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March 2020 Quarterly Report

DGO advances and benefits from its gold investment & exploration in WA

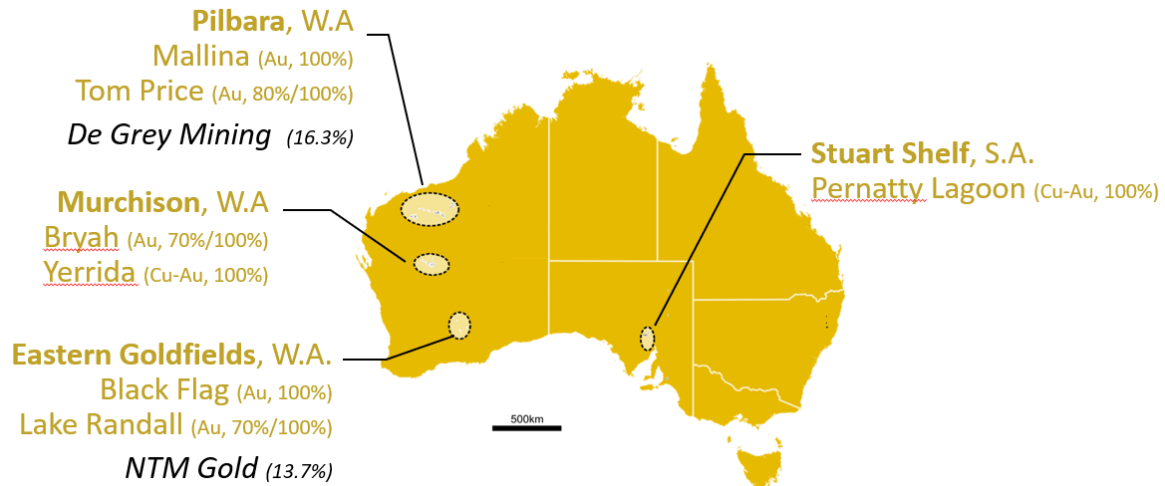
DGO Gold Limited (ASX:DGO) is pleased to report on what has been a successful quarter for the Company as it advances its strategy of creating wealth for shareholders through leveraged gold exploration in Australia. DGO owns both large-scale prospects in its own right and significant stakes in other ASX-listed gold exploration companies. The Company's strategy is aimed at capitalising on the substantial difference between the relatively low cost of gold discovery and the significantly higher market valuations of resource inventories.

Highlights

- **DGO increased its position in De Grey Mining (ASX: DEG) to 16.3%; This holding was worth \$68.7m¹ as at April 29, 2020.**
- **De Grey reported outstanding results from its Hemi gold discovery in WA's Pilbara; These results underpinned a 361% increase in De Grey's share price over the quarter.**
- **DGO increased its position in NTM Gold (ASX: NTM) to 13.7% and NTM reported further high-grade results at its Hub gold prospect.**
- **Drilling targets identified at DGO's Mallina have gold and arsenic anomalies coincident with previously reported gold nuggets and interpreted intrusions; Drill testing of these targets has commenced.**
- **Multi-element soil geochemistry at Yerrida identified DeGrussa-style VHMS mineralisation signatures coincident with airborne electromagnetic anomalies and gossanous outcrops; Drilling is scheduled for the June quarter.**
- **A maiden drilling program at Bryah did not intersect the target contact of the Juderina Sandstone and Johnson Cairn Formation black shales.**

¹ Includes the purchase of 40.9 million DEG shares subject to DGO shareholder approval (ASX:DGO 12 March 2020) and the issue of 18.2 million DEG shares subject to DEG shareholder approval (ASX:DEG 28 April 2020).

DGO Investments



Strategic Investments

Investment in De Grey Mining Limited (DGO 16.3%)

During the quarter, DGO increased its investment in De Grey Mining Limited (De Grey) through exercising 10 million 10 cent options, exercising 12.5 million 30 cent options, and signing share swap agreements with three parties. This brought DGO's total holding to 175.3 million De Grey shares or 16.3% of issued capital, maintaining its position as De Grey's largest shareholder.

De Grey announced the discovery holes at Hemi in December 2019. In the March quarter, it announced numerous significant assays, including:

- 93m @ 3.3g/t Au from 39m (Brolga Zone, ASX:DEG 5 March 2020)
- 46m @ 6.6g/t Au from 92m (Aquila Zone, ASX:DEG 12 February 2020)
- 100.4m @ 2.8g/t Au from 104m (Brolga Zone, ASX:DEG 9 April 2020)

De Grey has said that "Brolga and Aquila are developing into two very large gold systems with widths of gold mineralisation never seen before in the project area nor the Pilbara region" (ASX:DEG 17 March 2020). De Grey's success has resulted in a 361% increase in De Grey's share price during the quarter.

Investment in NTM Gold Limited (DGO 13.7%)

During the quarter, DGO increased its investment in NTM Gold Limited (NTM) through exercising 20 million 5 cent options. This brought DGO's total holding to 92.7 million shares or 13.7% of issued capital, maintaining its position as NTM's largest shareholder.

NTM Gold continued its discovery program along its Mertondale land position. During the quarter Hub delivered high grade intersections including 10m @ 6.0g/t from 85m and 6m @ 5.1/t from 323.5m (ASX:NTM 15 January 2020). Results show that the strike is now 1.4km and an intersection of 5m @ 5g/t from surface potentially represent a parallel zone (ASX:NTM 15 January 2020). NTM continue to show the potential of the under-explored Mertondale Shear Zone.

Discovery Activities

Mallina, Pilbara, WA (DGO 100%)

Gold occurrences in this region are commonly sediment or intrusion hosted and associated with anticlinal axes, particularly where they intersect major structures. DGO's Mallina tenements adjoin De Grey's Mallina Gold Project and share a similar geological and structural setting. De Grey's Mallina Gold Project hosts substantial structurally controlled gold resources including the intrusion related gold at Hemi, 75km east-northeast of DGO's Scottie Well prospect.

DGO holds over 30km's of strike length of a major ENE-trending structure that parallels the Mallina Shear Zone (for comparison De Grey hold 200km of structures; ASX:DEG 11/11/2019). The intersection of both intrusives and anticlines with the structure in DGO's land is associated with a signature geochemical anomaly that defines the Scottie Well target.

During the quarter, DGO finalised approvals for a widely spaced aircore drilling program at Scottie Well to evaluate the gold and arsenic in soil anomalies coincident with previously reported gold nuggets, and magnetic and electromagnetic anomalies, which broadly correspond with the interpreted position of the ENE shear. These anomalies present a large 12 kilometre long target over a structurally complex area. Drilling has commenced.

Refer DGO's ASX announcement on 16 April 2020

Yerrida, Murchison, WA (DGO 100%)

Yerrida is located in the Yerrida Basin, 75 kilometres south of the DeGrussa copper-gold mine. DGO's detailed data review and analysis has confirmed that the Yerrida Basin is prospective for both DeGrussa style copper-gold mineralisation and stratiform sediment-hosted copper deposits analogous to the world-class Zambian Copper Belt.

During the quarter DGO completed detailed analysis of multi-element soil geochemistry results. Expert geological consultants Professor Ross Large AO and Dr Stuart Bull have identified geochemical signatures similar to those that led to the DeGrussa discovery. In particular, elevated tin results identified at Yerrida are a key discriminator for VHMS deposits. Several of the DeGrussa ore bodies have high levels of tin. The geochemical anomalies are coincident with priority anomalies identified in DGO's October 2019 airborne EM survey. DGO is conducting a ground electromagnetic survey over the priority targets while progressing heritage clearance for a drilling program to test these targets.

Refer DGO's ASX announcement on 9 April 2020.

Bryah, Murchison, WA (DGO 70-100%)

Bryah is located 60km north of Meekatharra, adjacent to Judge's Find, an area of known gold nugget occurrences where surface mining for gold has occurred for some time although the source of this alluvial gold is unknown. The area is prospective for sediment-hosted gold which is likely controlled by thrust-fault bounded, anticlinal structures at the contact of the Juderina Sandstone and Johnson Cairn Formation black shales, where EM targets identified by DGO are located.

During the quarter DGO completed a program of 1,350 metres of reverse circulation drilling in 9 holes to test high order airborne electro-magnetic (EM) targets along the axis of a regional anticlinal structure. Drilling intersected shale units of the Johnson Cairn Formation and no significant gold or base metal mineralisation was encountered. The drilling demonstrates that the Johnson Cairn Formation is much more extensive and thicker than previously mapped because it is undercover. As a consequence, the drilling has not adequately tested the prospective contact between the Johnson Cairn shales and the underlying Juderina Formation sandstones.

Refer DGO's ASX announcements on 27 February 2020 and 24 April 2020.

Pernatty Lagoon, Stuart Shelf, SA (DGO 100%)

The Stuart Shelf contains BHP's world class Olympic Dam copper-gold-uranium mine, and a number of other copper-gold deposits including Oz Minerals' Prominent Hill and Carapateena.

DGO's stratiform sediment-hosted copper/gold discovery strategy, conducted in conjunction with research at the Centre for Ore Deposits and Earth Sciences (CODES) at the University of Tasmania, is based on models from the Zambian Copper Belt (ZCB). The targeting program has delineated a ZCB style target at Pernatty Lagoon in transition zone sediments between the outcropping Woocalla Dolomite and the deeper-basin Tapley Hill shales. Additionally, geophysical studies have identified partially coincident gravity and magnetic responses that are typical of IOCG deposits and prospects elsewhere on the Stuart Shelf underlying the younger rocks.

During the quarter DGO expanded its land holding on the Stuart Shelf through the award of a competitive exploration licence application (ELA 2020/18) and was approved to submit a detailed Stage 2 proposal for funding by South Australian government's Accelerated Discovery Initiative EOI

DGO also continued to progress land access approvals for a drilling program however as a result of COVID-19 restrictions, a planned community meeting of the traditional owners (required to approve a Native Title Agreement) and heritage surveys (required before commencing drilling) have been delayed until further notice. In recognition of the difficulties COVID-19 is causing, the South Australian Government has waived expenditure commitments for all mineral exploration licence holders for a 12-month period.

Black Flag, Eastern Goldfields, W.A (DGO 100%)

Black Flag is located 20km northwest of Kalgoorlie in Western Australia's Eastern Goldfields.

Recent DGO drilling has outlined an extensive sheared alteration zone undercover with pervasive silica±chlorite±carbonate±sericite alteration and gold mineralisation up to 12m @ 3.2g/t from 116m (ASX:DGO 22 October 2019) associated with disseminated sulphide, pyritic stringers and quartz veining within the sequence of intermediate volcanics of the Black Flag Group.

The combination of these mineralised intersections, the extensive alteration identified, the area's structural complexity and proximity to both the Zuleika Shear Zone and the Abattoir Fault provides increasing evidence that Black Flag hosts a significant mineralised system.

During the quarter, DGO worked on assessing the recent drilling results to plan future programs.

Refer DGO's announcement on 30 January 2020.

Lake Randall, Eastern Goldfields, W.A (DGO 70-100%)

DGO Holds 230km² of untested, prospective terrain under shallow lake and transported sediment cover 50km east of Kambalda and 7km south of Silverlake Resources' Mt Belches Mining Centre. The Lake Randall target was generated as a result of a comprehensive review for sediment hosted gold mineralisation in the Eastern Goldfields of Western Australia by Dr. Douglas Haynes who has been involved in a number of important mineral discoveries in Australia and Africa.

During the quarter DGO completed the interpretation of a ground gravity survey to define drill targets. Fourteen targets were defined with potential to host granite-associated Granny Smith style, and banded iron formation-associated Mt Belches-style, gold mineralisation beneath the lake sediments. DGO is currently preparing applications to obtain government and heritage approvals to conduct an aircore drilling program to test these targets.

Refer DGO's ASX announcement on 28 January 2020.

Tom Price, Pilbara, WA (DGO 80-100%)

DGO's land position covers a large, 70 km long regional anticlinal structure, with the Pyradie Formation outcropping in the central zone of the structure and interpreted to lie below younger units on the limbs. Previous exploration of the structure identified anomalous gold mineralization up to 2.8 g/t gold in rock chip samples of siliceous chert units assigned to the Pyradie Formation (IGO ASX announcement 28 July 2003).

During the quarter DGO progressed land access approvals for future work programs.

Yarmana West, Eastern Goldfields, W.A (DGO 100%)

Interpretation of geophysical datasets has identified greenstones to the west of the Yamarna Belt. This represents the under-explored Deleta Greenstone Belt covered by younger sediments. During the quarter DGO progressed the grant of these applications.

Corporate

- During the quarter DGO raised \$10.7 million through a placement at \$1.35 per share on 28 February 2020. Note that 794,815 shares to be allotted to directors of DGO are subject to shareholder approval.
- Cash as at 31 March 2020 - \$4.78 million
- At the end of the quarter, the Company had 42,563,125 fully paid shares, 596,523 39.36 c unlisted options, 10,042,129 \$1 unlisted options and 3,100,000 performance rights on issue.
- The Company advises that Mr Jeffrey Bruce Parncutt AO, who was appointed as a Non-Executive Director on 23 May 2018, became an Executive Director effective 1 April 2020. This formalises Mr Parncutt's existing role, he will continue to provide DGO Gold with leadership and strategic contributions, working jointly with the Executive Chairman Mr Eduard Eshuys. Mr Parncutt's background in investment markets and early experience as a resources analyst will continue to be highly valuable to DGO and he will be remunerated with Director Fees of \$200,000 plus superannuation
- During the quarter approximately \$103,000 was paid to related parties of the entity and their associates for Director fees, expense reimbursements and consulting fees
- Subsequent to the end of the quarter, DGO raised a further \$10 million through a placement at \$1.60 per share. The shares from this placement will be issued in 2 tranches. Tranche 1 shares (1,635,625) were issued on 28 April 2020 and Tranche 2 shares (4,614,375) are subject to shareholder approval.



Eduard Eshuys
Executive Chairman

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 through strategic equity investment and through tenement acquisition and joint ventures. DGO seeks to identify and invest in discovery opportunities that meet several key criteria:

Prospectivity – Geological analogue to Tier 1 deposits

Low-finding cost – Gold discovery opportunities where finding costs are assessed to be comparable to 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 Tier 1 discovery or discovering significant high grade mineralization.

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 AO, former head of the Centre for Ore Deposits and Earth Sciences (CODES), Professor Neil Phillips, former head of Minerals at CSIRO, Dr Stuart Bull, a sedimentary basin and Zambian Copper Belt specialist, and Barry Bourne of Terra Resources, a highly experienced mineral exploration geophysicist.

Appendix I: Recent Announcements Relating to Exploration Activities During the Quarter

Date	Title
27 Apr. 2020	Bryah drilling update
16 Apr. 2020	Mallina Drilling to Commence
9 Apr. 2020	Geochemistry and EM identifies DeGrussa style target
2 Apr. 2020	Shareholder Presentation
12 Mar. 2020	DGO Gold increases its holding in De Grey Mining Ltd
27 Feb. 2020	Bryah Drilling to Commence
24 Feb. 2020	Share Placement
30 Jan. 2020	Black Flag Follow-up Drilling
28 Jan. 2020	Drilling targets identified below the lake east of St Ives

Appendix II: DGO Gold Tenement Holdings

Project	Location	Tenement Number	Interest at Beginning of Quarter	Interest at End of Quarter
Lake Randall	WA	E15/1573 ¹ E25/584 ³	30 100	30 100
Black Flag	WA	E24/197, P24/4986-4992	100 100	100 100
Mallina	WA	E47/3327-3329 E47/4315, 4316 ²	100 100	100 100
Tom Price	WA	E47/3898, 3900 ² E47/3629, 3651, 3716 ⁴	100 0	100 0
Bryah	WA	E51/1590 ⁵ E51/1729	51 100	51 100
Yerrida	WA	E51/1730, 1748-1753 E51/1833, 1897, E51/1920, 1921 E51/1952 ² E51/1725, 1726 ⁶	100 100 100 0 0	100 100 100 100 0
Yamarna West	WA	E38/3343, 3344 ²	100	100
Pernatty Lagoon	SA	EL 6145, 6302 EL 6030, 6436, 6303 EL 6473 ³ , 6474 ³ ELA 2020/18	100 100 100 0	100 100 100 100

¹ Farm-in and Joint Venture with Romardo Gold WA Pty Ltd – DGO earning up to 70%

² Tenement application – on grant 100% DGO

³ Tenements granted during the quarter

⁴ Farm-in and Joint Venture with Forge Resources Swan Pty Ltd – DGO earning 80% gold rights only

⁵ Farm-in and Joint Venture with TasEx Geological Services Pty Ltd – DGO earning 90%

⁶ Option to Purchase with Middelen Pty Ltd – DGO 100% on exercise of Option