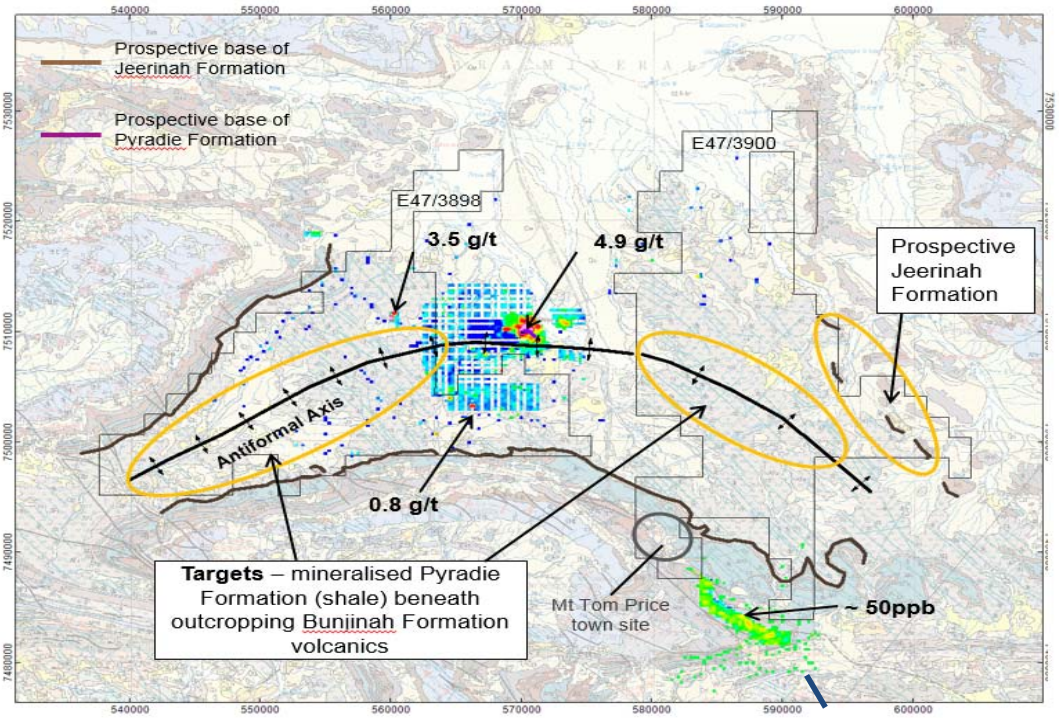


Figure 11: ELA47/3898 and ELA47/3900 Geology, Structure, Soil Geochemistry and Targets

This gold mineralisation in the Pyradie Formation in the Mount Tom Price area coupled with recent discoveries in the Hardy Formation provide strong support that the upper units of the Fortescue Group, which are time equivalents of units which host substantial gold mineralisation in the Witwatersrand Basin are also prospective yet remain virtually untested.

SOUTH AUSTRALIA

DGO's South Australia tenements cover potential sediment hosted base metal and gold targets in the Stuart Shelf and Adelaide Fold Belt identified from work by DGO and its consultants, under the research agreement with CODES at the University of Tasmania.

Target commodities include cobalt/copper on the recently granted Bookaloo tenement (EL6030) and at the Wirrabara exploration licence application (E2017/00053) and copper/gold at Dawson (ELs 5737, 5876, 5877, 6036), Mt Barker (ELs 5770, 5812, 5946) and Yerelina (EL5813).

This exploration is designed to identify structural and/or stratigraphic targets prospective for copper/gold mineralisation based on a modified Central African Copperbelt and the Zechstein of Europe model. During 2017 a further targeting exercise was carried out based on the outcomes of the ARC/AMIRA project P544 pertaining to the potential for stratiform sediment-hosted Cu deposits in this region.

Total area under granted licences and application in South Australia is 2,848km^2. Historical exploration data compilations and review is in progress.

LAND HOLDINGS

At the end of the March Quarter DGO's tenure covering a total of 9,694km^2 (under application, joint venture or granted) across Western Australia and South Australia covering some of the high priority targets identified by the CODES research. In April 2018 multiple Applications to Amend and Application Withdrawal notices were lodged with DMIRS to relinquished less prospective areas of the of the extensive Pilbara tenement applications. When all amendments and withdrawals are approved and registered DGO's tenements in Western Australia and South Australia will be reduced to 8,123km^2. See Table 1 for a full listing of tenements.

	Tenements - Granted	Tenements - Applications	Area (km2)
Western Australia			
Mt Edwards	E15/1465, 1488, 1514		78
Ora Banda	P24/4946 - 4956		22
Black Flag	P24/4986 - 4992, E24/197		31
Mallina	E47/3327 - 3329		213
Fortescue Group		E45/5030 - 5035 E45/5084 E46/1203 – 1204 E46/1207 – 1208 E46/1228 – 1229 E47/3898 E47/3900 – 3901 E47/3909	3375
Yerrida Basin	E51/1590, 1729, 1730, 1748 – 1753	E51/1833	1506
Lake Randall JV	E15/1573		50
Sub-Total			*5275*
South Australia			
Mt Barker	EL5770, EL5812, EL5946		328
Dawson	EL5737, EL5876, EL5877, EL6036		861
Yerelina	EL5813		145
Bookaloo	EL6030		490
Wirrabara		E2017/00053	755
Pernatty	EL 6145		269
Sub-Total			*2848*
TOTAL			**8123**

Table 1: DGO Tenement Holdings as at 30 April 2018

CORPORATE

On 4 April 2018 DGO Gold allotted 1,250,000 new fully paid ordinary shares raising $1,000,000 at an issue price of $0.80 per share to a sophisticated and professional investor.

At the date of this report there are 4,168,736 exercisable at $0.40 on or before 30 June 2020 and 11,811,374 fully paid ordinary shares on issue.

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 9,694km^2.

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.

Competent person statement

Exploration or technical information in this release has been prepared by ***Mr. David Hamlyn****, who is a part time employee 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.*

Rule 5.3

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	Quarter ended ("current quarter")
96 124 562 849	31 March 2018

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (9 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	(232)	(1,021)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(96)	(240)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	-	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes refunded	-	-
1.7	Other (research and development tax offset)	-	234
	Net Operating Cash Flows	**(328)**	**(1,023)**
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments (i)	-	-
	(c) other fixed assets	-	(2)
,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	-	**(2)**
1.13	Total operating and investing cash flows (carried forward)	**(328)**	**(1,025)**

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	**(328)**	**(1,025)**
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	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 (exercise of option)	-	79
1.19	Other (share issue costs)	2	(82)
	Net financing cash flows	**(2)**	**212**
	Net increase (decrease) in cash held	**(330)**	**(813)**
1.20	Cash at beginning of quarter/year to date	476	959
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter (1)**	**146**	**146**

(1) The Company made a $1 million placement in April 2018.

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	69
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	390
4.2	Development	-
4.3	Production	-
4.4	Administration	157
	Total	547

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	176	476
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	**176**	**476**

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	N/A	N/A	N/A	N/A
6.2	Interests in mining tenements acquired or increased	N/A	N/A	N/A	N/A

+ See chapter 19 for defined terms.

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** *(description)*	-	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	- -	- -	- -	- -
7.3	**+Ordinary securities**	10,561,374	10,561,374	N/A	N/A
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -	- -	- -	- -
7.5	**+Convertible debt securities** (*description)*	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7	**Options** *(description and conversion factor)*	4,168,736	-	*Exercise Price* $0.40	*Expiry date* 30 June 2020
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	**Debentures** *(totals only)*	-	-	-	-

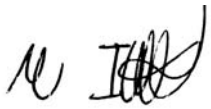
+ See chapter 19 for defined terms.

7.12	**Unsecured notes** *(totals only)*	-	-	-	-

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: 26/04/2018
(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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