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ASX RELEASE

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



30 April 2024

QUARTERLY REPORT 31 March 2024

Dragon Mountain Gold Limited (“DMG” or “the Company”) is pleased to provide this Quarterly Activity Report for the quarter ending 31 March 2024.

Exploration Activities

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.

Specifically, the Company submitted a PoW application has been submitted to DMIRS as part of the planning and preparation stage of drilling works at the Avalon Project.

The application covers various areas over the Avalon project tenure as part of a Phase 1 scouting RC drill program of ~1,680 targeting gold and REE/Li geological hosts. This will allow adequate coverage over identified areas to obtain geological samples and data below the transported cover and laterite units (which are extensive at the surface) which mask bedrock features of interest. This will allow an assessment of whether further phases of drilling (and expenditure) are warranted for these commodities at the Avalon Project.

The Drill program design details are:

- Channel Clay Target: Targets identified from previous drilling and reconnaissance mapping indicating low-level concentrations of REEs and Li within channel clay horizons. Phase 1 includes 12 RC holes for this target.
- Shear Hosted Gold Target: Considers DMG's historical exploration primarily focused on nickel and cobalt, with minimal attention to gold potential. Phase 1 proposes drilling 4 RC holes to explore this potential, inspired by adjacent tenements' gold resource compilation.
- Hard Rock Lithium/REE Potential: Additional drilling is proposed to directly assess potential buried hard rock lithium sources, motivated by preliminary surface assay data.

Feedback from DMIRS on the PoW to date is that there are likely prioritised Flora and Fauna species in the area and as such the Company has commissioned Terrestrial Ecosystems to undertake a Flora and Fauna Survey. This work is still in progress and is required prior to approval of the PoW.

During the quarter, the Company conducted internal fieldwork at the Cawse Project to establish potential drill targets for gold. This effort is still in progress.

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Corporate Activity

At the end of the quarter, the Company's cash position was \$368,000.

ASX Additional Information

Pursuant to ASX Listing Rules 5.3.1 and 5.3.2, the Company advises it has spent \$29,00 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 payments of \$xx to directors by way of salary, fees, or superannuation during the quarter.

In accordance with Listing Rule 5.3.4, provides the actual as at 31 March 2024 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	453,550	646,450
Acquisition of new tenements/working capital	399,004	300,000	99,004
Expenses of the offer	217,824	207,425	10,399
Administration Costs	500,000	553,994	(53,994)
Total	2,216,828	1,514,969	701,859

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. A PoW application has now been submitted to the Mines Department.
 - 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.

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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.

This release has been approved by the Board.

Robert Gardner
CHAIRMAN

ANNEXURE A

The Company has a right to earn an interest in the Cawse and Avalon Projects. As at 31 December 2023, the Company has earned a 25% interest in the Cawse and Avalon Projects.

	THE CAWSE PROJECT	THE AVALON PROJECT	HELD BY DMG	SLEEK LINES TENEMENTS
1.	M24/0547	L 27/0055	P16/3355	P24/5187
2.	M24/0548	L 27/0056	P16/3350	P24/5188
3.	M24/0549	M 25/0075	P16/3351	P24/5189
4.	M24/0550	M 25/0076	P16/3352	P24/5190
5.	L24/0030	M 25/0077	P16/3353	P24/5191
6.	L24/0076	M 25/0078	P16/3354	P24/5203
7.	L24/0113	M 27/0189	P16/3347	P24/5204
8.	L24/0140		E16/586	P24/5205
9.	L24/0141		P16/3349	P24/5206
10.	L24/0142			P24/5207
11.	L24/0152			P24/5451
12.	L24/0153			P24/5452
13.	L24/0159			P24/5453
14.	L24/0167			P24/5454
15.	L24/0168			P24/5455
16.	L24/0185			P24/5456
17.	L24/0193			P24/5468
18.	L24/0194			P24/5469
19.	M24/0224			P24/5470
20.	M24/0389			P24/5471
21.	M24/0517			P24/5472
22.	M24/0518			P24/5473
23.	M24/0519			P24/5474
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)
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ABN

82 111 005 282

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(29)	(80)
(b) development	-	-
(c) production	-	-
(d) staff costs	(10)	(21)
(e) administration and corporate costs	(79)	(232)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	7
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	(116)	(326)

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	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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 (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	484	694
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(116)	(326)
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)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	368	368

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	368	484
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)	368	484

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
42 ¹
-

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

¹Amounts shown at 6.1 relate to director salary/fees, superannuation and rent paid during the quarter.

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. 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)	(116)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(116)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	368
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	368
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	3.17
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: n/a	
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: n/a	
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: n/a	

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: 30 April 2024

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.