

ASX RELEASE

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



31 July 2024

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QUARTERLY REPORT 30 JUNE 2024

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

The Company received PoW approval from DEMIRS and engaged a drill contractor. However, the program's start was delayed due to heavy rains in the region. After the end of the quarter, earthworks were completed on all accessible drill sites, and the drilling contractors mobilised to begin drilling. The recent rain events had prevented access to heavy machinery, contributing to the delay in on-ground works. Additionally, an internal redesign and budgeting process resulted in a slight delay in the mobilisation of personnel and equipment.

The planned RC drilling program targets interpreted gold geological hosts within a larger sheared contact between the Bulong ultramafic rocks and the volcanoclastics/basalts to the west. This program aims to obtain geological samples and data from beneath the extensive transported cover and laterite units that mask bedrock features of interest.

Historically, the bedrock geology of the Avalon tenements has seen limited to no exploration activity below the overlying nickel laterite deposits.

The four RC drill holes are spaced along this interpreted sheared/veined contact that runs through DMG’s tenements.

During the quarter, the Company undertook internal fieldwork at the Cawse Project to identify potential gold drill targets. A four-hole drill program was outlined, with planning finalised and ground truthing completed at the Cawse Mine site. This program aims to assess the updated interpretation of gold mineralisation extensions beneath the historic Cawse Find open pit.

A PoW application has been submitted to DEMIRS and is currently under evaluation. Upon receiving approval and subject to favourable weather conditions, drilling will commence at the earliest opportunity available with the drilling contractor.

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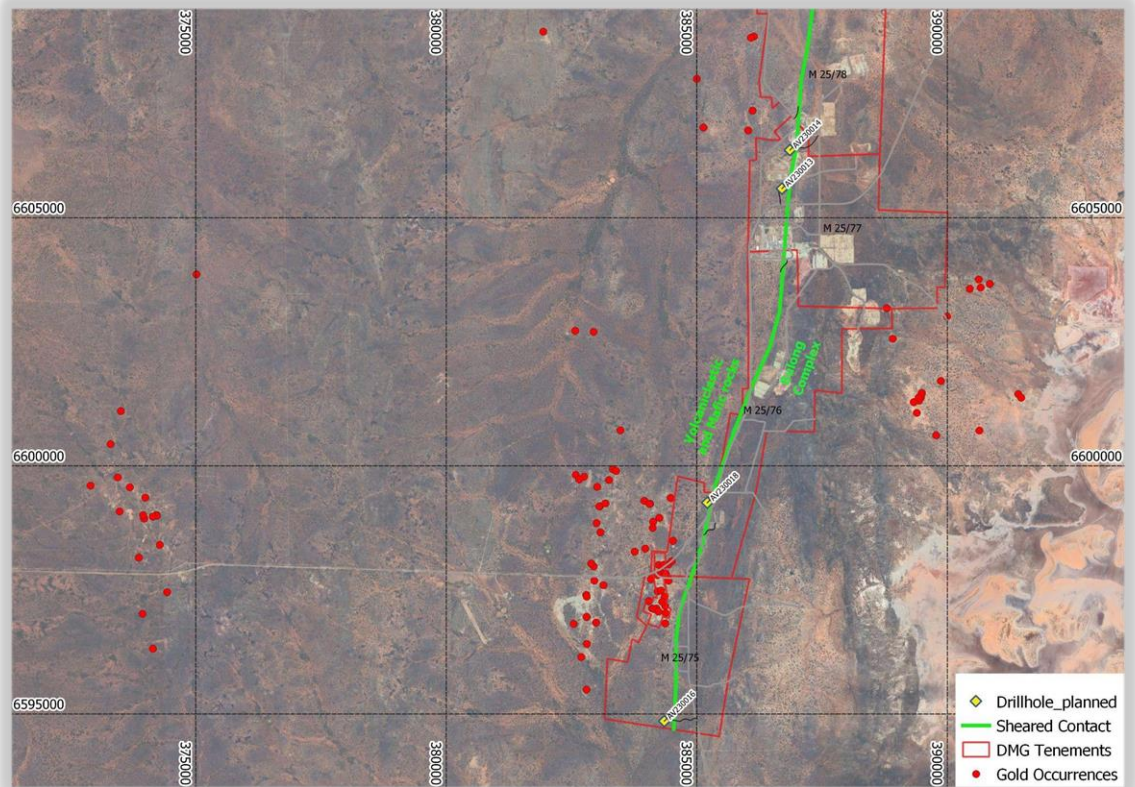


Figure 1: Overview of DMG tenements at the Avalon project with planned drill sites at targeted geological features of interest.

Corporate Activity

At the end of the quarter, the Company’s cash position was \$225,000.

ASX Additional Information

Pursuant to ASX Listing Rules 5.3.1 and 5.3.2, the Company advises it has spent \$74,000 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 payments of \$37,000 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 30 June 2024 vs proposed use of Funds as outlined in Section 5.6 of the Prospectus dated 16 June 2022.

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Proposed Use of Funds	Proposed \$	Actual \$	Variance \$
Exploration on Cawse and Avalon Projects	1,100,000	527,550	572,450
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	623,994	(123,994)
Total	2,216,828	1,658,969	557,859

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.
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.

In the Company announcement dated 11 June 2024, the Company outlined its planned expenditure over the next 12 months. Below is the current actual expenditure against the planned expenditure.

Exploration Activity	Avalon Forecast	Avalon Actual	Cawse Forecast	Cawse Actual	Total Forecast	Total Actual
Data Review and Planning	\$125,000	50,000	\$150,000	24,000	\$275,000	74,000
Fieldwork and Overhead	\$150,000	-	\$250,000	24,000	\$400,000	-
Drilling - RAB, RC and DD	\$1,756,000	-	\$250,000	-	\$2,006,000	-
Assaying	\$30,000	-	\$30,000	-	\$60,000	-
Heritage	-	-	\$18,564	-	\$18,564	-
Tenement Management	\$75,000	-	\$82,500	-	\$157,500	-
Total	\$2,136,000	50,000	\$781,064	24,000	\$2,917,064	74,000

This release has been approved by the Board.

ANNEXURE A

The Company has a right to earn an interest in the Cawse and Avalon Projects. As at 30 June 2024, the Company has earned a 25% interest in the Cawse and Avalon Projects.

	THE CAWSE PROJECT	THE AVALON PROJECT	HELD BY DMG	SLEEKLINES 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			

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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")

30 June 2024

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)	(74)	(154)
(b) development	-	-
(c) production	-	-
(d) staff costs	(10)	(31)
(e) administration and corporate costs	(60)	(292)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	8
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	(143)	(469)

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 (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 (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	368	694
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(143)	(469)
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)	-	-

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 (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	225	225

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	225	368
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)	225	368

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**

37¹

-

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)	(143)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(143)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	225
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	225
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.57
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: The Company anticipates the current level of operating cashflows to increase due to planned exploration activities	
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: The Company is currently in discussions with a third party for funding. The Company believes the success of the funding is very likely.	
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: Yes, based on the answer in 2 above.	

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: 31 July 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.