

Contacts:

Robert Gardner

Chairman
+61 8 9215 6300
Australia

www.dragonmountain.com.au

ASX RELEASE

Dragon Mountain Gold Limited,
ACN: 111 005 282
182 Claisebrook Road, Perth WA 6000



29 July 2022

QUARTERLY REPORT 30 JUNE 2022

Dragon Mountain Gold Limited (“DMG” or “the Company”) is pleased to provide this Quarterly Activity Report for the quarter ending 30 June 2022.

During the quarter, the Company has continued to work towards meeting the requirements of ASX Listing Rule 12.1 with a view to being reinstated to trading on the Official List of ASX.

The Company’s business model is focused on the exploration and discovery of a potential gold mineral resource of economic significance and remains committed to achieving strong results for our shareholders.

The Company has continued its exploration of the Avalon and Cawse Projects, utilising the latest exploration techniques and mineralisation models, whilst taking advantage of substantial historic datasets. In particular, the Company is continuing to advance the modelling of the Avalon Project where it has completed 29 Reverse Circulation (RC) holes for 3,055m testing of the first Bulk Leach Extractable Gold (BLEG) anomaly.

The Company is currently planning its next drill program based on revised targets for the Projects. For more information with respect to this, refer to the Company’s Prospectus dated 17 June 2022.

Corporate

On 17 June 2022, the Company lodged a Prospectus in conjunction with its application for reinstatement to trading on the ASX and to further its mining exploration activities at the Avalon and Cawse Projects. The Company is pleased to announce the Offer closed on the 20 July 2022 with strong investor support raising a total of \$1,596,000.

Furthermore, on 14 July 2022 the Company held a General Meeting of its shareholders seeking to approve the issue of securities offered under the Prospectus, to rectify a breach of ASX Listing Rule 10.1 and to convert the Company’s outstanding debt to equity. As announced on 14 July 2022, all resolutions raised at the General Meeting were passed by shareholders.

At the end of the quarter, the Company holds \$1,608,000 in cash reserves, of which \$1,253,000 is held in trust.

Contacts:

Robert Gardner

Chairman
+61 8 9215 6300
Australia

**www.
dragonmountain.
com.au**

ASX Additional Information

Pursuant to ASX Listing Rules 5.3.1 and 5.3.2, the Company advises it has spent \$4,000 on exploration during the quarter. No expenditure was incurred on development or production activities during the quarter.

Pursuant to ASX Listing Rule 5.3.3 the Company advises that it holds the tenements detailed in Annexure A at the end of the quarter.

Pursuant to ASX Listing Rule 5.3.5, the Company advises it has made no payments to any directors by way of salary, fees, or superannuation during the quarter.

This release has been approved by the Board.

Robert Gardner
CHAIRMAN

Contacts:

Robert Gardner

Chairman
+61 8 9215 6300
Australia

**www.
dragonmountain.
com.au**

ANNEXURE A

The Company has a right to earn an interest in the Cawse and Avalon Projects. As at 30 June 2022, the Company has earned a 25% interest in the Cawse and Avalon Projects.

THE CAWSE PROJECT		THE AVALON PROJECT	HELD BY DMG
1.	M24/0547	L 27/0055	P16/3355
2.	M24/0548	L 27/0056	P16/3350
3.	M24/0549	M 25/0075	P16/3351
4.	M24/0550	M 25/0076	P16/3352
5.	L24/0030	M 25/0077	P16/3353
6.	L24/0076	M 25/0078	P16/3354
7.	L24/0113	M 27/0189	P16/3347
8.	L24/0140		E16/586
9.	L24/0141		P16/3349
10.	L24/0142		
11.	L24/0152		
12.	L24/0153		
13.	L24/0159		
14.	L24/0167		
15.	L24/0168		
16.	L24/0185		
17.	L24/0193		
18.	L24/0194		
19.	M24/0224		
20.	M24/0389		
21.	M24/0517		
22.	M24/0518		
23.	M24/0519		
24.	M24/0520		
25.	M24/0543		
26.	M24/0544		

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Dragon Mountain Gold Limited (ASX: DMG)

ABN

82 111 005 282

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(4)	(361)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(7)	(102)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	5
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(10)	(458)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) 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	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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 (Monies held on trust)	110	1,253
3.10	Net cash from / (used in) financing activities	110	1,253

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,507	813
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(10)	(458)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	110	1,253

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,608	1,608

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	1,608	1,507
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)	1,608	1,507

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

-

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Nil		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(10)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(10)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,608
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,608
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	161
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Not applicable.	
2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Not applicable.	
3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Not applicable.	

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.

Date: 29 July 2022

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.