

DGO Gold Limited

ACN 124 562 849

Financial Report for the half-year ended 31 December 2015

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This financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by DGO Gold Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Corporate directory

Directors	Mr. E. Eshuys (Chairman) Mr. M. J. Ilett (Executive Director) Mr. R. C. Hutton (Non-executive Director)
Company secretary	Mr. M. J. Ilett
Registered office and principal place of business	27 General Macarthur Place Redbank Qld 4301 P.O. Box 294 Carol Park Qld 4300 Telephone: + 61 7 3381 5368 Facsimile: + 61 7 3381 5365
Share registry	Link Market Services Limited Level 15, ANZ Building 324 Queen Street BRISBANE QLD 4000 Postal Address: GPO Box 2537 BRISBANE QLD 4001 Telephone: 1300 554 474 Telephone: + 61 2 8280 7454 (overseas) Facsimile: + 61 2 8280 0303
Auditors	BDO Audit Pty Ltd GPO Box 457 BRISBANE QLD 4001
Lawyers	McCullough Robertson Lawyers Level 11, Central Plaza Two 66 Eagle Street BRISBANE QLD 4000
Stock exchange listings	DGO Gold Limited fully paid ordinary shares are quoted on the Australian Securities Exchange (ASX). ASX Code: DGO
Website address	www.dgogold.com.au

Directors' report

The Directors of DO Gold Limited (the Company) submit herewith the consolidated financial report of DO Gold Limited and its controlled entities (the Group) for the half-year ended 31 December 2015. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names and details of the directors of the Company in office during the half-year and until the date of this report are:

Mr. E. Eshuys (Executive Chairman)

Mr. M. J. Ilett (Executive Director – appointed 20 July 2015)

Mr. R. C. Hutton (Non-executive Director)

Mr. B. K Mutton (Former Non-executive Director – resigned 20 July 2015)

Principal activities

The principal activity of the Group is the implementation of its exploration strategy of using sediment hosted gold deposit (SHGD) analogues of world-class gold deposits and the peak ages of gold deposition to target sedimentary basins in Australia.

Operating results

The Group recorded a net loss after income tax of \$728,821 for the half-year ended 31 December 2015 (31 December 2014: Net loss after income tax of \$746,080).

Review of operations

The Group has continued to implement the strategy of greenfield exploration for sediment hosted gold deposits in Australia utilising research having been undertaken by CODES at the University of Tasmania over the past decade.

The pyrite database developed by CODES over the past 10 years has identified the geologic times when the world's oceans were enriched in gold and other metals. Furthermore, gold in sediment-hosted deposits is considered to be sourced from the sediments of the sedimentary basins. The key initial step is the identification of gold enriched sedimentary basins. Identifying structural settings conducive to the development of ore bodies, such as deep-seated structures and anticlines within sedimentary basins then become the target.

DO has commenced securing land holdings in key target areas in Western Australia and South Australia. The company is in the process of researching and reviewing past exploration data for these areas. This research is likely to identify drill ready targets. Exploration priorities will then be determined by the identification of the drill targets.

Applications lodged over 191km² of exploration licences 100km north of Meekatharra in Western Australia over the Johnson Cairn and Juderina Formations within the Proterozoic Yerrida Basin. A further 35km² of tenure has been applied for at Mt Edwards in the Eastern Goldfields of Western Australia.

To date 882 km² of mineral exploration tenements are now under application or have been granted in the high priority target sedimentary basins across Western Australia and South Australia. Full details of tenements granted and applied for is listed in Table 1 located at the end of the Half Year Report.

Sediment Hosted Gold and Base Metals, Yerrida Basin

The Exploration Licence applications are located approximately 100km north of Meekatharra in Western Australia and cover the highly prospective Proterozoic Yerrida Basin Juderina and Johnson Cairn Formations

The Juderina Formation consists of sandstone, shale, siltstone, conglomerate and chert and is overlain by the shale and siltstone of the Johnson Cairn Formation. The Geological Survey of Western Australia (GSWA) estimate that the geological age of these formations range from 1600 to 2500Ma, the “right” age for the occurrence of sediment hosted gold mineralisation as indicated by the research by CODES at the University of Tasmania.

The Juderina Formation overlies the basement Archaean granites to the west and south west of the tenements. The Narracoota Volcanics, part of the Bryah sedimentary basin separated from the Yerrida Basin Juderina and Johnson Cairn Formations by the deep seated Goodin Fault, occur to the east and north of the tenements. The Narracoota Volcanics host Sandfire Resources’ DeGrussa Copper Gold Mine and Sandfire Resources/Talisman Mining’s recent Monty copper gold discovery

Sediment Hosted Gold in the Black Flag Group of the Eastern Goldfields WA

The discovery of Invincible by Gold Fields Australia in 2012 on the edge of Lake Lefroy at Kambalda, St Ives and Baloo by Sirius Resources NL in 2015 has confirmed the prospectivity of the Black Flag Group (BFG) sediments, which have largely been ignored in the past, due to the focus of exploration on the mafic rocks, basalts and dolerites.

DGO has established land holdings at Mt Edwards, Ora Banda and Black Flag, with application for tenements in areas where BFG sediments are largely covered by overburden or transported younger sediments and consequently remain to be effectively explored. During the quarter the Ora Banda tenements, consisting of 11 Prospecting Licenses, were granted and an additional Exploration Licence application was lodged adjacent to the regionally significant Zuleika Shear at Mt Edwards.

Review of open file data over the applications at Black Flag has identified an anomalous gold zone, defined from broad spaced lines of predominantly shallow aircore drilling, that extends to the NNW for over 3.0km of strike, with limited follow up aircore / RC / diamond drilling having been completed. The majority of intersections occur in saprolite above black flag bed sediments, with zones of up to 60m of clay / saprolite cover.

At Mt Edwards open file data has confirmed that past exploration intersected gold mineralisation at the base of transported cover but has not tested the underlying BFG sediments.

South Australian Sukhoi Log Analogue Targets

Exploration Licence applications at Mt Barker and Dawson in South Australia, which cover a combined area of 331km², have been recommended for grant. These applications coincide with sediment hosted gold deposit targets identified by CODES consisting of anticlinal structures within geological sequences which are age analogues of the giant Sukhoi Log deposit in eastern Russia.

There is known gold mineralisation in the vicinity of both Mt Barker and Dawson. Compilation and review of available past exploration data within the target areas has commenced.

Corporate Activities

During the half year the Company changed its name from Drummond Gold Limited to DGO Gold Limited and completed the consolidation of all of its share capital on a 100:1 basis.

On 14 October 2015 DGO completed a share placement of a total of 215,000 fully paid ordinary shares at an issue price of \$0.30 (30 cents) per share to the directors or their nominees pursuant to the approval by shareholders at the General Meeting held on 17 September 2015.

On 13 November 2015 DGO completed a share placement of a total of 392,000 fully paid ordinary shares at an issue price of \$0.25 (25 cents) per share to shareholders who applied for shares pursuant to the Share Purchase Plan dated 26 October 2015 ("SPP Placement").

On 24 November 2015 DGO held its Annual General Meeting and all the resolutions were approved by a show of hands.

On 26 November 2015 the Company announced the resignation of Deloitte Touche Tohmatsu as auditor and the appointment of BDO Audit Pty Ltd as auditor.

Application is being prepared for AusIndustry registration of 2015 research and development work undertaken with CODES at the University of Tasmania on sediment hosted gold deposits for an income tax offset claim

The Company continues to hold 50 million fully paid ordinary in GBM Resources Limited and 212,766 fully paid ordinary shares in Talisman Mining Limited.

At the date of this report there are 5,797,268 fully paid ordinary shares on issue.

Auditor's independence declaration

The auditor's independence declaration is included on page 6 of the Half-Year Financial Report.

Signed in accordance with a resolution of directors made pursuant to s.306 (3) of the Corporations Act 2001.

On behalf of the Directors.

A handwritten signature in black ink, appearing to read 'Eshuys', written over a light blue horizontal line.

Eduard Eshuys
Executive Chairman

Brisbane, 24 February 2016



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DECLARATION OF INDEPENDENCE BY T R MANN TO THE DIRECTORS OF DGO GOLD LIMITED

As lead auditor for the review of DGO Gold Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of DGO Gold Limited and the entities it controlled during the period.

A handwritten signature in dark ink, appearing to read 'T R Mann', with a long horizontal flourish extending to the right.

T R Mann
Director

BDO Audit Pty Ltd

Brisbane, 24 February 2016

Directors' declaration

In the opinion of the directors:

- a) the accompanying financial statements and notes comply with the Corporations Act 2001, including:
 - (i) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position at as 31 December 2015 and of its performance for the half year ended on that date; and
- b) at the date of this declaration there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors made pursuant to section 303(5) of the *Corporations Act 2001*.

A handwritten signature in black ink, appearing to read 'E. Eshuys', written over a light blue horizontal line.

Eduard Eshuys
Executive Chairman

Brisbane, 24 February 2016

Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2015

		Consolidated	
		Half-year ended	
	Note	31 Dec 2015 \$	31 Dec 2014 \$
Continuing operations			
Revenue			
Interest income		1,350	1,339
Loan forgiveness income		6,057	-
Administration and other expenses		(80,143)	(84,175)
Consulting and contractor expenses		(58,157)	(85,620)
Depreciation of non-current assets		(4,126)	(27,909)
Directors' fees		(78,708)	(28,333)
Employee benefits expenses		(25,727)	-
Exploration and evaluation assets written off		-	(508,273)
Exploration and evaluation expenditure not capitalised		(74,862)	-
Finance costs		(11)	(200)
Loss on sale of fixed asset		(4,730)	-
Property rental and occupancy expenses		(9,764)	(9,895)
Impairment of available-for-sale financial assets	5	(400,000)	-
Loss before income tax benefit		(728,821)	(743,066)
Income tax (expense)/benefit		-	(3,014)
Loss for the period		(728,821)	(746,080)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Change in the fair value of available-for sale financial assets		(95,745)	-
Reclassification adjustments – impairment of available-for-sale financial assets	5	400,000	-
Income tax on other items of other comprehensive income		-	-
<i>Other comprehensive income for the half-year, net of tax</i>		304,255	-
Total comprehensive income for the period		(424,566)	(746,080)
Loss per share			
Basic (cents per share)	8	13.36	16.12
Diluted (cents per share)	8	13.36	16.12

Notes to the consolidated financial statements are included on pages 13 to 17.

Consolidated statement of financial position
as at 31 December 2015

		Consolidated	
		Half-year ended	
	Note	31 Dec 2015	30 June 2015
		\$	\$
Current assets			
Cash and cash equivalents		88,591	457,246
Other receivables		14,176	25,027
Assets classified as held for sale	5	854,255	850,000
Total current assets		957,022	1,332,273
Non-current assets			
Plant and equipment		21,373	62,047
Exploration and evaluation assets	6	15,099	-
Total non-current assets		36,472	62,047
Total assets		993,494	1,394,320
Current liabilities			
Trade and other payables		42,009	164,794
Provisions		7,877	7,877
Total current liabilities		49,886	172,671
Total liabilities		49,886	172,671
Net assets		943,608	1,221,649
Equity			
Issued capital	7	20,350,768	20,204,243
Reserves	8	304,907	652
Accumulated losses	9	(19,712,067)	(18,983,246)
Total equity		943,608	1,221,649

Notes to the consolidated financial statements are included on pages 13 to 17.

Consolidated statement of changes in equity for the half-year ended 31 December 2015

	Issued capital	Accumulated losses	Option premium reserve	Share revaluation reserve	Total
Consolidated	\$	\$	\$	\$	\$
Balance at 1 July 2014	20,026,223	(18,005,940)	300,652	-	2,320,935
Loss for the half-year	-	(746,080)	-	-	(746,080)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	(746,080)	-	-	(746,080)
Issue of shares	180,000	-	-	-	180,000
Share issue costs	(1,980)	-	-	-	(1,980)
	178,020	-	-	-	178,020
Balance at 31 December 2014	20,204,243	(18,752,020)	300,652	-	1,752,875
Balance at 1 July 2015	20,204,243	(18,983,246)	300,652	(300,000)	1,221,649
Loss for the half-year	-	(728,821)	-	-	(728,821)
Other comprehensive income	-	-	-	304,255	304,255
Total comprehensive income	-	(728,821)	-	304,255	(424,566)
Issue of shares	162,500	-	-	-	162,500
Share issue costs	(15,975)	-	-	-	(15,975)
	146,525	-	-	-	146,525
Balance at 31 December 2015	20,350,768	(19,712,067)	300,652	4,255	943,608

Notes to the consolidated financial statements are included on pages 13 to 17.

Consolidated statement of cash flows
for the half-year ended 31 December 2015

	Consolidated	
	Half-year ended	
	31 Dec 2015	31 Dec 2014
	\$	\$
Cash flows from operating activities		
Research and development tax refunds	-	268,770
Payments to suppliers and employees	(433,238)	(232,016)
Interest and other costs of finance paid	(11)	(200)
Net cash generated/(used) in operating activities	(433,249)	36,554
Cash flows from investing activities		
Interest received	1,350	1,224
Proceeds from contract deposit	-	50,000
Proceeds from property plant and equipment	31,818	-
Payments for equity investment	(100,000)	-
Payments for exploration and evaluation costs	(15,099)	(360,310)
Net cash used in investing activities	(81,931)	(309,086)
Cash flows from financing activities		
Proceeds from issue of equity securities	162,500	180,000
Payments for share issue costs	(15,975)	(1,980)
Net cash generated from financing activities	146,525	178,020
Net decrease in cash and cash equivalents	(368,655)	(94,512)
Cash and cash equivalents at the beginning of the period	457,246	241,700
Cash and cash equivalents at the end of the period	88,591	147,188

Notes to the consolidated financial statements are included on pages 13 to 17.

**Notes to the consolidated financial statements
for the half-year ended 31 December 2015**

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1. Significant accounting policies

(a) Statement of compliance

The half-year financial report is a general-purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

(b) Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2015 annual financial report for the financial year ended 30 June 2015.

Amendments to AASBs and the new Interpretation that are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year. This adoption has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported in the current and prior periods.

(c) Going concern

Going Concern

The Group incurred a net loss of \$728,821 for the half-year ended 31 December 2015. As at 31 December 2015, the Group has cash reserves of \$88,591 and its statement of financial positions showed a net current asset surplus of \$907,136. The current asset surplus largely arises due to the classification of \$854,255 of investments in shares traded on the Australian Securities Exchange ("ASX").

The ability of the Group to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the Group to sell its investments in shares traded on the ASX to fund its continued operations;
- the ability of the Group to raise additional capital in the future; and
- the successful exploration and subsequent exploitation of the Group's tenements.

These conditions give rise to material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- The directors believe that they will be able to sell its investments in shares to fund its continued operation over the next 12 months;
- To date the Group has funded its activities through issuance of equity securities, and it is expected that the Group will be able to fund its future activities through further issuances of equity securities; and
- The directors believe there is sufficient cash available for the Group to continue operating over the next 12 months from the signing of these financial statements;

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

2. Segment information

The Group operates predominately in one business segment being the evaluation and exploration of mineral deposits in sediment hosted gold deposits in Australia.

3. Critical accounting judgments

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

Fair value measurement for sale investments carried at fair value

The Directors have determined that the fair value of the 50,000,000 quoted shares it holds in GBM Resources Limited to be \$750,000 and the fair value of the 212,766 quoted shares its hold in Talisman Mining Limited to be \$104,255 being the quoted price of these securities as at 31 December 2015.

The Directors have determined that the decrease in value of the quoted shares held is indicative of a significant decline in the fair value that would represent an impairment and the decrease has been recorded as an impairment in profit or loss.

4. Results for the period

The Group recorded a net loss after tax of \$728,821 for the half-year ended 31 December 2015 (31 December 2014: net loss of \$746,080).

5. Assets classified as held for sale

Available for sale investments carried at fair value

Quoted shares - GBM Resources Limited (i)
Quoted shares – Talisman Mining Limited (ii)
Amounts recognised directly in equity associated with assets held for sale

31 Dec 2015 \$	30 June 2015 \$
	-
750,000	850,000
104,255	-
854,255	850,000

- (i) The Company holds 50,000,000 quoted shares in GBM Resources Limited which were acquired as part of the disposal of Mt Coolon Gold Mines Pty Ltd. The Directors have determined that the fair value of the shares in GBM Resources Limited was \$750,000 as at 31 December 2015 which has been based on the quoted price of the GBM Limited's shares as at that date. The resulting \$100,000 difference between the consideration and fair value as on acquisition have been recorded in the share valuation reserve.
- (ii) During the half year the Company acquired 212,766 quoted shares in Talisman Mining Limited for the consideration of \$100,000. The Directors have determined that the fair value of the shares in Talisman Mining Limited was \$104,255 as at 31 December 2015 which has been based on the quoted price of the Talisman Mining Limited shares as at that date. The resulting \$4,255 difference between the consideration and fair value as on acquisition have been recorded in the share valuation reserve.

The directors have made the decision to sell the available for sale investments and as a result these have been classified as Assets classified as held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Impairment

During the period the directors have determined that the decrease in the fair value decrease in the GBM Resources Limited shares totaling \$400,000 (\$300,000 recognised at 30 June 2015 and \$100,000 in the 6 months to 31 December 2015) represents a significant decline in the fair value of an investment in an equity instrument below its cost and is therefore an impairment that should be recognised in profit or loss. As the result a total decrease in value of \$400,000 has been recorded as an impairment expense.

6. Exploration and evaluation assets

Balance at the beginning of the period (i)
Exploration expenditure incurred during the financial period (i), (ii)
Derecognition on disposal of subsidiary

Less accumulated write off/impairment
Net book value at end of period (i)

31 Dec 2015 \$	30 June 2015 \$
-	16,199,441
15,099	165,303
-	(10,887,653)
15,099	5,477,091
-	(5,477,091)
15,099	-

- (i) The above amounts represent capitalised costs of exploration areas of interest carried forward as an asset. The ultimate recoupment of the exploration and evaluation expenditure in respect to the areas of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively the sale of the underlying areas of interest for at least their carrying value.
- (ii) During the half year the Company was granted 11 prospecting licences relating to Ora Banda South West

7. Issued capital

Balance at the beginning of the financial year
Issue of shares to directors under private placements
Issue of shares under a share purchase plan
Share issue costs
Balance at the end of the financial period

31 Dec 2015 \$	30 June 2015 \$
20,204,243	20,026,223
64,500	180,000
98,000	-
(15,975)	(1,980)
20,350,768	20,204,243

7. Issued capital (continued)

	31 Dec 2015 Number of Shares	30 June 2015 Number of Shares
Balance at beginning of the period	519,021,975	459,021,975
Result of a 100:1 share consolidation	(513,831,707)	-
Issued shares under private placements	215,000	60,000,000
Issued shares under a share purchase plan	392,000	-
	5,797,268	519,021,975

8. Loss per share

	Half-year 31 Dec 2015 cents per Share	Half-year 31 Dec 2014 cents per share
Basic and dilute loss cents per share		
From continuing operations	13.36	16.12
Total basic loss per share	13.36	16.12

The net loss and weighted average number of ordinary shares used in the calculation of the basic loss per share and diluted loss per share are as follows:-

	Half-year 31 Dec 2015 \$	Half-year 31 Dec 2014 \$
Net Loss	728,821	746,080
Net Loss used in the calculation of the basic loss per share and diluted loss per share from operations	728,821	746,080

	Half-year 31 Dec 2015 Number	Half-year 31 Dec 2014 Number
Weighted average number of fully paid ordinary shares used for the purposes of calculating the loss per share and diluted loss per share (i)	5,455,006	4,629,564

- (i) On 30 September 2015 the Company announced the completion of the consolidation of all of its share capital on a 100:1 basis (Share Consolidation) as approved by shareholders on 17 September 2015 which resulted in the total number of fully paid ordinary shares on hand being reduced from 519,021,975 to 5,190,268 shares. The basic and diluted loss per share for the 31 December 2015 and 31 December 2014 half years have been calculated on the share consolidation basis.

9. Dividends

There were no dividends paid or proposed during the current or previous financial period.

10. Events after balance date

There have been no events since 31 December 2015 that impact upon the financial report.

11. Contingent liabilities

There has been no change to contingent assets and contingent liabilities during the half year period.

12. Fair value measurement

Fair value hierarchy

The following table detail the consolidated entity's financial instruments, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities; or
- Level 2: a valuation technique is used using inputs other than quoted prices within Level 1 that are observable for the financial instrument, either directly or indirectly; or
- Level 3: a valuation technique is used using inputs that are not based on observable market data.

12. Fair value measurement (continued)

	Level 1	Level 2	Level 3	Total
Consolidated - 31 Dec 2015	\$	\$	\$	\$
<i>Assets held for sale</i>				
Quoted securities in GBM Resources Limited	750,000	-	-	750,000
Quoted securities in Talisman Mining Limited	104,255	-	-	104,255
Total assets	854,255	-	-	854,255
	Level 1	Level 2	Level 3	Total
Consolidated – 30 June 2015	\$'000	\$'000	\$'000	\$'000
<i>Available-for-sale financial assets</i>				
Quoted securities in GBM Resources Limited	850,000	-	-	850,000
Total assets	850,000	-	-	850,000

Available-for-sale financial assets and assets held for sale are measured at fair value on a recurring basis.

There were no transfers between levels during the financial half-year.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of DGO Gold Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of DGO Gold Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of DGO Gold Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of DGO Gold Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of DGO Gold Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and the sale of its investments in shares in GBM Resources Limited. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit Pty Ltd



T R Mann
Director

Brisbane, 24 February 2016

Unaudited additional information

Resources

Outlined in the table 1 below is list of mineral tenements granted and under application:

	Tenements - Granted	Tenements - Applications	Area (km2)
Western Australia			
Mt Edwards		E15/1465, 1488	61
Ora Banda	P24/4946 - 4956		22
Black Flag		E24/197	18
		P24/4986 - 4992	14
Mallina		E47/3327 - 3329	245
Johnson Cairn		E51/1729, 1730	191
Sub-Total			551
South Australia			
Mt Barker		2015/00157	56
Dawson		2015/00156	275
Sub-Total			331
TOTAL			882