

Quarterly Activities Report Quarter ended 31 March 2019

DGO Gold Limited (ASX: DGO “DGO” or “the Company”) is pleased to provide its shareholders with an update on its investment, research and exploration activities for the March quarter 2019.

HIGHLIGHTS

DGO continued to implement its strategy of building a portfolio of strategic investments in low-discovery cost, investment scale, brownfields gold discovery opportunities in Western Australia.

- **DGO increased its investment in NTM Gold Limited (NTM) to 12.1% and accepted NTM’s invitation for Eduard Eshuys to join its Board of Directors. NTM’s recently raised funds, including funds subscribed by DGO are being used to accelerate its drill testing of high priority shear-hosted gold targets within its largely untested Mertondale Shear Zone gold trend. Results during the quarter enhanced the potential for growth in gold resources.**
- **DGO’s stake of 5.9% was retained in De Grey Mining Limited (DEG). DEG has continued to advance its exploration of the Pilbara Gold Project and the fundamentals of DGO’s investment in DEG remains positive.**

The prospectivity of each of DGO’s major grassroots sediment-hosted gold and copper/gold exploration land positions was enhanced by a combination of ongoing data review and research and neighboring activity. Preparations are underway to undertake on-ground exploration activity, including drilling, on some of these land positions during the balance of the year.

INVESTMENT IN DE GREY MINING LIMITED

During the quarter De Grey continued to advance its flagship Pilbara Gold Project with excellent drilling results reported during the quarter at Withnell and Toweranna. DEG has set a corporate target for the project of + 3 million ounces of gold resources (DEG ASX announcement 21st Dec 2018).

INVESTMENT IN NTM GOLD LIMITED

During the quarter DO Gold completed its strategic investment in NTM Gold LTD (ASX: NTM) (DO ASX announcement 20th Nov 2018) resulting in DO holding 13.2% of the ordinary shares of NTM (prior to the exercise of any of the attached options and other capital raising by NTM).

The investment in NTM resulted from DO's ongoing extensive review of opportunities to participate in brownfield exploration and discovery of gold resources in Western Australia. NTM, in DO's view, is well-positioned in this context with 538,000 ounces of gold resources (refer footnote 1) already delineated in its tenements and with the potential for significant resource extensions and additions along its 100% held, 40 kilometre long Mertondale Shear Zone gold trend. The funds subscribed by DO have enabled NTM to accelerate its strategically targeted drilling.

EXPLORATION

DO has built a number of strategic exploration land positions with potential to host significant sediment hosted gold and copper deposits. The Company's research agreement with CODES, The Australian Research Council Centre of Excellence in Ore Deposits at the University of Tasmania provides the geological basis underpinning the Company's exploration strategy. Research by CODES has focused over the past decade on identifying districts in which sediment hosted gold and copper deposits could occur in sedimentary basins in Australia, comparable in geologic age and character to the basins which host world class deposits elsewhere in the world. The priority projects are:

- ***Murchison, WA***
 - Yerrida – copper and gold
- ***Pilbara, WA***
 - Mallina– gold
 - Tom Price – gold
 - Rocky Pool –gold
- ***Stuart Shelf, SA*** – copper
- ***Eastern Goldfields, WA***
 - Lake Randall – gold
 - Black Flag – gold
- ***North Eastern Goldfields WA***
 - Yamarna West – gold

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These core exploration holdings are encompassed in 38 tenements, covering a total of 6,122.4km²

Non-core tenements in the Eastern Goldfields and Pilbara in Western Australia and in the Adelaide Fold Belt in South Australia will be divested or relinquished.

YERRIDA BASIN, MURCHISON REGION, WESTERN AUSTRALIA

The Yerrida Basin is considered to be stratigraphically equivalent to the adjacent Bryah Basin which hosts Sandfire Resources' DeGrussa and Monty deposits and the Morck's Well prospect. Both basins comprise basal clastic-dominated but carbonate-bearing successions (Juderina and Karalundi Formations) overlain by shales and turbidites that inter-finger with mafic volcanic successions (the Killara and Narracoota Formations). Thus, the Johnson Cairn, Thaduna, Doolgunna and Killara formations in the Yerrida Basin are equivalent to the Bryah Basin Karalundi and Narracoota formations which host the DeGrussa deposit.

Previous data compilation by DGO has identified a 25km long gold, copper and zinc geochemical anomaly associated with ENE trending shear structures in the prospective Killara, Doolgunna and Johnson Cairn formations which represents a strong target for DeGrussa Style copper and gold mineralization.

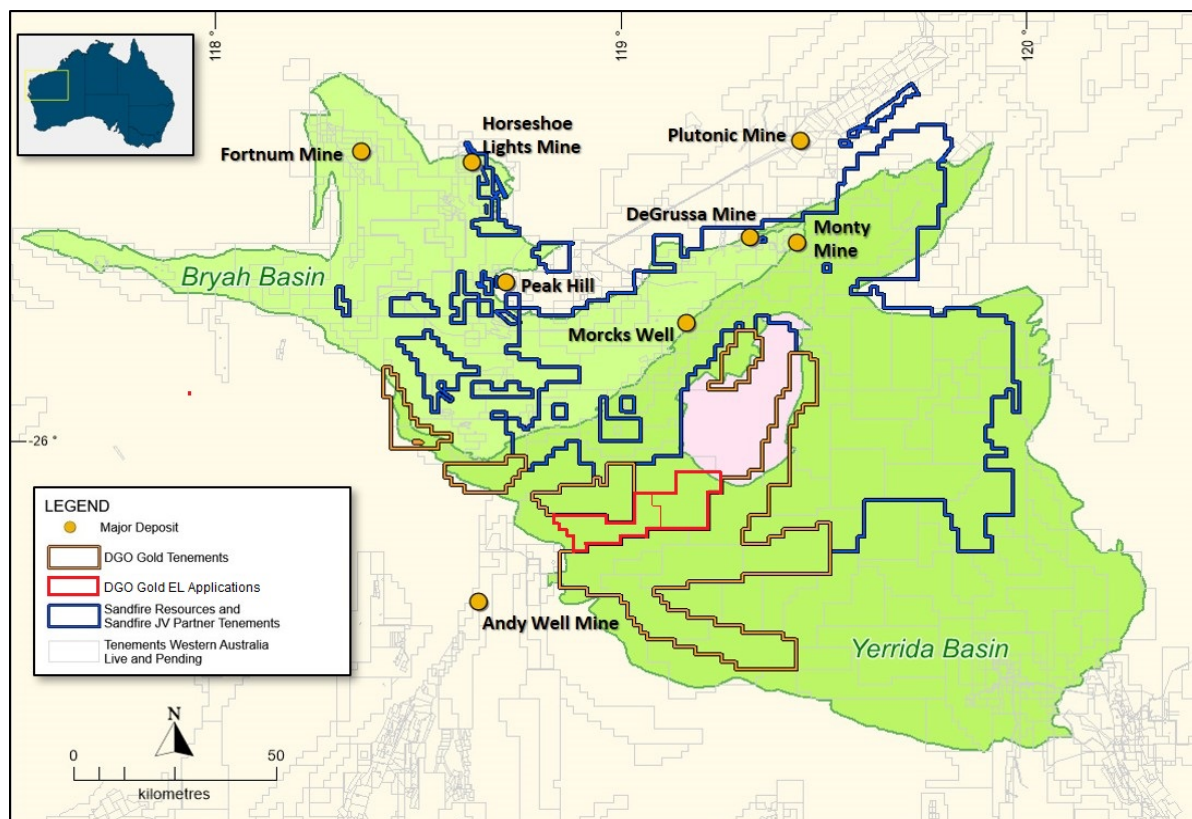


Figure 1: DGO and Sandfire Resources licences in the Yerrida and Bryah Basins

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Subsequent research, aided by information compiled from past exploration data, has highlighted the additional potential for stratiform sediment hosted copper (SSH Cu) deposits within the Yerrida Basin analogous to the world-class *Zambian Copper Belt (ZCB)* and the *Zechstein Basin (ZB)* of the *Kupferschiefe* in Poland. A combination of basin geology and redox characteristics potentially provide conduits for convection of fluids while sand/shale contacts provide zones for redox boundaries which could host significant copper mineralisation.

A SSH Cu targeting program conducted during the quarter identified a series of target areas on the Juderina-Johnson Cairn and the Juderina-Maraloo formation contacts where these formations on-lap granitic basement highs (*Figure 2*). Two new exploration licences (E51/1920 and E51/1921) applications were lodged over extensions to the prospective geological contacts.

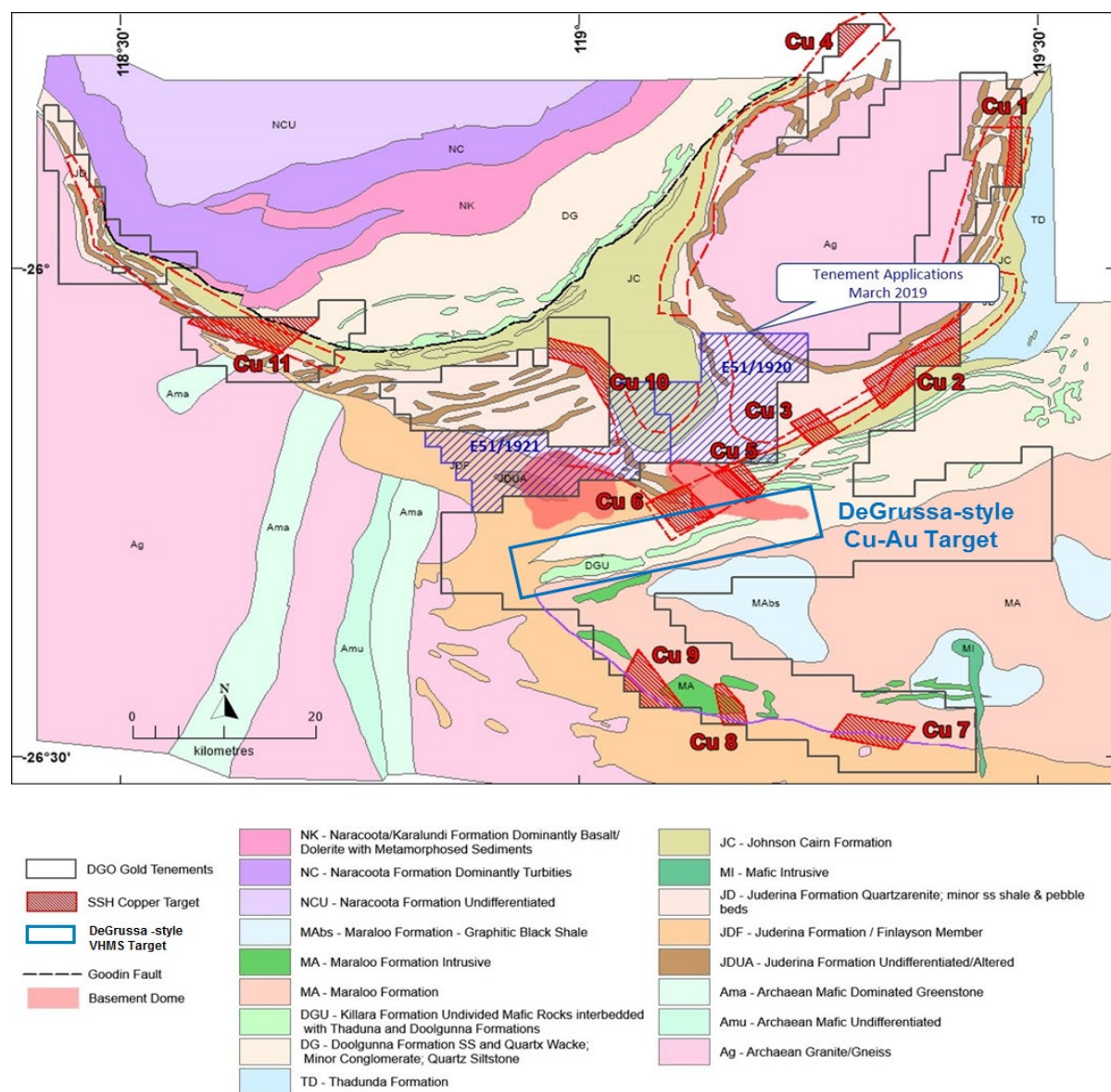


Figure 2: DGO Yerrida Basin Tenements, Geology and Targets

PILBARA REGION, WESTERN AUSTRALIA

DGO's strategy in the Pilbara seeks to expand upon the most recent developments in the understanding of structurally controlled sediment hosted gold deposits.

The Company's ongoing exploration focus is on the Mallina, Tom Price and Rocky Pool tenements (*Figure 3*) which host prospective formations and structures with gold anomalies detected in previous exploration data.

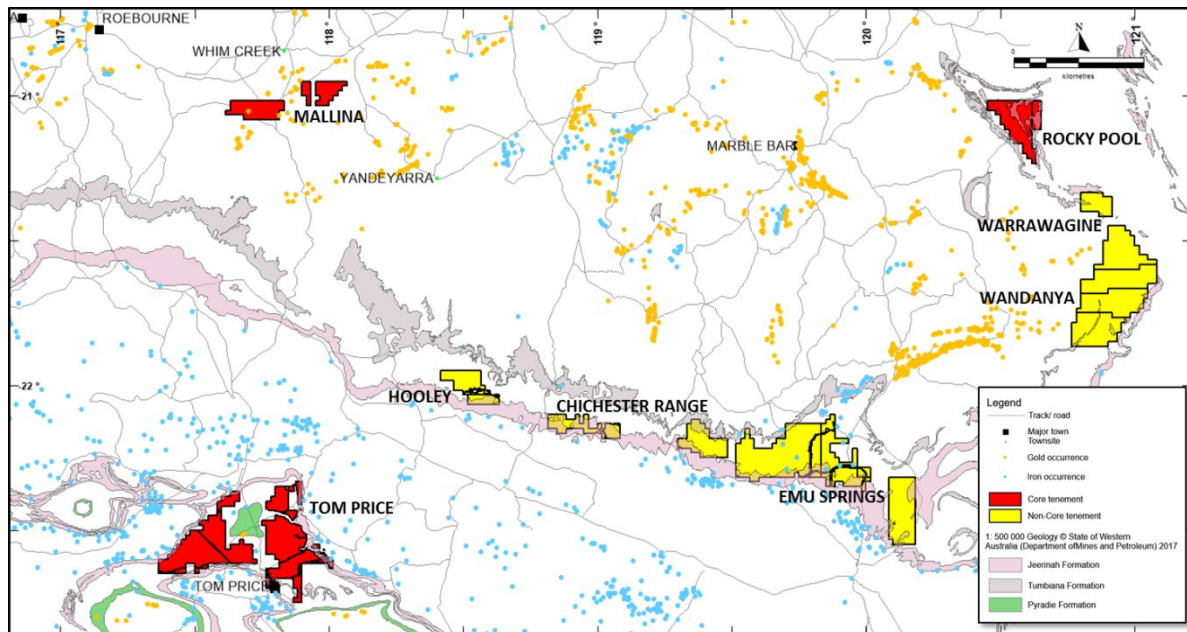


Figure 3: DGO's Pilbara Tenements

STUART SHELF, SOUTH AUSTRALIA

The Stuart Shelf contains major copper deposits at Olympic Dam and Carapateena, and a number of other smaller and sub-economic copper-gold deposits which are genetically related to and hosted within the Gawler Range Volcanics. DGO's Stuart Shelf licence areas cover the Gawler Range Volcanics, underling the Tapley Hill Formation are prospective for copper mineralization.

The prospectivity was further enhanced by BHP's recent exploration discovery at Oak Dam located 40 kilometres to the north of DGO's Pernatty Lagoon tenements. The DGO tenements cover the prospective lower contact of the Tapley Hill Formation in target areas defined by copper ore body vectoring studies of pyrites within the Tapley Hill Formation black shales conducted at CODES at the University of Tasmania. A program historic exploration data compilation and review has been initiated to refine exploration targets on the new tenements. Subsequent to the end of the March Quarter, non-core tenements at Mt Barker in South Australia's Adelaide Fold Belt were relinquished.

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SHARE CAPITAL

As at 31 March 2019, the Company had 32,493,695 fully paid shares, 878,175 40c options exercisable by 30 June 2020, 10,042,129 \$1 options exercisable by 31 December 2021 and 2,850,000 performance rights.

FINANCIAL POSITION

As at 31 March 2019, the Company had \$5,389,790 in cash.



Eduard Eshuys
Executive Chairman

Footnote 1: NTM's JORC Code (2012) Total Mineral Resource (ASX:NTM Announcement 13 June 2018) is: Indicated 1.75Mt @ 2.23g/t for 125,706 ounces Au and Inferred 10.77Mt @ 1.19g/t for 412,157 ounces Au, totaling 12.52Mt @ 1.34g/t for 537,862 ounces Au.

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 differentiates itself as a listed gold company by seeking 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 comfortably below 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 (+10 million ounces) or substantial high grade mineralization.

DGO also holds and builds strategic gold exploration land positions 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, former head of the Centre for Excellence in Ore Deposits (CODES), Professor Neil Phillips, former head of Minerals 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.

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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 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). Mr Hamlyn consents to the report being issued in the form and context in which it appears.*

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	Tenements - Granted	Tenements - Applications	Area (km ²)
Western Australia			
Lake Randall JV	E15/1573		53
Lake Randall		E25/584	179
Ora Banda	P24/4946 - 4956		22
Black Flag	P24/4986 - 4992, E24/197		31
Mallina	E47/3327 - 3329		243
East Pilbara	E45/5031 - 5035 E46/1207 - 1208	E45/5030, E45/5084, E46/1203 - 1204, E46/1228 - 1229, E47/3898, E47/3900, E47/3901, E47/3909	3,743
Yerrida Basin	E51/1590, 1729, 1730, 1748 - 1753, E51/1833, E51/1897	E51/1920, E51/1921	2,226
Middelen Option	E51/1725, 1726		268
Yamarna West		E38/3343, E38/3344	728
<i>Sub-Total</i>			7,493
South Australia			
Wirrabara	EL 6237		755
Dawson	EL 5737, EL 5876, EL 5877, EL 6036, EL 6209, EL 6269		1,228
Yerelina	EL 5813		145
Pernatty Lagoon	EL 6145, EL 6302		348
Bookaloo	EL 6030		490
Myall North	EL 6303		308
<i>Sub-Total</i>			3,274
TOTAL			10,767

Table 1: DGO Tenement Holdings as at 17 March 2019

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")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (nine months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(327)	(1616)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(178)	(506)
1.3 Dividends received (see note 3)		14
1.4 Interest received	4	7
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds	780	780
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	279	(1,321)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2)	(11)
(b) tenements (see item 10)		
(c) investments	(1,500)	(6,750)
(d) other non-current assets		

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (nine months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	1	1
	(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	(1,501)	(6,760)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	4,777	11,994
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	(111)	(148)
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	4,666	11,846

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,946	1,625
4.2	Net cash from / (used in) operating activities (item 1.9 above)	279	(1,321)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,501)	(6,760)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,666	11,846

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (nine months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	5,390	5,390

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	5,390	1,946
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)	5,390	1,946

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

149

Director fees, expense reimbursements, rent and consultancy fees.

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

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

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8. Financing facilities available

Add notes as necessary for an understanding of the position

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

460

9.2 Development

9.3 Production

9.4 Staff costs

9.5 Administration and corporate costs

110

9.6 Other (provide details if material)

9.7 Total estimated cash outflows

570

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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	Mt Edwards, WA: E15/1465 E15/1488 E15/1514	Surrender Surrender Surrender	100% 100% 100%	0% 0% 0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Stuart Shelf, SA: EL 6302 EL 6303 Yerrida, WA: E51/1897	Application granted Application granted Application granted	0% 0% 0%	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:



Date: 30/04/2019

(Executive Chairman)

Print name: Eduard Eshuys

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.