

# DGO GOLD

## Discovery-Leveraged Investment in Gold

November 2018  
AGM Update



# DGO Corporate Overview

Shares **24.9m**

Share Price **61c**

Market Capitalisation **\$15.1m**

Cash (30<sup>th</sup> Sept) **\$3.2m**

7 Major Shareholders **84%**

Board **24%**

**DGO**  
**GOLD**

## Board of Directors

**Eduard Eshuys**  
Executive Chairman

**Dr Darryl Clark**  
Managing Director

**Bruce Parncutt**  
Non-Executive Director

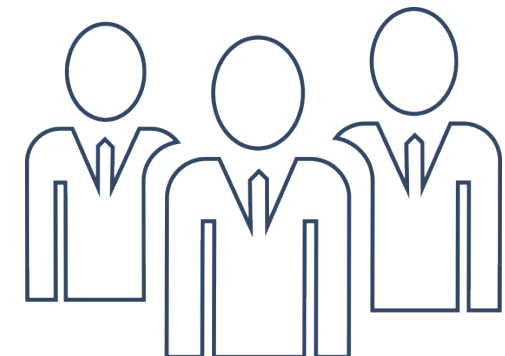
**Ross Hutton**  
Non-Executive Director

**Michael Ilett**  
Non-Executive Director

## Management

**Dr Darryl Clark**  
Managing Director

**Cindie Jupp**  
Chief Financial Officer





# DGO's purpose



To provide an **outstanding opportunity** for investors to participate in a discovery-leveraged investment in gold.



To apply **expertise** and **disciplined allocation of capital** to maximise returns for shareholders in the gold sector.



To build on the successful history of the **WA gold industry** and to lead the **cost effective discovery** of gold resources underpinning substantial future growth.

# DGO's Strategy

DGO strongly differentiates itself by identifying large scale gold discovery opportunities that meet three key selection criteria:

1

**Low finding cost**



Brownfield gold resource discovery opportunities where finding costs are assessed to be comfortably below the brownfield average of \$20 per resource ounce.

2

**Potential for scale**



Initial resource potential of **greater than 3 million ounces as a base line** required to support successful development.

3

**Optionality to the upside**

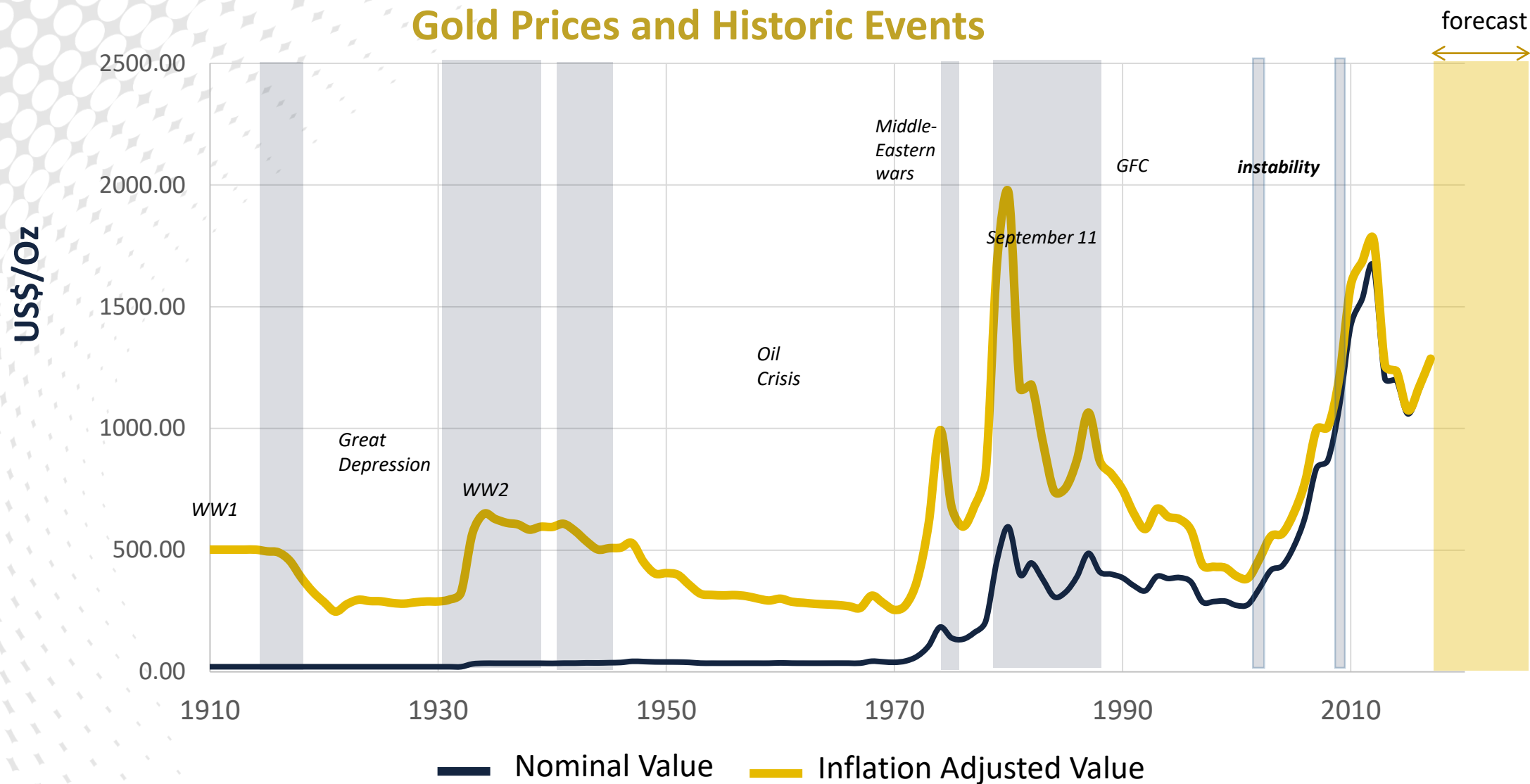


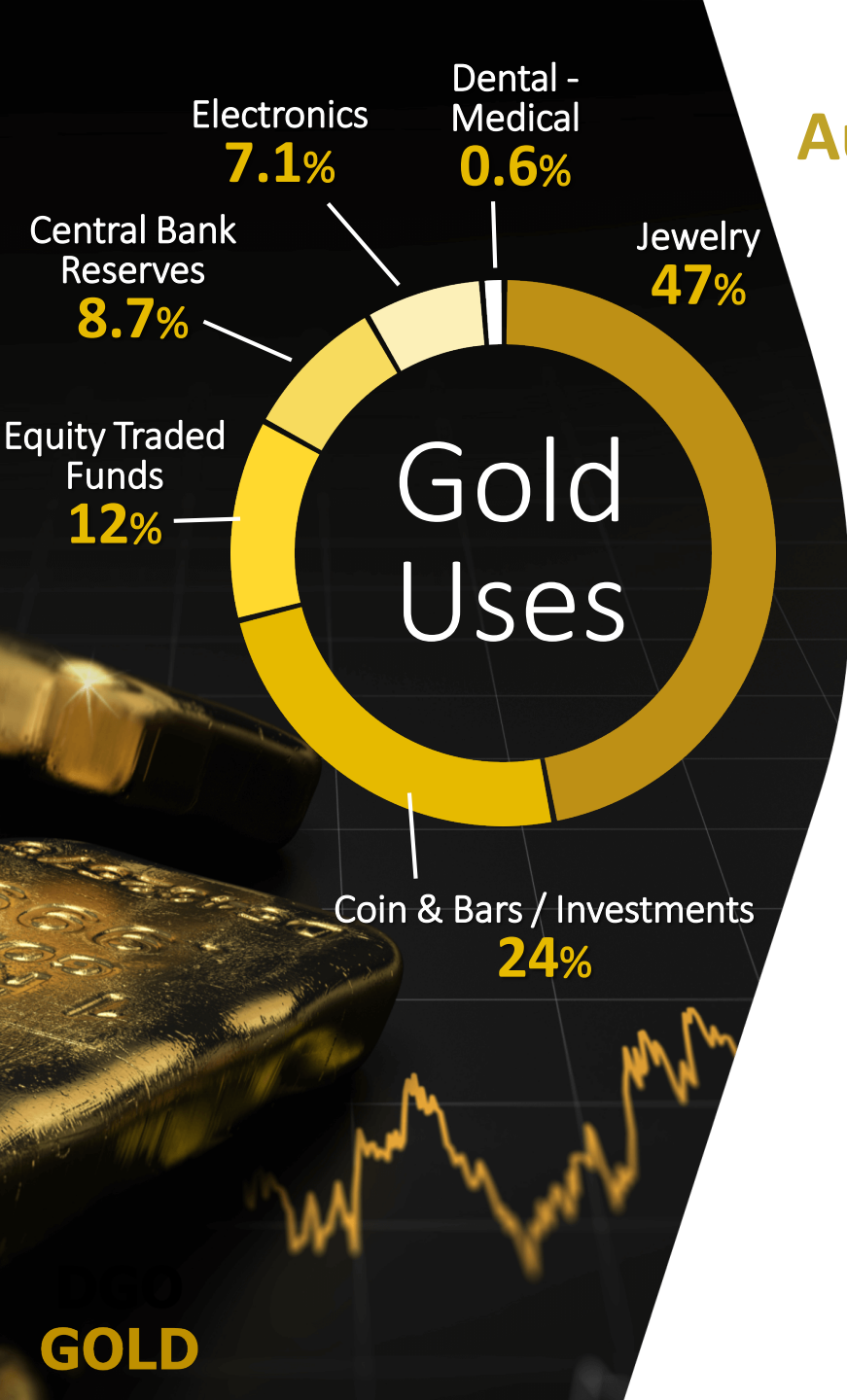
Potential for long term resource growth, **well beyond 3 million ounces**.

Potential for **upside surprise** via either a world class discovery (+10 million ounces) or substantial high grade mineralization.

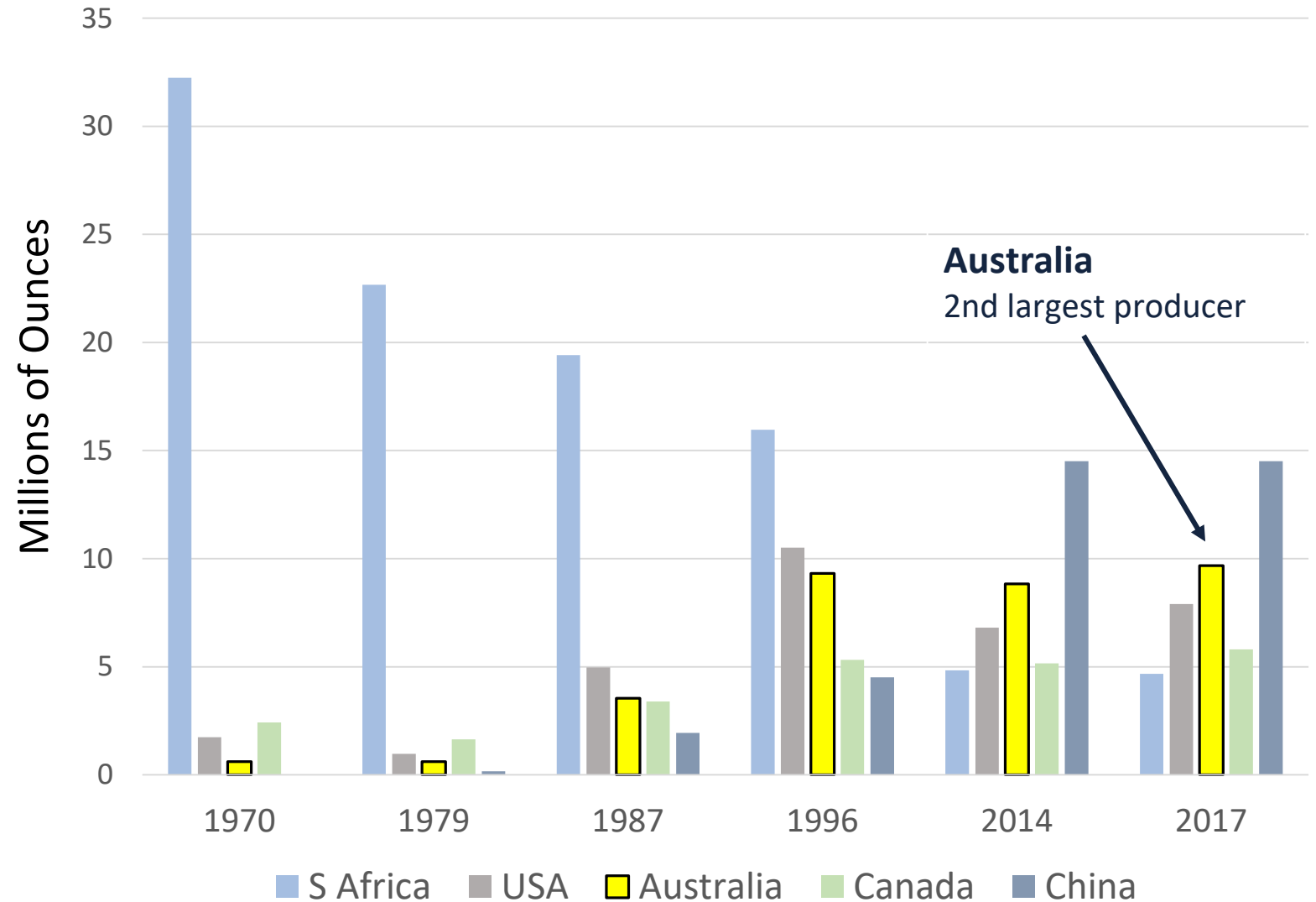


# Gold historically a proven hedge against economic and financial turmoil





## Australia is the 2<sup>nd</sup> largest producer of gold in the world

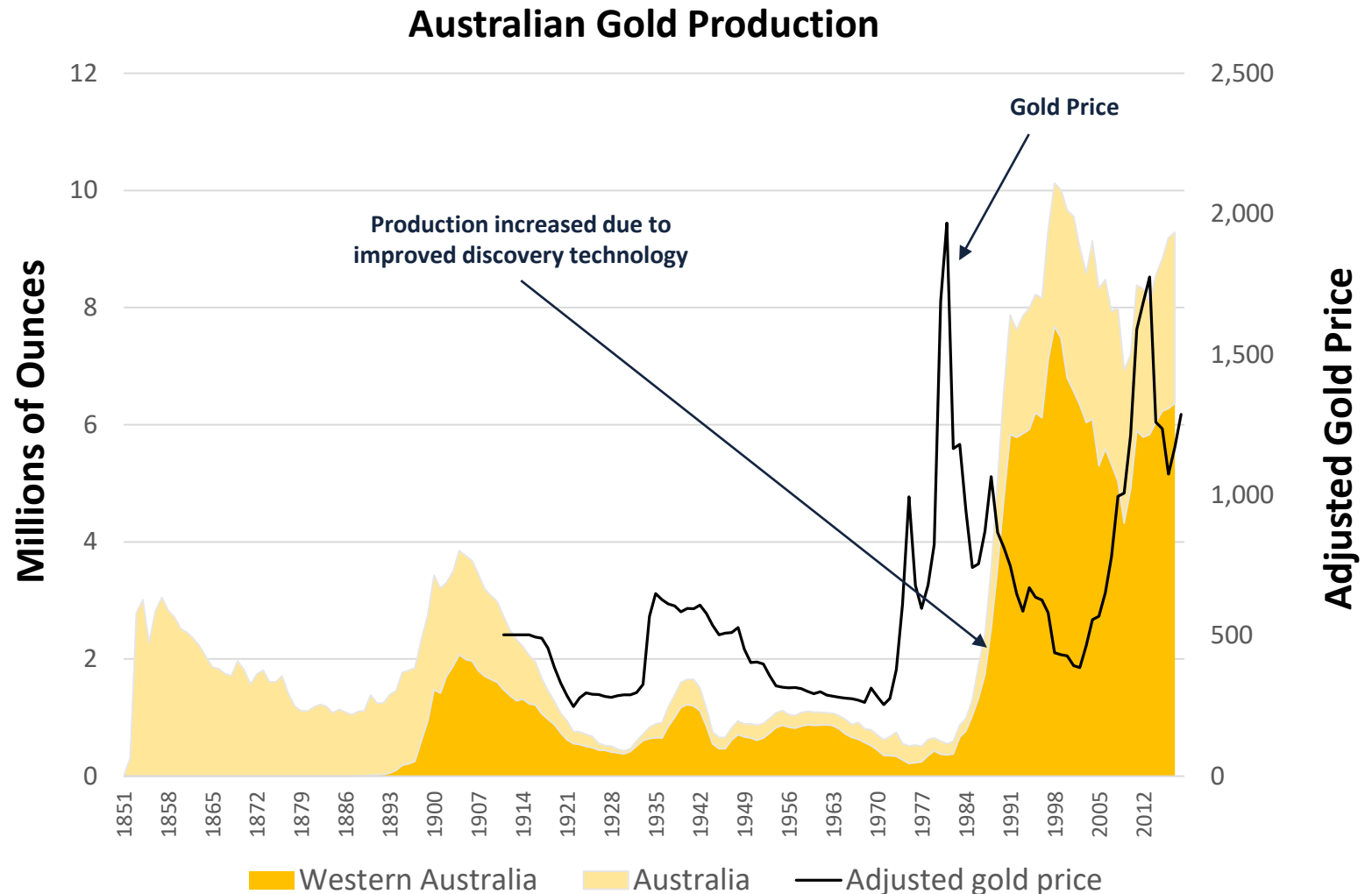




## Western Australia has:

- Substantial known gold bearing structural trends that have not been adequately explored
- Well established infrastructure & low sovereign risk
- A strong pool of exploration, development and mining capabilities.

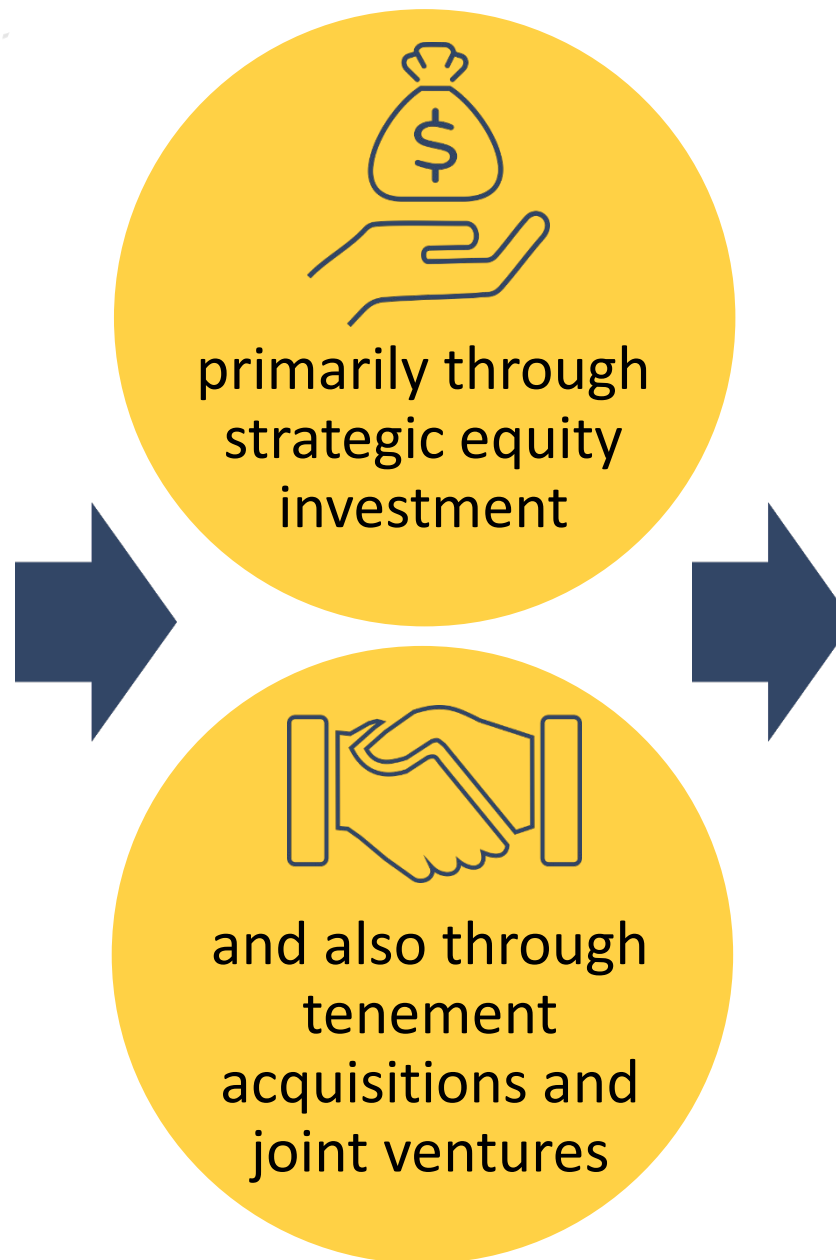
## Western Australia is Australia's major gold producing state



# Corporate Objective



DGO Gold's objective is to build a portfolio of WA brownfield discovery opportunities



Individual portfolio investments can realistically be anticipated to return **30% to 100%** IRR's based on successful ASX listed brownfield discovery and development outcomes over the past five years.



DGO Gold defines **brownfield** exploration as that occurring adjacent to known economic gold mineralisation where the **geological controls and settings are understood.**

**Brownfield discovery finding costs have averaged \$20 per resource ounce and generate venture capital type IRR's over a 3 to 5 year time frame**

Company	ASX	Period	Expl. Costs \$m	Res. Discovered Moz	Resource Finding Cost \$/oz	IRR %
Northern Star	NST	Over 3 years to Oct 2018	150.0	7.1	21	59
Dacian Gold	DCN	From IPO to Jul 2016	55.0	2.5	22	71
Kin Mining	KIN	From IPO to Jul 2016	26.0	1.0	26	83
Gold Roads	GOR	Over 3 years to Jun 2016	104.0	6.4	16	37
<b>Total</b>			<b>335</b>	<b>17</b>	<b>20</b>	<b>62</b>



ASX listed  
**explorer-held**  
gold resources

are valued at  
an average of

**\$55**



**Resource  
Ounce**

**3  
Moz**

Is the threshold  
for success in  
**value creating development**

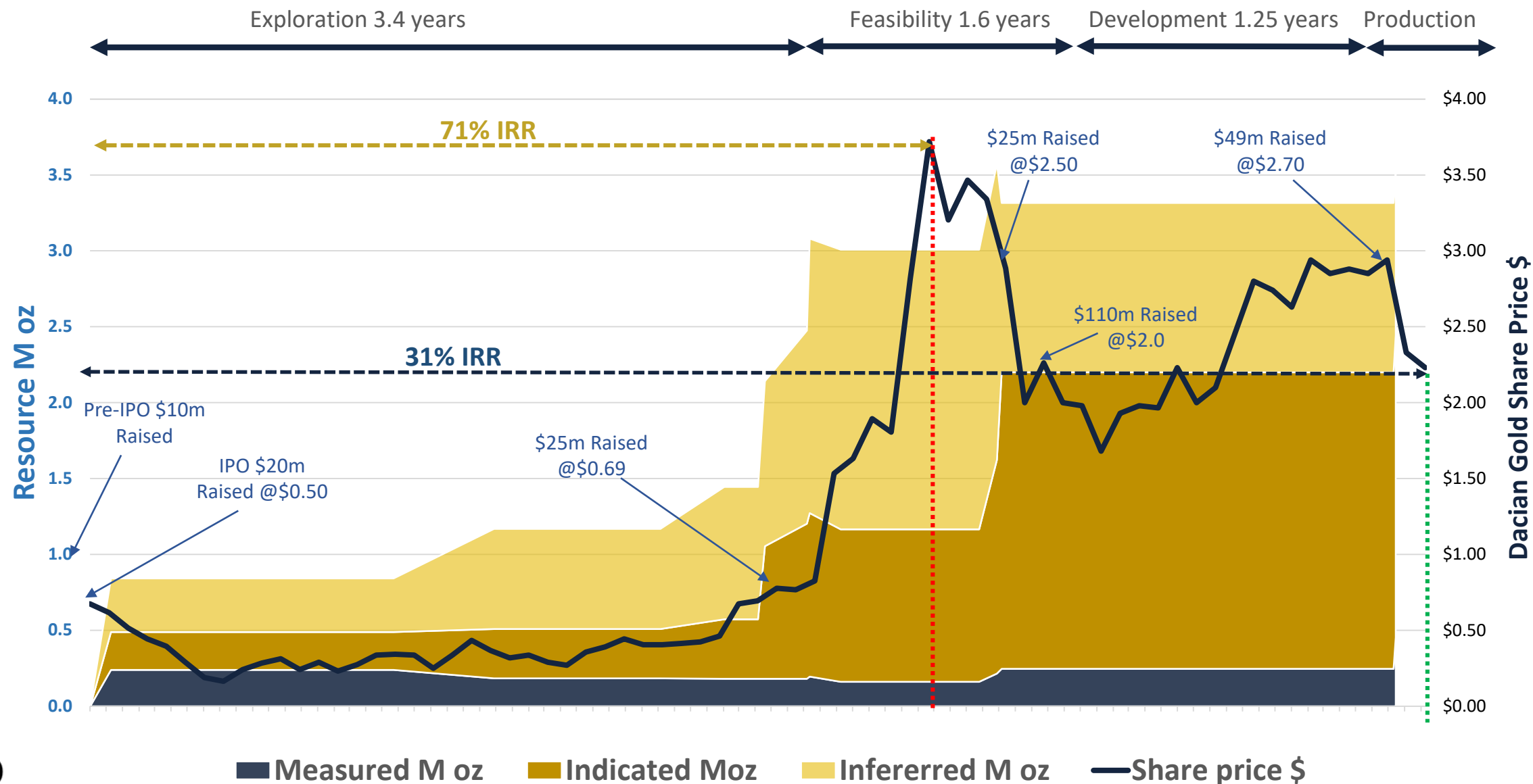


Producers valued  
between **\$150/oz**  
**\$250/oz** &

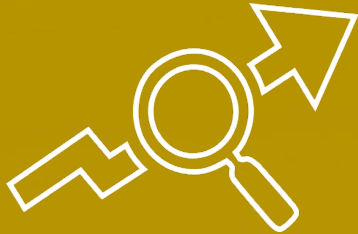
Producers with **less than 1 Moz** in  
**resources** are often valued at ~\$55 /  
resource oz



# Dacian Gold brownfield resource discovery success, 71% IRR and finding costs of \$22 per ounce



# DGO's investment approach exploits market inefficiencies



## Opportunity to reposition market expectations

- Establishment and communication of a JORC compliant Exploration Target
- Longer term exploration planning 2-3 years
- A comprehensive funding strategy
- Increased drilling activity

- Most explorer strategies reflect limited short term funding and inadequate geological analysis and planning
- Drilling programmes typically are short term and sub-optimal for success
- Explorers are often priced on latest news
- The market is not transparent
- There is a no comprehensive broker analysis of the explorer sector





# DGO's selection process for brownfields discovery opportunities

## Selection criteria for ASX listed companies

- ✓ Low finding costs
- ✓ Potential for >3 million ounces
- ✓ Substantial coherent land holding
- ✓ Upside optionality
- ✓ Competent board & management
- ✓ Exploration strategy focused on substantial and rapid increase in resource ounces
- ✓ Opportunity to subscribe capital to fund exploration
- ✓ Ability to achieve an influential stake (5 – 19.9 %)

**DGO**  
**GOLD**



## Process

~90 ASX listed  
explorers in WA  
goldfields

Assess scale of  
geological structures  
and expected cost of  
discovery

**20** long list

**7-8** short list

**2** invested to date

De Grey Mining Ltd MC \$48.3M  
NTM Gold Ltd MC \$12.5M

# Investment in De Grey Mining meets our selection criteria

- **Low finding costs**

Brownfield opportunity with multiple gold deposits aggregating over 1.39 Mozs of gold<sup>1</sup>.

DGO expects average finding costs of \$5-\$10 dollars per/oz.

- **Scale**

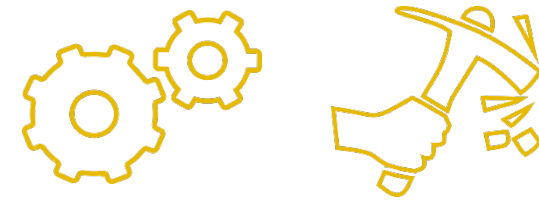
DGO sees resource growth potential well above 3M ounces from depth and strike extensions of existing resources.

- **Upside optionality**

DEG's land position in the Mallina Shear Zone has over 40 gold geochemical anomalies along 200km of strike with very little drilling below 100 metres.

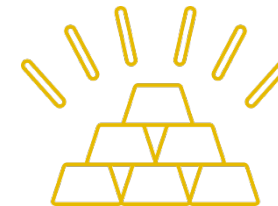
- **Influential stake**

DGO 7% (10% fully diluted); Kirkland Lake Gold 9% (13% fully diluted).



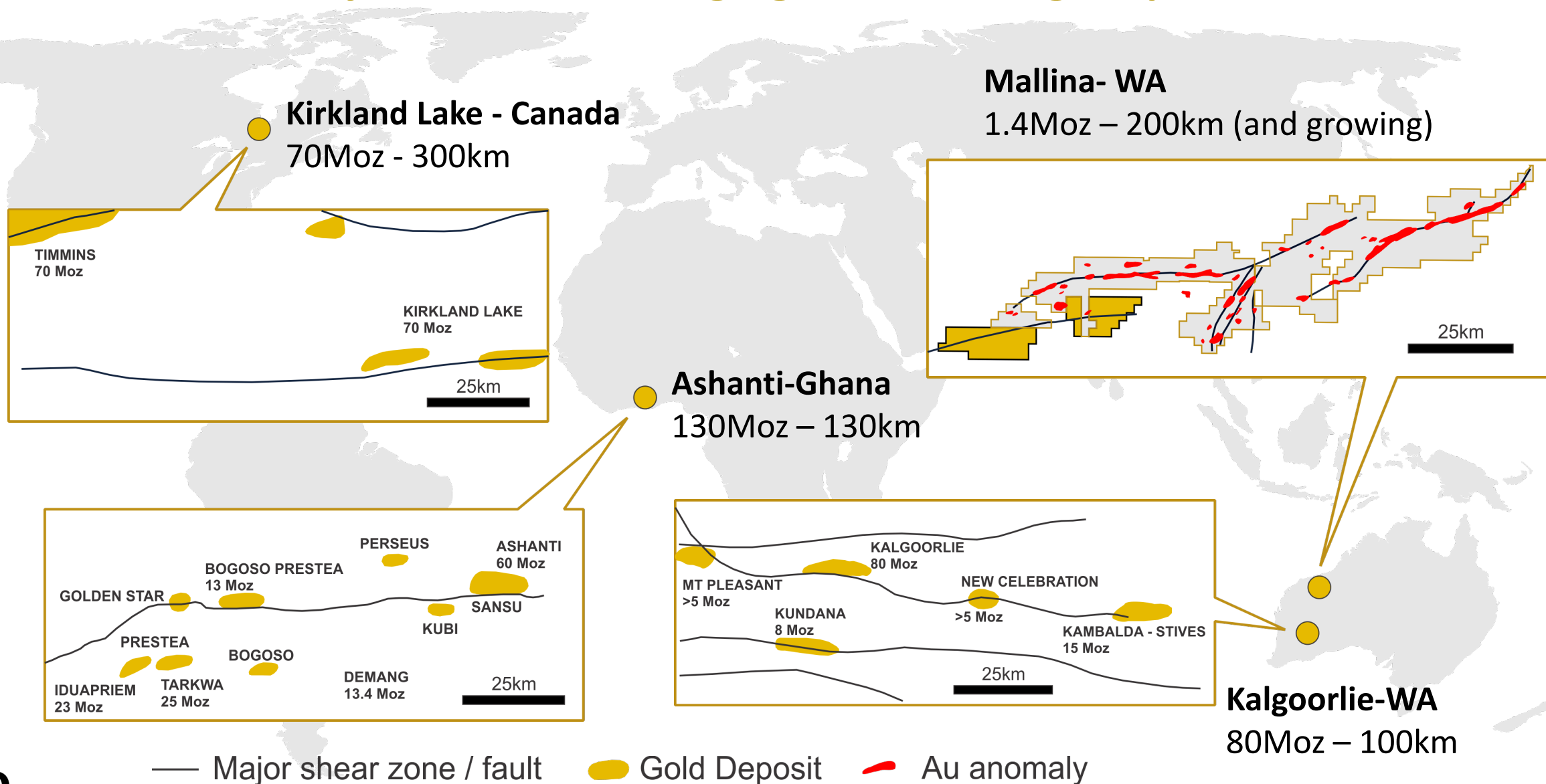
**DEG's recent exploration success validates our initial prospectivity analysis:**

56m @ 3.0g/t gold from 14m depth  
(DEG ASX announcement 15<sup>th</sup> Oct 2018).



DEG's holding of the 200km long Mallina Shear Zone has the potential to become a **world class gold province.**

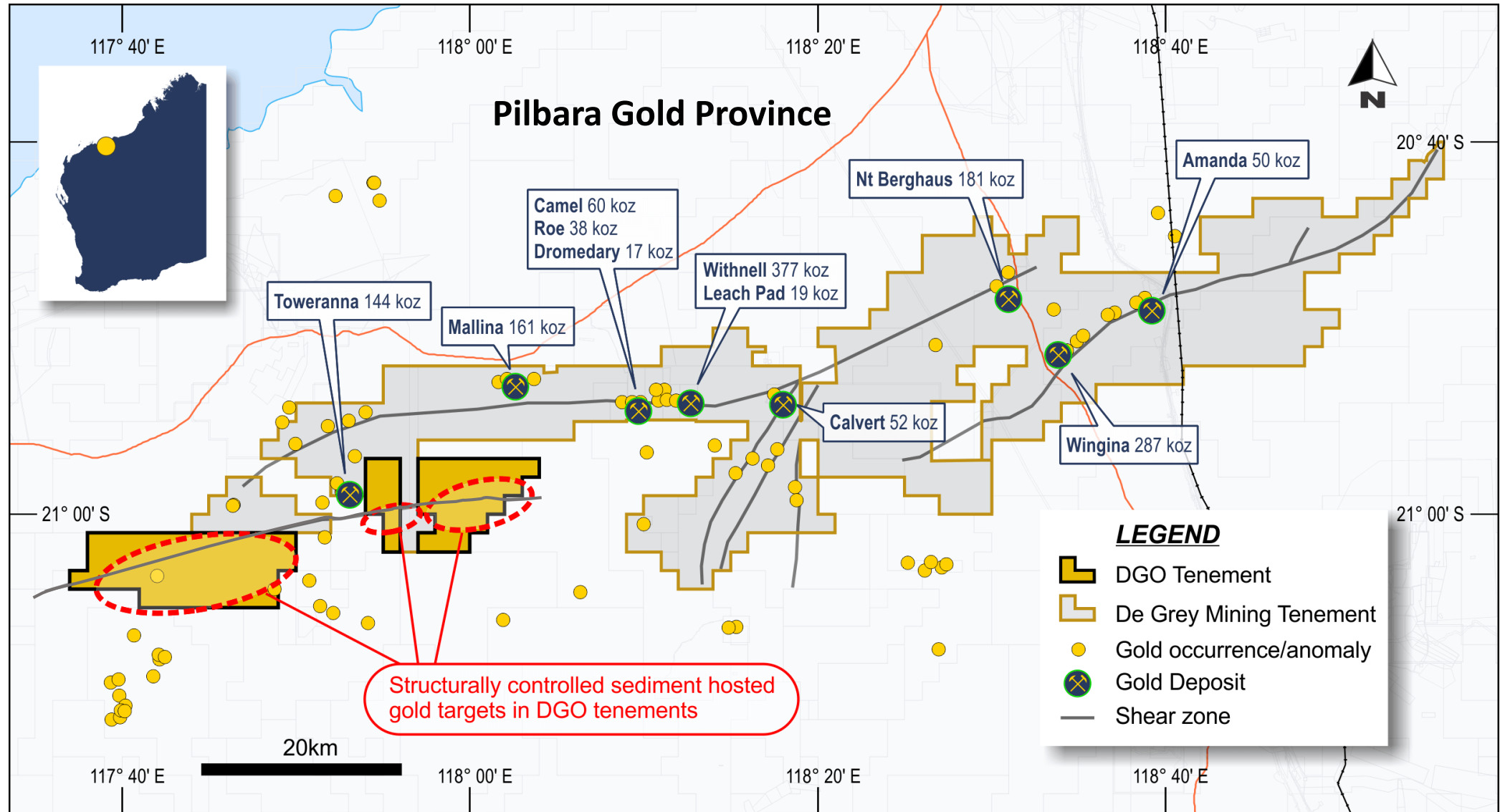
# DGO & De Grey control an emerging world class gold province



Source: compilation prepared by DGO Expert Research Advisor, Professor Neil Philips  
 \*Note all province maps are at the same scale



# DGO has a commanding position in an emerging world class gold province



DGO has 35km's of prospective shear zones in addition to 7% of De Grey's 200km's

Recent exploration success validates our initial prospectivity analysis.

## Mallina

- 56m @ 3.0g/t Au from 14m<sup>1</sup>

## Toweranna

- 7m @ 17.3g/t from 101m<sup>2</sup>

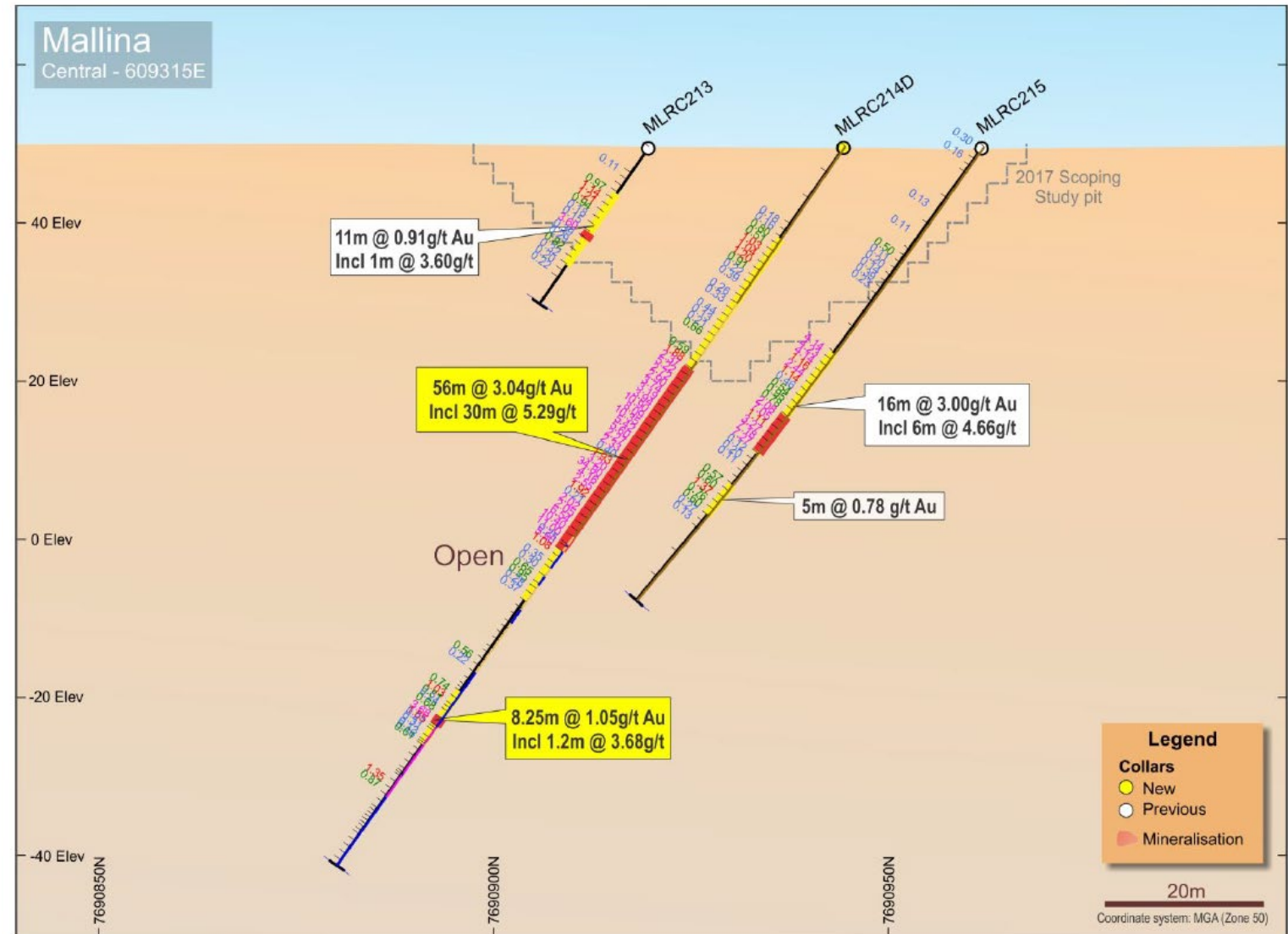
## Withnell

- 7.97m @ 7.48g/t Au from 137.03m<sup>2</sup>

## Mt Berghaus

- 26m @ 3.5g/t Au from 3m<sup>2</sup>

# DEG's Mallina: Outstanding exploration drill results



# Investment in NTM Gold meets our selection criteria

- **Low finding costs**

**Brownfield opportunity** and a well positioned gold explorer in WA with 538,000 ounces of gold resources<sup>1</sup> already delineated

DGO expects average finding costs of \$5-\$10 dollars per/oz.

- **Scale**

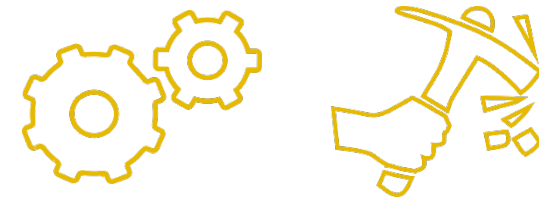
Clear potential for significant resource extensions and additions along its and related gold trends. **100% held, 40 kilometre plus Mertondale Shear Zone.**

- **Upside optionality**

Excellent brownfield discovery potential with less than 20% of the 40 kilometres of Mertondale Shear Zone being adequately explored.

- **Influential stake**

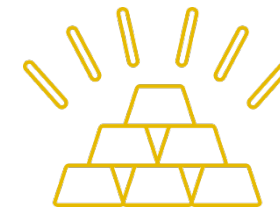
DGO will have a 13% interest in NTM after completing the subscription agreement.



## **Recent exploration success:**

**7m @ 4.7 g/t gold from 40 metres to end of hole<sup>2</sup>**

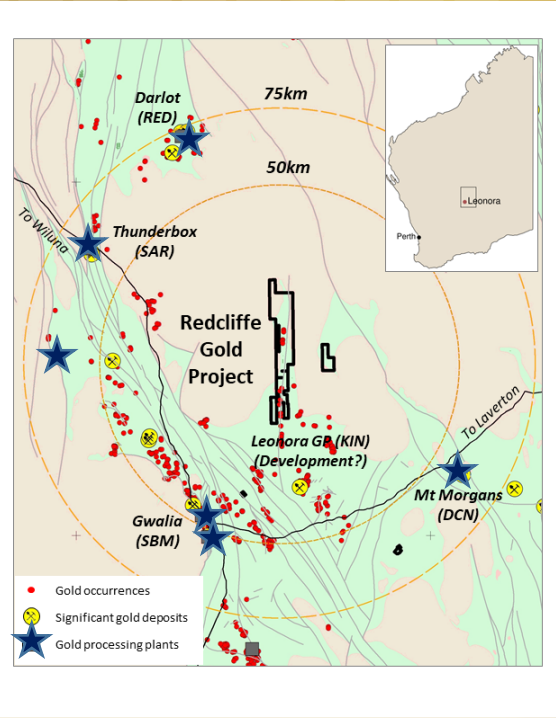
DGO's investment will accelerate NTM's strategically targeted drilling



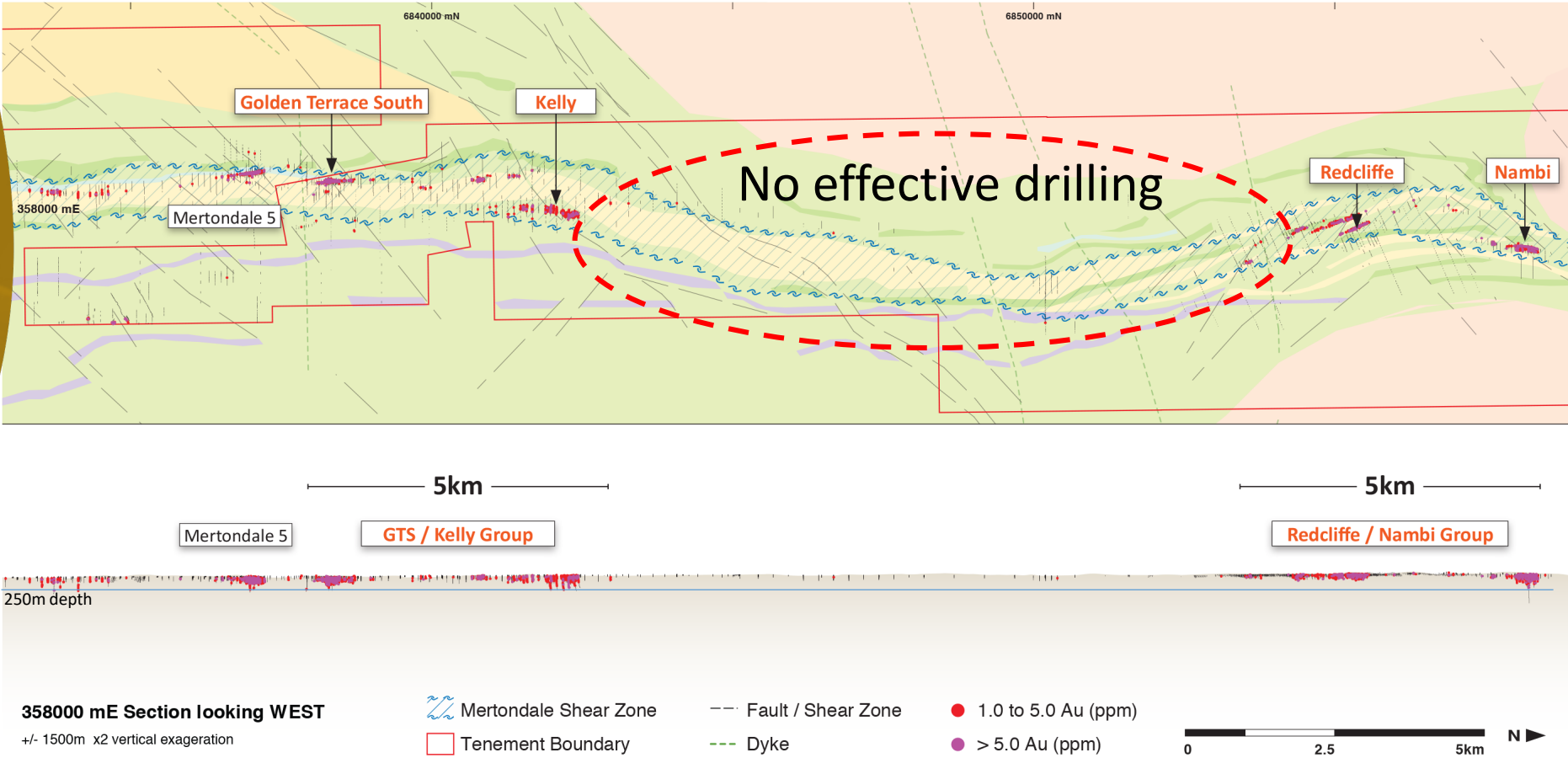
The management and board of NTM are aligned with DGO on how to accelerate the discovery of substantial resources.



6 operating gold processing plants are located with 50 to 75km's

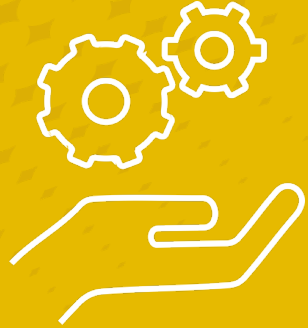


# NTM Landholdings & drilling coverage





# Our vision over 2 to 3 years is to achieve:



- 1 A portfolio of strategic holdings in ASX listed companies with major brownfield gold discovery and development opportunities



- 2 Substantial growth in market value and liquidity

## Further significant upside optionality - Strategic land positions

DGO's strategy is to identify target areas with world class gold discovery potential in Australia. The company holds **large strategic land positions** in prospective gold and copper terranes:

### Pilbara Region, Western Australia

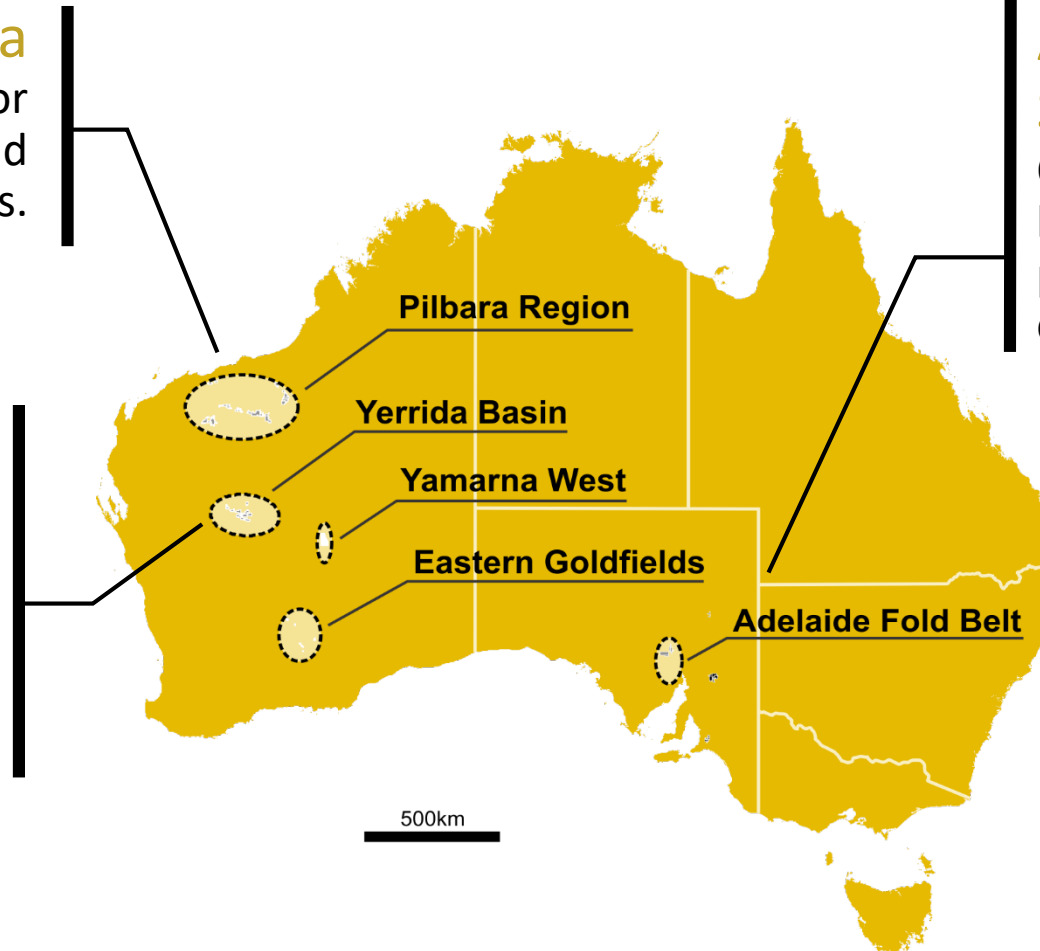
Total landholdings of 3,986 km<sup>2</sup> prospective for both structurally controlled and Witwatersrand type sediment hosted gold deposits.

### Yerrida Basin, Western Australia

Extensive land holdings of 1,869 km<sup>2</sup>, hosting multiple gold and copper soil.

### Stuart Shelf and Adelaide Fold Belt, South Australia

Over 759 km<sup>2</sup> of land holdings hosting targets with a high probability of stratiform copper-cobalt mineralization.



DGO's uses its **specialist consultant team** to identify target areas with world class gold discovery potential.



Distinguished Professor **Ross Large**  
University of Tasmania

Professor **Neil Phillips**  
Former Head of Exploration  
and Mining at CSIRO

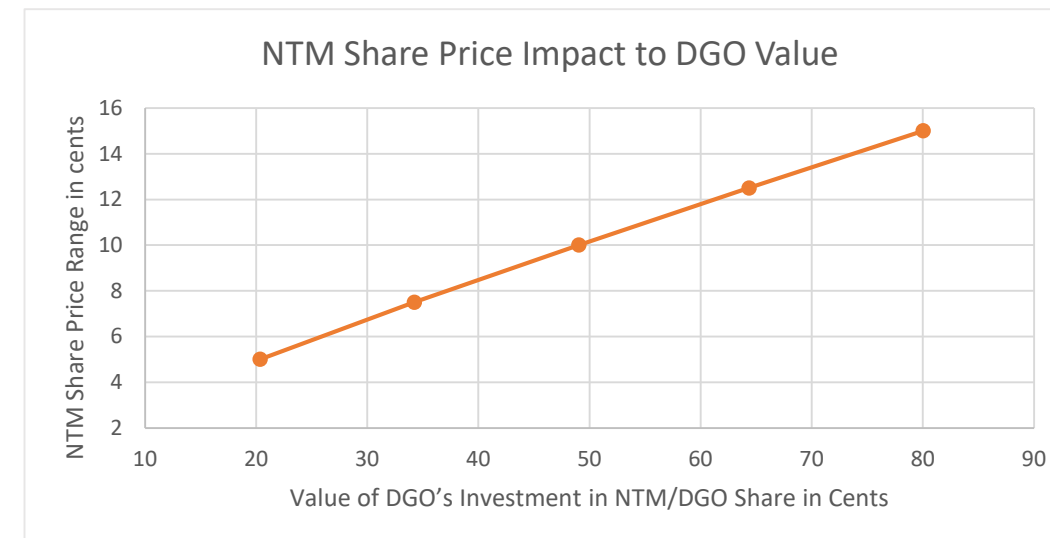
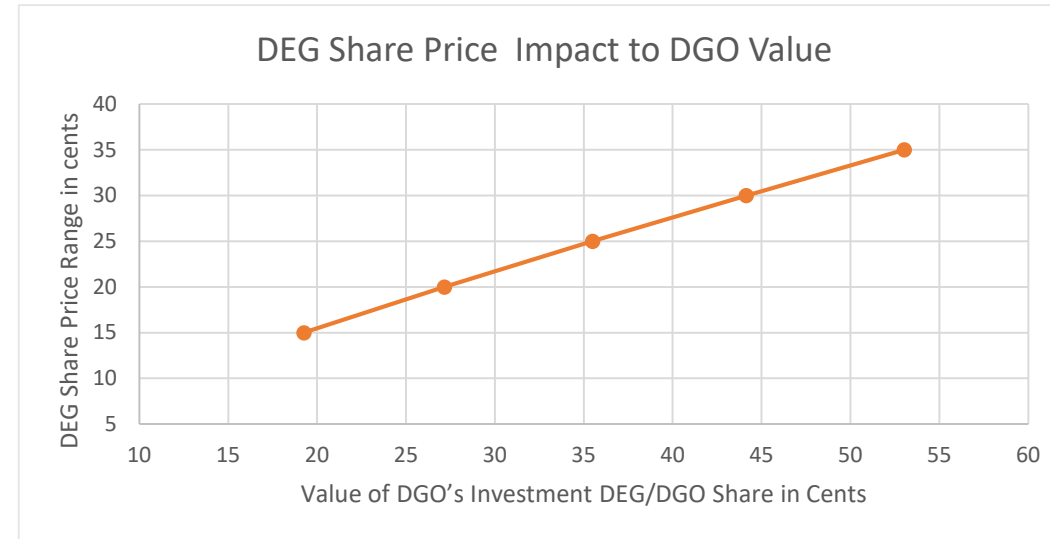
Dr **Stuart Bull**  
Expert Sedimentologist

**Barry Bourne**  
Industry Geophysics Expert



DGO has enormous upside potential in market capitalisation from its leveraged investments in the brownfield discovery space.

# DGO's investment into DEG and NTM







DGO has enormous upside potential in market capitalisation when compared to peers land holdings

## DGO peer comparisons

	DGO	ENR	DKM
Tenements km <sup>2</sup>	9,882	3,800	1,200
Market Cap \$m	16.3	14.7	20.6
<b>EV / km<sup>2</sup> - \$</b>	<b>1,028</b>	<b>3,185</b>	<b>12,588</b>

# Leadership Team



## **Dr Darryl Clark**

BSc(Hons), PhD, FAUSIMM, MAICD

### **Managing Director**

Darryl holds a PhD in Economic Geology from the Centre for Ore Deposit Excellence at the University of Tasmania. Darryl has been working as a geologist for over 23 years.

He is a highly experienced geologist with a demonstrated track record of leading the exploration divisions of a number of mining houses: Global Geoscience Manager BHPB Exploration; General Manager Exploration Australasia – Vale, Vice President Exploration Cameco Corp. Canada and most recently CEO for Cameco Kazakhstan, Cameco's investment in the JV Inkai uranium mine.

Darryl is currently an independent Non-Executive Director of ASX listed Xanadu Mines.



## **Eduard Eshuys**

BSc, FAUSIMM, FAICD

### **Executive Chairman**

Ed is a geologist with five decades of exploration experience in Australia. In the late 1980s and early 1990s he led the teams that discovered Plutonic (+5M ounces), Bronzewing (+3M ounces) and Jundee (+7M ounces), Quarters at Mount Pleasant (+2M ounces) and Rosemont in the Duketon Belt (now +1M ounces), initiated the consolidation of the Mt Pleasant District and the Duketon Belt and led the development and operations of Bronzewing, Jundee and Quarters.

As the Managing Director and CEO of St Barbara Limited from 2004 to 2009 he led the acquisition of the Sons of Gwalia Limited gold assets, and established resources of +3M ounces and new probable reserves of 1.6M ounces at the Sons of Gwalia Mine. St Barbara Limited grew substantially to become a mid-tier gold producer during that period.



## **Bruce Parncutt AO**

BSc, MBA

### **Non-Executive Director**

Bruce's career commenced as a resource analyst and spans over 40 years in financial analysis, merger and acquisition transactions, capital-raising, and investment in companies across a broad spectrum from early stage to mature public companies. This includes seven years as Chief Executive of leading listed securities firm McIntosh Securities (1990 – 1996) and three years as Senior Vice President of Merrill Lynch (1997 – 1999) following its successful acquisition of McIntosh Securities in 1996.

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