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ASX RELEASE

Dragon Mountain Gold Limited,
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12 December 2023

ACTUAL VS PROPOSED USE OF FUNDS

In accordance with Listing Rule 5.3.4, Dragon Mountain Gold Limited (ASX Code: DMG) provides the actual as at 30 September 2023 vs proposed use of Funds as outlined in Section 5.6 of the Prospectus dated 16 June 2022.

Proposed Use of Funds	Proposed \$	Actual \$	Variance \$
Exploration on Cawse and Avalon Projects	1,100,000	388,550	711,450
Acquisition of new tenements/working capital	399,004	300,000	99,004
Expenses of the offer	217,824	207,425	10,398
Administration Costs	500,000	430,994	69,006
Total	2,216,828	1,326,969	889,858

Major variances to the Prospectus include:

1. Exploration on Cawse and Avalon projects
 - a. the Company has been planning a drill program which has not yet occurred. The Company is working with its exploration consultant Galt Mining Services to develop an optimal set of targets and once this analysis is complete, program of work applications will be completed.
 - b. As announced on 2 September 2023, the Company reduced the executive chairman's remuneration to \$50,000 from \$350,000 per annum. A portion of the remuneration is for exploration and as a result the total exploration over a two year period will be lower.
2. Working capital – pursuant to the Prospectus Section 5.6 Note 3, the Company completed the acquisition of the Sleeklines package of tenements at a total investment of \$300,000.
3. Administration Costs variances are due to timing.
4. As outlined in the Statement of Confirmations released on 2 August 2022, the Company had reduced its total available funds from \$2,216,828 to \$1,952,000 due to lower cash reserves available at 30 June 2022.

The Company notes that as per ASX Listing Rule 5.3.4 it is required to provide this information for 2 years following reinstatement to ASX and the company will continue to provide this information in its quarterly reports.

This announcement is approved by the board of directors.

Jay Stephenson
DIRECTOR & COMPANY SECRETARY