

Quarterly Activities Report Quarter ended 30 Sept 2018

DGO Gold Limited (ASX: DGO “DGO” or “the Company”) is pleased to provide shareholders with an update on exploration and associated activities undertaken during the September quarter 2018.

Highlights

- **Growth Strategy**
 - **DGO’s investment in De Grey Mining Ltd (DEG) continues to benefit from outstanding exploration drilling results.**
 - **Field reconnaissance of DGO licence areas in the Pilbara Gold Province and of the historic gold and copper soil anomalies within DGO’s extensive Yerrida Basin licence areas confirms the potential to host world class mineral deposits.**
 - **Application of innovative technology developed by CODES, University of Tasmania researchers, identifies two high priority targets on the Stuart Shelf, South Australia.**
- **Corporate Activities**
 - **Appointment of Managing Director Dr Darryl Clark.**
 - **Appointment of Mark Licciardo and Lisa Deramond as Joint Company Secretaries.**

Exploration Activities

Commenting on the quarter's activities, Managing Director Dr Darryl Clark, said:

"The third quarter of 2018 has seen continued progress for DGO. Our strategy for success is based on using technical discipline and the best available expertise to identify target areas with world class gold discovery potential. This approach, combined with our ability to quickly aggregate a portfolio of licence holdings and equity interests, allows the company to rapidly achieve our goals.

This strategy will maximise our exposure to discovery events and subsequent resource growth.

In particular the recent outstanding drilling results by De Grey clearly demonstrate the potential of the Pilbara Gold Province. DGO has direct exposure via its 7% investment in De Grey and importantly through DGO's 100% owned Mallina exploration licences covering the eastern extent of the Mallina Shear Zone, which hosts significant gold resources in the adjacent De Grey tenements.

Our objective is to further demonstrate the enormous resource prospectivity of the Pilbara shear-hosted gold mineralization."

The Pilbara Gold Province, Western Australia

DGO's exploration strategy in the Pilbara is based on the most recent developments in the understanding of both Witwatersrand style and structurally controlled sediment hosted gold mineralization. Working closely with leading mineral deposit researchers, DGO has been successful in building a significant land position covering both these styles of gold mineralization. Details of the prospectivity and also the current status of our exploration efforts are as follows:

Mallina Tenements

DGO's Mallina tenements adjoin to the southwest of De Grey's Pilbara Gold Project which to date hosts Measured, Indicated and Inferred Mineral Resources totaling 27.25Mt @ 1.6g/t for 1.39 Mozs of gold (*DEG ASX announcement 3rd Oct 2018*)(Figure 1).

DGO's Mallina tenements share a similar geological and structural setting to the mineralization delineated by De Grey to the north and north-east. The company's ground incorporates over 30km's of strike length of major ENE-trending structures that parallel the Mallina Shear Zone (MSZ). A NE trending splay of the MSZ is associated with a 2 km long gold anomaly at the Scotties Well target (defined by historical soil anomalies up to 1g/t Au; Figure 2). During the September quarter work focused on further refining the location of the shear zones and preparation for an initial soil geochemical survey to test this target corridor. Field work commenced early

in October and has been completed.

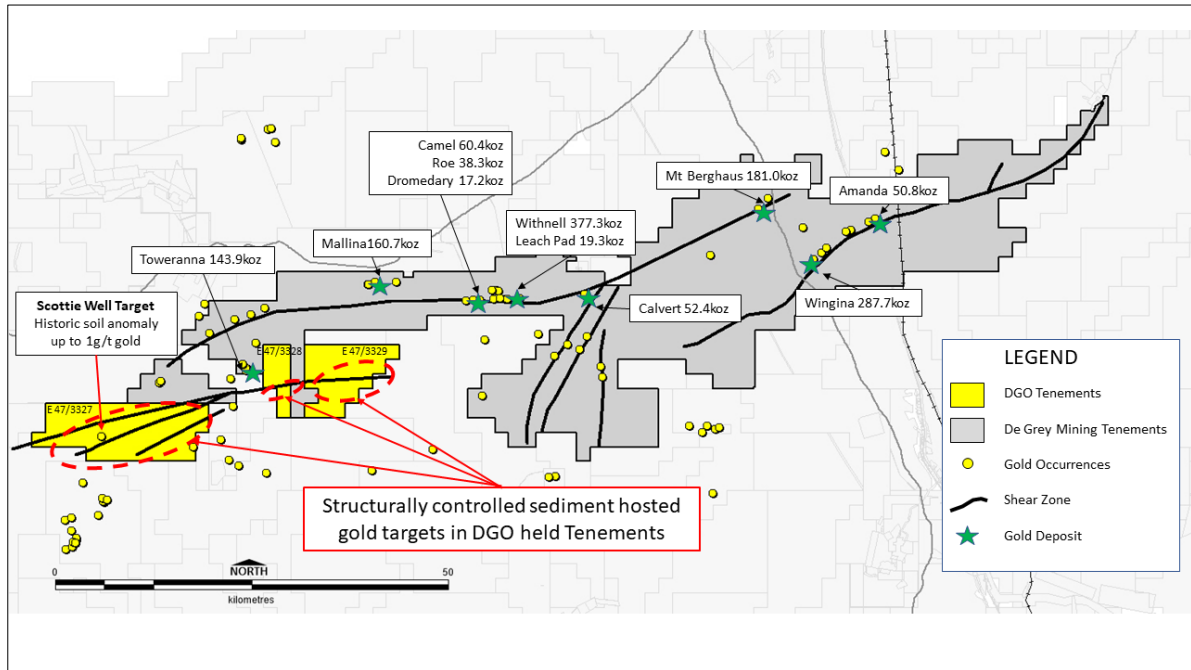


Figure 1: DGO Mallina and DEG Tenements, Significant Gold Deposits / Occurrences and Targets

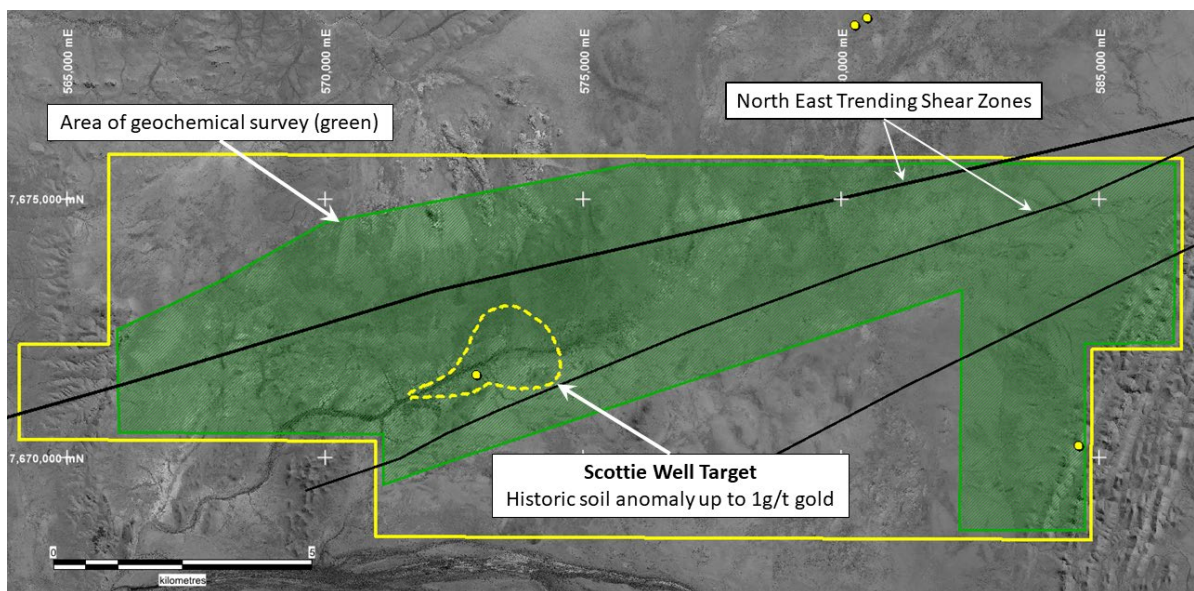


Figure 2: DGO Mallina E47/3327 Air Photo, Historical and Planned Soil Sampling and Gold Occurrences

Pilbara Fortescue Tenements

During the quarter, compilation of open file historic exploration data and geological literature research continued over DGO's granted exploration licences and

applications in the Pilbara Gold Province. This program has identified areas that warrant follow up exploration including three priority gold-in-soil targets near Mount Tom Price (*Figure 3*). Field reconnaissance mapping of the tenements groups, undertaken during the September quarter, confirmed the prospectivity for gold mineralization.

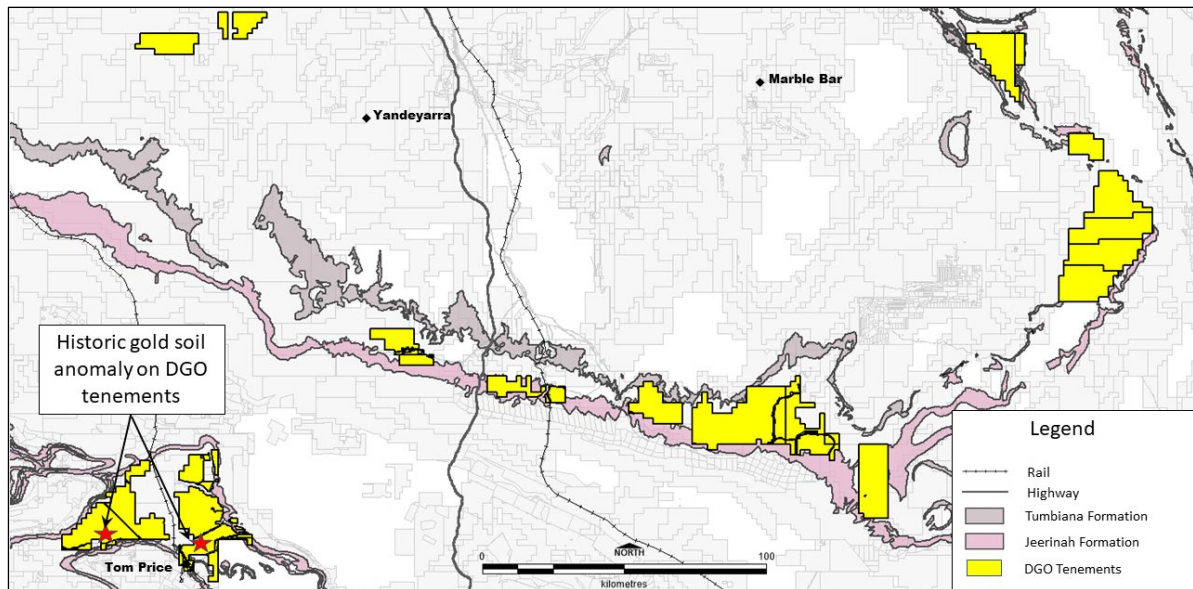


Figure 3: DGO Pilbara Fortescue Tenements and Prospective Geology © State of Western Australia (Department of Mines and Petroleum) 2017.

Yerrida Basin, Murchison Region, Western Australia

Yerrida East

Data compilation over the eastern Yerrida Basin tenements has identified a 25km long gold, copper and zinc geochemical anomaly associated with ENE trending shear structures in the Killara, Doolgunna and Johnson Cairn Formations (refer *Figure 4*). The geochemical anomaly is associated with inter-fingering sedimentary and volcanic formations of the Yerrida Group and are considered equivalents to the DeGrussa Formation of the Bryah Basin which hosts Sandfire Resources' DeGrussa and Monty deposits and the Morck's Well prospect.

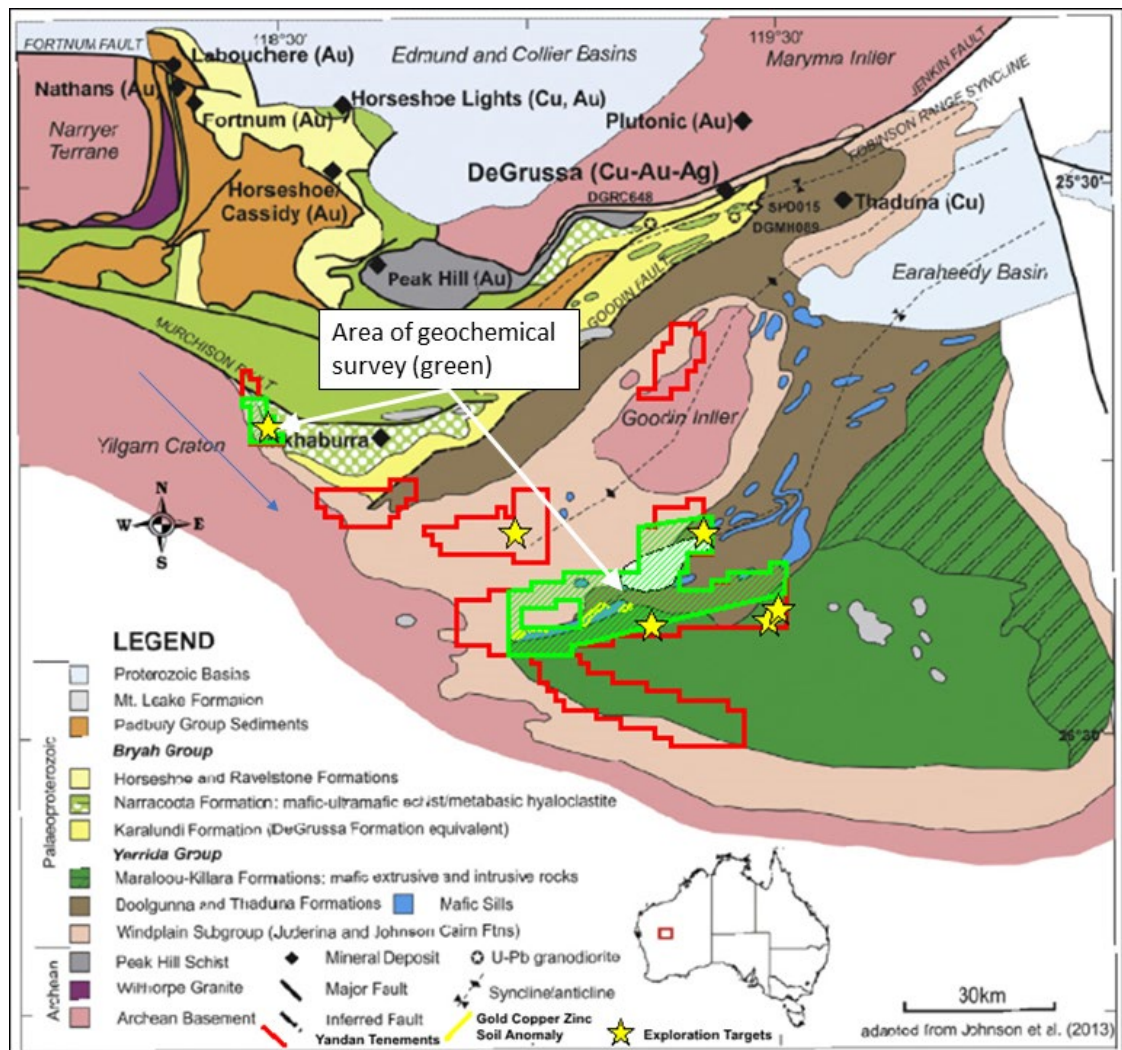


Figure 4: Regional Geology of the Yerrida, Bryah and Padbury Groups and Geochemical Survey Target Areas (Hawke et al., 2015)

The 25 km gold and copper soil anomalies are shown in yellow in Figure 4. Ground reconnaissance exploration was conducted in July, 2018 to evaluate the regolith and the geology associated with the anomalies.

A soil and rock chip geochemical sampling program to test the existing anomalous areas and obvious extensions to these targets is scheduled to be conducted during November 2018.

South Australia

DGO's South Australia tenements cover potential sediment hosted base metal and gold targets in the Adelaide Fold Belt and the Stuart Shelf. The total area under granted licences and application in South Australia is 3,130km².

Extensive sampling and testing of 250 pyrite samples within the Tapley Hill Formation black shales was completed at CODES at the University of Tasmania under an exclusive arrangement during the Quarter. The analysis by laser ablation technology to determine the levels of gold, silver, copper and cobalt in the pyrite grains is effective in defining ore body halo footprints and developing vectors to ore. The research has demonstrated similarities between the world class Central African Copper Belt and the Adelaidean sedimentary basin on the Stuart Shelf of similar age.

Commenting on the progress of the DGO funded research project Professor Ross Large said "The team has developed the "silver bullet" for discovery of sediment-hosted copper-cobalt ore deposits under cover on the Stuart Shelf, South Australia. Application of the technology to 43 previously drilled exploration holes has defined two targets with a high probability of yielding stratiform copper-cobalt mineralization."

Corporate Activities

Appointment of Managing Director

DGO appointed Dr Darryl Clark to the position of Managing Director effective from the 15th of October, 2018.

Appointment and Resignation of Corporate Secretary

During the quarter (31st, August 2018) the company appointed Mark Licciardo and Lisa Deramond of Mertons Corporate Services Pty Ltd as Joint Company Secretaries. These appointments follow the resignation of Mr Michael Ilett who had been Company Secretary since the Company's formation in April 2007.

Share Capital

As at 30 September 2018, the Company had 21,645,002 fully paid shares, 880,695 40c listed options and 6,545,587 \$1 unlisted options.

Financial Position

As at 30 September 2018, the Company had \$3,225,592 in cash.



Dr Darryl Clark
Managing Director

DGO Gold's Exploration Strategy

DGO's 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 Fold Belt in SA covering 9,881km².

The company's strategy, led by veteran gold geologist, Executive Chairman Eduard Eshuys and Managing Director Dr Darryl Clark, 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 Exploration and Mining at CSIRO and a specialist in Witwatersrand basin gold mineralization, 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 favorable locations in sedimentary basins of analogous geological age.

Competent person statement

*Exploration or technical information in this release has been prepared by **Dr Darryl Clark**, who is the Managing Director of DGO Gold Limited and a Member of the Australasian Institute of Mining and Metallurgy. Dr Clark has sufficient experience which is relevant to the style of mineralization 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). Dr Clark consents to the report being issued in the form and context in which it appears.*

LAND HOLDINGS

DGO's tenements cover a total of 9,881km² (under application, joint venture or granted) across Western Australia and South Australia covering some of the high priority targets identified by the CODES research team. During the reporting period two new exploration licence applications (E38/3343 and E38/3344) were lodged over the Deleta Greenstone Belt in the north eastern goldfields of Western Australia. See *Table 1* for a full listing of tenements.

	Tenements - Granted	Tenements - Applications	Area (km2)
Western Australia			
Mt Edwards	E15/1465, 1488, 1514		63
Lake Randall JV	E15/1573		53
Ora Banda	P24/4946 - 4956		22
Pilbara	P24/4986 - 4992,		31
Black Flag	E24/197		
Mallina	E47/3327 - 3329		243
Fortescue	E45/5031 - 5035	E45/5030	3,743
East Pilbara	E46/1207 - 1208	E45/5084 E46/1203 - 1204 E46/1228 - 1229 E47/3898 E47/3900 E47/3901 E47/3909	
Murchison	E51/1590, 1729, 1730,	E51/1897	1,869
Yerrida Basin	1748 - 1753, E51/1833		
Yamarna		E38/3343	728
Deleta		E38/3344	
<i>Sub-Total</i>			6,751
South Australia			
Mt Barker	EL 5770, EL 5812, EL 5946		243
Dawson	EL 5737, EL 5876, EL 5877, EL 6036, EL 6209	ELA 2018/00120	1,228
Yerelina	EL 5813		145
Pernatty Lagoon	EL 6145		269
Bookaloo	EL 6030		490
Wirrabara	EL 6237		755
<i>Sub-Total</i>			3,130
TOTAL			9,881

Table 1: DGO Tenement Holdings as at 16 October 2018

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 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 3 months \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(573)	(573)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(142)	(142)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
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)		
1.9 Net cash from / (used in) operating activities	(714)	(714)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(8)	(8)
(b) tenements (see item 10)		
(c) investments	(4,750)	(4,750)
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
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 details if material)		
2.6	Net cash from / (used in) investing activities	(4,758)	(4,758)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	7,094	7,094
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	(22)	(22)
3.5	Proceeds from borrowings		
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)		
3.10	Net cash from / (used in) financing activities	7,072	7,072

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,625	1,625
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(714)	(714)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,758)	(4,758)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,072	7,072
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	3,225	3,225

5. Reconciliation of cash and cash equivalents 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	3,225	3,225
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,225	3,225

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

**Current quarter
\$A'000**

153

Director fees, expense reimbursements, rent and consultancy fees.

7. Payments to related entities of the entity and their associates

- 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

**Current quarter
\$A'000**

8. Financing facilities available <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		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
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.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	498
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	165
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	663

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 and petroleum tenements lapsed, relinquished or reduced	NIL			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Pilbara: - E45/5031 E45/5032 E45/5033 E45/5034 E45/5035 E46/1207 E46/1208 Murchison: - E51/1833 Sth Australia: EL 6209 EL 6237	Application granted Application granted Application granted Application granted Application granted Application granted Application granted Application granted Application granted Application granted Application granted	0 0 0 0 0 0 0 0 0 0 0	100 100 100 100 100 100 100 100 100 100 100

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:


(Director/Company secretary)

Date:

30/10/18

Print name:

DR DARRYL CLARK

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.