

DGO Gold Limited

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Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sirs,

RE: Farm-in and Joint Venture in Yerrida Basin WA

DGO Gold Limited ("DGO") has entered in to a Farm-in and Joint Venture agreement over the granted TasEx Geological Services' ("TasEx") Doolgunna Exploration Licence, which covers an area of 68km² within the Yerrida Basin and is located 100km north of Meekatharra, WA. Details of the TaxEX tenements are as follows:

- TasEx's Doolgunna Project is contiguous with DGO's western exploration licence application, and increases DGO's total holding (applications and granted tenure) in the Yerrida Basin to 259km² (Refer figures 1 & 2);
- DGO's tenements cover the Johnson Cairn and Juderina Formations of the Yerrida Basin, which are prospective for sediment hosted gold and base metal mineralisation and are analogous to sedimentary rocks which host substantial gold deposits elsewhere in the world as referred to in the company's previous ASX disclosures;
- 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 supported by the research by CODES at the University of Tasmania;
- The GSWA database has identified a number of gold prospects and alluvial gold and a base metal occurrence associated with the Juderina Formation that occur within and adjacent to TasEx's Doolgunna Exploration Licence; and
- A review of past exploration activity data across DGO's Yerrida Basin holdings indicates incomplete surface sampling coverage and minimal effective drilling testing of the Juderina and Johnson Cairn Formations.

TasEx's Doolgunna Project covers a portion of the Proterozoic Yerrida Basin, consisting of the Johnson Cairn and Juderina Formations, which overlie the basement Archaean granites to the south west of the tenement and are separated from the Bryah Basin Narracoota Volcanics sequence to the north east by the deep seated Goodin Fault.

As previously announced, DGO has applied for two exploration licences covering Johnson Cairn and Juderina Formations of the Proterozoic Yerrida Basin, with DGO's western exploration licence application contiguous with TasEx's Doolgunna Project. Combined with TasEx's Doolgunna Project, DGO's total holding in the Yerrida Basin covers 259km² and in excess of 35km of strike of the Johnson Cairn and Juderina Formations, which are considered highly prospective for sediment hosted gold and base metal mineralisation, as outlined in figure 1 below.

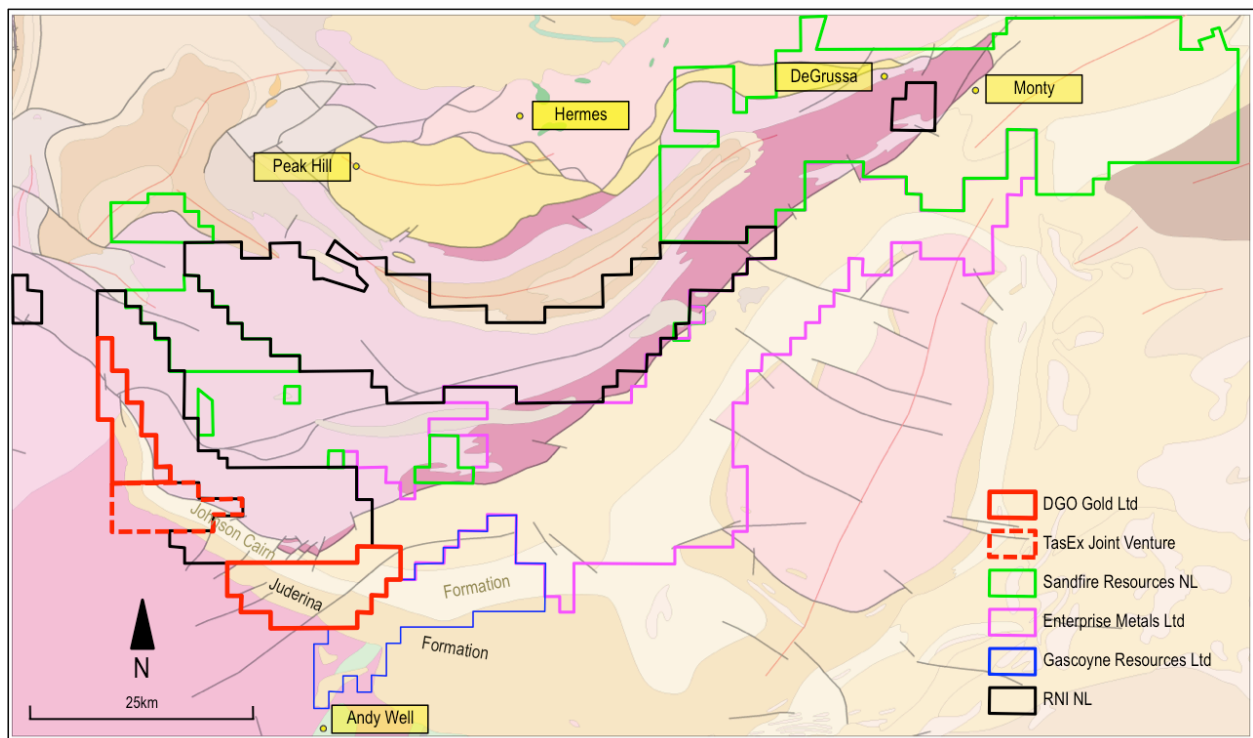


Figure 1: Tenement Applications, Location Diagram, Yerrida – Bryah Basin

The Geological Survey of Western Australia ("GSWA") database indicates a number of gold prospects and alluvial gold occurrences and a base metal occurrence (the Bull Well lead gossan within an excised Mining Lease) associated with the Juderina Formation within and adjacent to TasEx's Doolgunna Project as outlined in figure 2.

Recent surface sampling has identified base metal anomalism in the Juderina Formation in the center of the tenement and base metal and gold anomalism in the Narracoota Volcanics to the northeast of the tenement. Limited RAB drilling along strike of the Bull Well lead gossan has returned moderate base metal anomalism within the Juderina Formation.

The compilation and review of all past exploration data across DGO's Yerrida Basin holdings is ongoing, with results to date indicating incomplete surface sampling coverage throughout the area and that there has been minimal effective drilling within the Juderina and Johnson Cairn Formations.

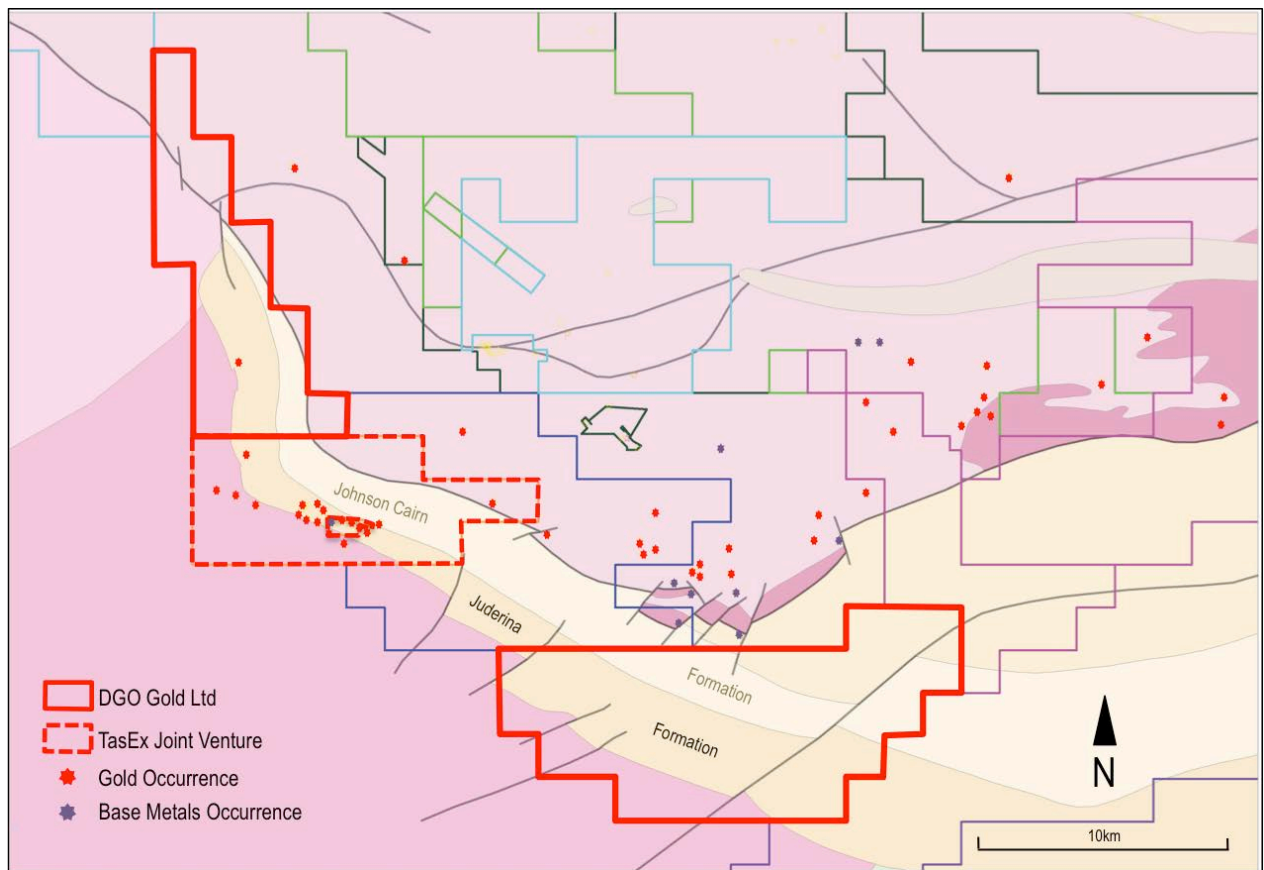


Figure 2: Tenement Applications, Mineral Occurrences, Yerrida Basin

Geological Setting and Regional Mineral Occurrences

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 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 of 2200Ma +/- 50Ma. The Juderina Formation overlies the basement Archaean granites to the west and south west. 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.

The Narracoota Volcanics host Sandfire Resources’ DeGrussa Copper Gold Mine and Sandfire Resources/Talisman Mining’s recent Monty copper gold discovery.

Exploration drilling by Enterprise Metals Limited testing the SEDEX style Borg and Bono targets about 65km to the north east of DGO’s tenements, as reported to the ASX on 24 December 2015, has identified anomalous levels of base metals and pathfinder elements associated with sulphides hosted in carbonaceous shales interpreted to be Johnson Cairn Formation. Long intervals of sediment hosted, laminated and massive / semi massive largely pyritic sulphides were intersected in the drilling. This abundance of pyrite mineralisation in the carbonaceous shales of the Johnson Cairn Formation is regarded by DGO as an important indicator of the prospectivity of the Johnson Cairn Formation

Other exploration by Enterprise Metals Limited as reported to the ASX in October 2013 identified a series of multi element geochemical anomalies broadly coincident with airborne SPECTREM (EM) bedrock conductors 15 – 25km east of DGO’s eastern exploration licence application. These anomalies appear to be associated with the Johnson Cairn Formation.

Terms of TasEx Agreement

The key terms of the Farm-in and Joint venture agreement are as follows:

- The commencement date for the agreement is 25 March 2016;
- DGO to incur \$100,000 of exploration expenditure on the Tenement over 3 years to earn a 51% interest in the Tenement;
- DGO will meet the first year's tenement expenditure before it may withdraw from the agreement;
- If DGO elects to proceed after meeting the first year's tenement expenditure it will reimburse TasEx's past exploration expenditure (\$48,767) within 30 days of the first anniversary date by, at DGO's election, either the payment of cash or issue of DGO fully paid ordinary shares (subject to a 12 month escrow period and any regulatory approvals);
- After earning the initial 51% interest DGO will have the right to incur a further \$100,000 of exploration expenditure on the Tenement over a two year period to earn a further 29% interest in the Tenement;
- Upon earning an 80% interest DGO may fund a feasibility study to earn a further 10% interest; whereupon DGO reaching a decision to mine TasEx has the option to either contribute its 10% equity interest or dilute to a 1% net smelter royalty.

The Farm-in and Joint Venture agreement over TasEx's Doolgunna Project is part of the Company's ongoing greenfield exploration strategy of acquiring or joint venturing tenements in sedimentary basins of the "right" age for the occurrence of sediment hosted gold mineralisation as indicated by the research by CODES at the University of Tasmania.

Please contact the Company if you have further queries in relation to this transaction.

Yours faithfully

DGO GOLD LIMITED



EDUARD ESHUYS
CHAIRMAN