

2 September 2019

## Black Flag Drilling To Commence

- **An initial ten hole, 1,200 metre reverse-circulation drilling program will commence next week within DGO's Black Flag land position 20km NW of Kalgoorlie**
- **The drilling will test the extension of the NNW trending Teal-Grimlet structural corridor, largely untested in DGO's ground, that hosts high grade gold mineralization immediately to the South**
- **Recent drilling by First Au approximately 6 km South of DGO's Black Flag ground (and immediately to the North of the Teal Well open pit) has identified a 400-metre-long zone of gold mineralization with significant intersections including 13m @ 8.2g/t from 67m and 31m @ 2.1g/t from 48m**

**DGO Gold Limited** (ASX code: DGO) is pleased to advise that an initial program of 1,200 metres of reverse circulation drilling in ten holes is planned to test extensions of the mineralised structural corridor extending from Horizon Minerals Limited's (HZR) Teal Well mine site, through First Au Limited's (FAU) Gimlet gold resource project and into DGO's Black Flag tenements. The drilling is scheduled to commence in early September.

Black Flag is located approximately 20 kilometres northwest of Kalgoorlie in Western Australia's Eastern Goldfields and the tenements are approximately seven kilometres north-northwest of the Teal Well open pit. The mine produced 21,800 ounces of gold at a grade of 3.2g/t and mineral resources at Teal, Peyes Farm and Jacques Find total 4.25 million tonnes at 2.1g/t Au for 289,000 ounces (*IRC Quarterly Activities Report 30 June 2019*). The mineralisation is hosted in a series of semi-parallel shears within Black Flag felsic volcanics and sediments defining a plus 200 metres wide northwest trending, mineralised structural corridor which trends into First Au Limited's tenements and onto DGO tenements to the north.

High grade gold mineralisation was recently intersected by First Au at Gimlet immediately north of Teal Well and six kilometres south of Black Flag. An open-ended mineral resource of 68,700 ounces at a grade of 3.3g/t Au has been established (*FAU: ASX announcement 7 May 2019*) and high grade diamond core results including 32m at 4.9g/t Au from 93m (*FAU: ASX announcement 28 May 2019*) have been reported.

Data review of previous campaigns of wide spaced air core drilling by Placer Dome Asia Pacific from 2002 to 2006 (*WAMEX Open File Reports A67339, A70545 and A72446*) and Paddington Gold Mine in 2011 and 2012 (*A94950*) found that holes were generally drilled at 60° to the west to depths ranging from <20m to >60m, with average down hole depths of 30 to 40m. This drilling returned a number of anomalous intersections in saprolite above Black Flag Bed sediments and in felsic intrusives, including: -

8m at 3.0g/t Au; hole BFLA 369 from 37m down hole,

4m at 2.2g/t Au; hole MRAC224 from 48m down hole, and

2m @ 8.2g/t Au; deeper RC hole PMPC0798 from 58m bottom of hole.

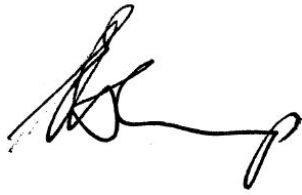
**These results compare favourably with initial aircore drilling results reported by First Au which included 8m @ 1.6g/t Au at a vertical depth of 38 to 44m (*FAU ASX announcement 10 September 2018*). First Au's follow up reverse circulation returned significantly higher grade intersections including 13m @ 8.2 g/t Au from 67m, 31m @ 2.1g/t Au from 48m and 15m @ 3.4g/t Au from 64m (*FAU ASX announcement 14 December 2018*) which delineated the supergene and lode style gold mineralisation over a strike length of over 400 metres.**

The extension of the north-northwest trending Teal-Gimlet structural corridor has been traced for six kilometres within DGO's tenements. The zone is largely untested by historical drilling but support for mineralisation on the structures is evident in drilling on the adjacent Paddington Gold Mines' tenements to the south. Previous drill intercepts in this area including 16m @ 1.9g/t Au from 20m (hole ASAC 062) and 3m @ 2.5g/t Au from 37m (ASAC 073) (*WAMEX Open File Report A67142*) on the interpreted position of the shear extension.

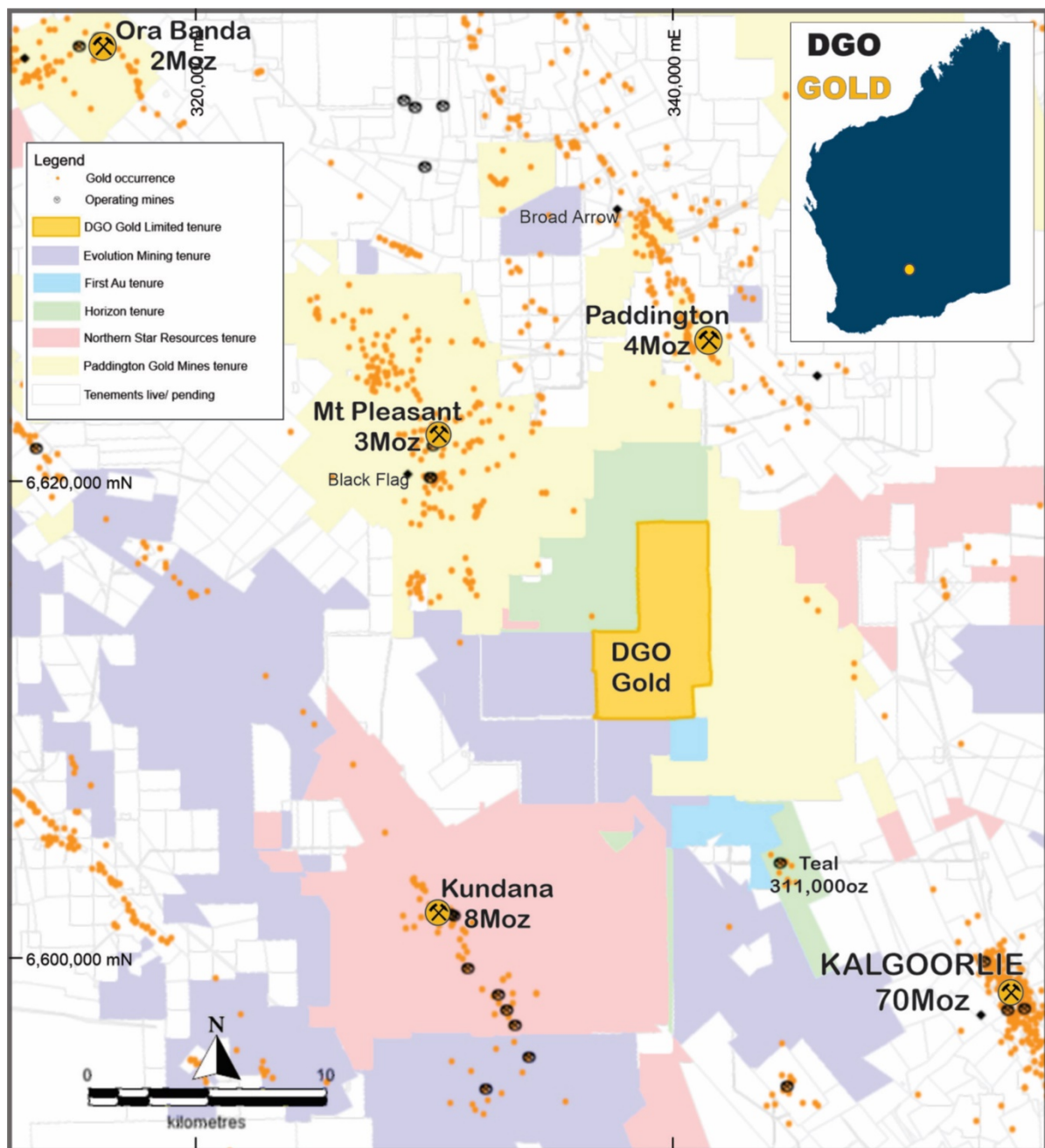
Deeper reverse circulation drilling completed by DGO in December 2016 intersected broad zones of anomalous gold, 40m @ 0.2g/t Au from 20m in hole BFRC0001 and 52m @ 0.2g/t Au from 60m in BFRC0002 (*DGO Quarterly Activities Report 31 December 2016*). Recent interpretation of the geophysical data suggests that these RC holes were sited too far to the east to effectively test the extensions of the Teal-Gimlet mineralised structural corridor. This mineralisation is related to a separate parallel target defined by elevated gold-in-saprolite in historical drilling (refer *Figure 3*).

***DGO Executive Chairman, Eduard Eshuys, commented "Black Flag represents an favourable structural setting between the regionally significant Zuleika and Abattoir shears and an excellent opportunity to delineate new gold resources. The area's gold mineralisation has been effectively shielded from discovery by dune and lake cover and shallow drilling so the potential for high grade gold mineralisation along the extensions of the well mineralised Teal-Gimlet structures is a compelling target.***

*DGO has accelerated its field programs in the Eastern Goldfields with gravity surveys also scheduled for the Company's Lake Randall tenements and the Company is looking forward to reporting on the success of these campaigns in the near future."*



**Eduard Eshuys**  
**Executive Chairman**



*Figure 1: Black Flag Tenement Location Plan*

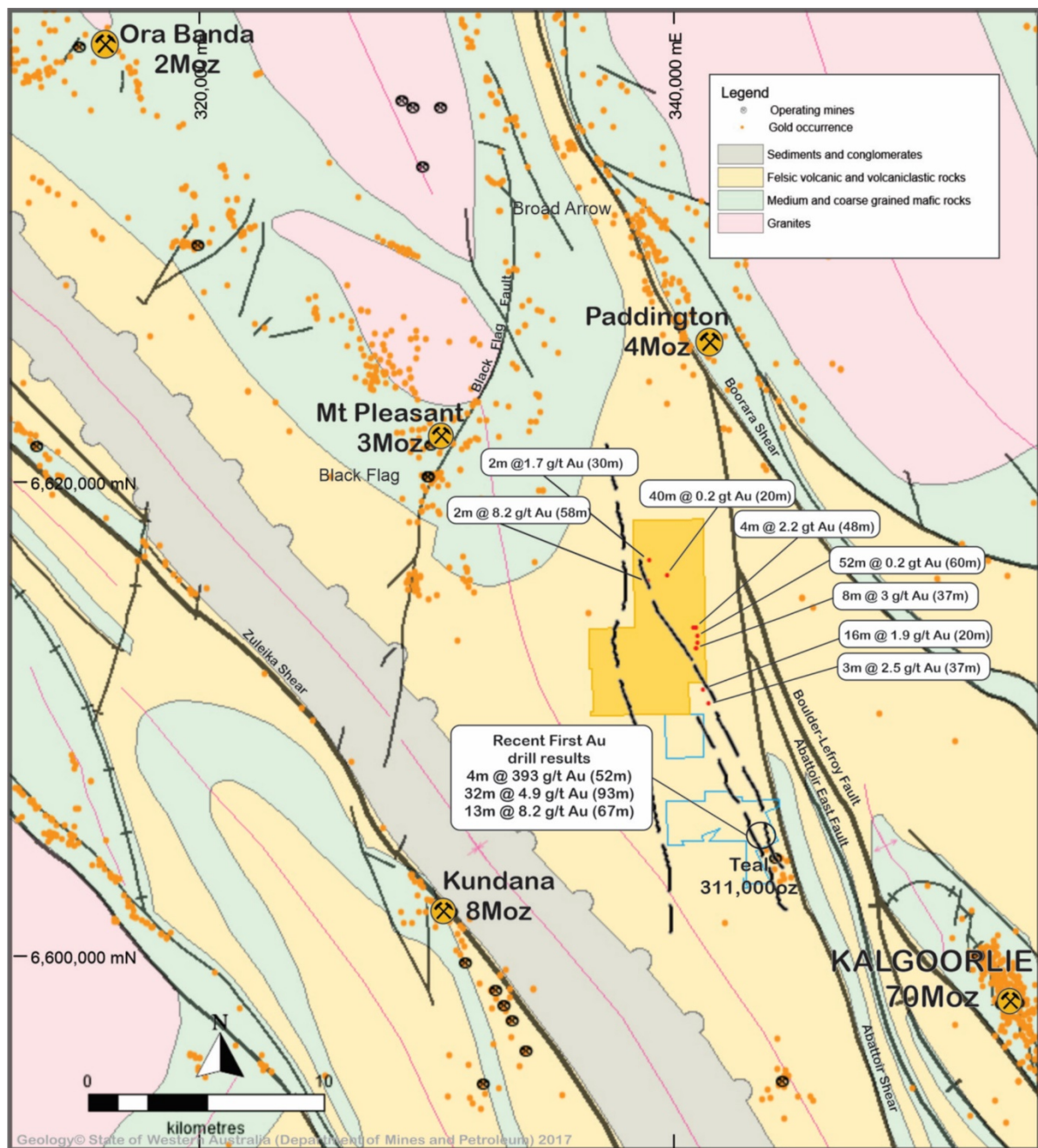
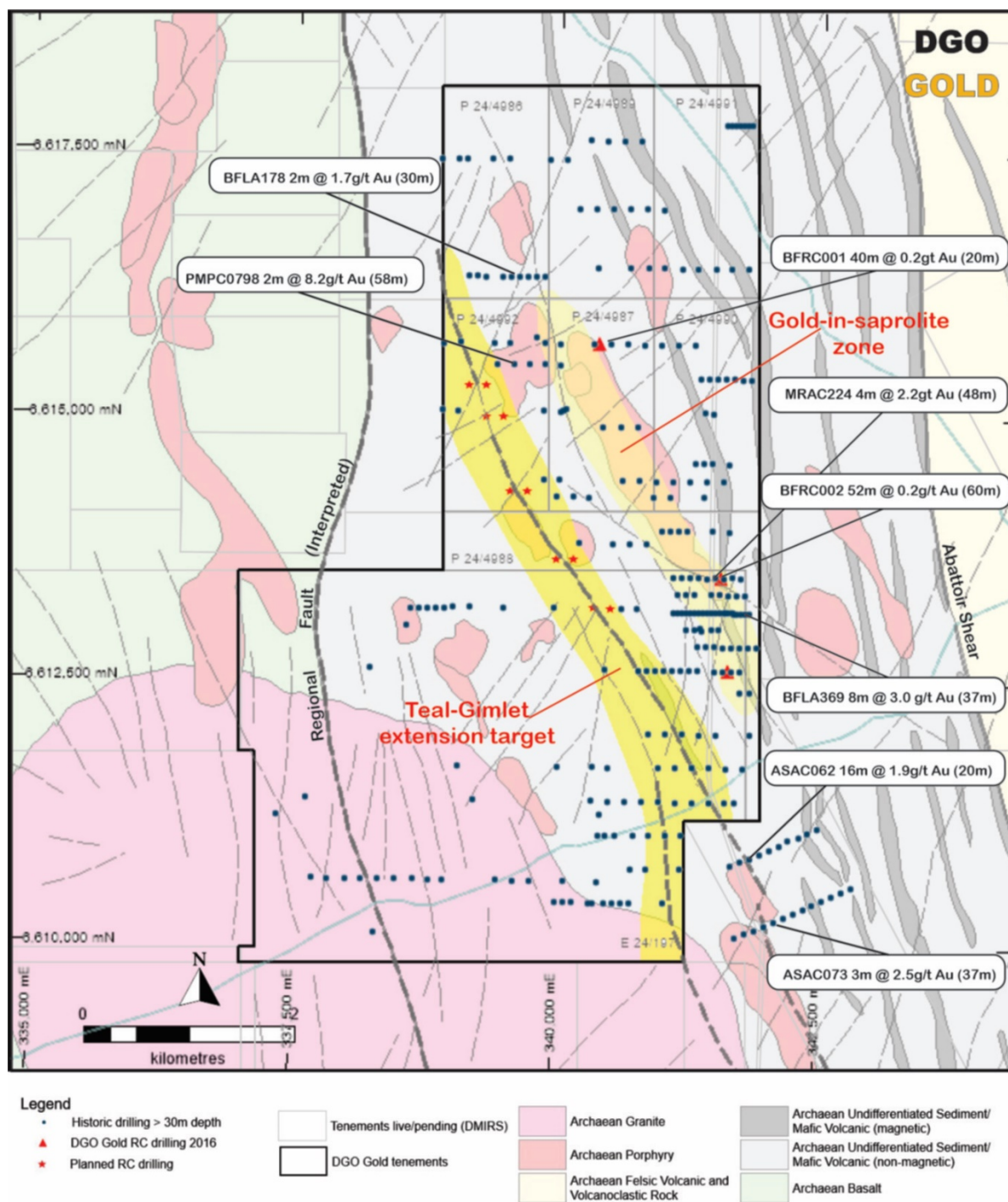


Figure 2: Black Flag Geology Plan

FAU drilling results from ASX announcements 9 October 2018, 31 July 2019 and 14 December 2018  
 Historical drilling results from WAMEX Open File Reports A67339, A70545, A72446 and A94950





### **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 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.*

### **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 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, 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.