

DGO Gold Limited

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Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sirs,

RE: DGO Gold Expands Position in Highly Prospective Yerrida Basin in WA

DGO Gold Limited ("DGO") has applied for six full sized exploration licences covering an area of approximately 1,294 km² within the Proterozoic Yerrida Basin, located 100km north of Meekatharra, WA. **The Yerrida Basin (adjacent to the Bryah Basin) is considered highly prospective for sediment hosted gold and base metal mineralisation.**

- DGO's tenement applications over the **Maraloou Formation** of the Yerrida Basin as defined by the Geological Survey of Western Australia (GSWA) are part of the Company's strategy of exploring for gold and base metal deposits in sedimentary basins of the "right geological "age.
- The **Maraloou Formation** geology is similar to the geological description by Sandfire Resources Limited of the mine sequence which hosts the high grade copper Monty and Degussa deposits within the Bryah Basin. The Maraloou formation outcrops poorly and is generally covered by alluvium
- The GSWA database includes a number of base metal and precious metal occurrences within the **Maraloou Formation**. The Magellan lead deposit, hosted within Yelma Formation sediments of the neighbouring Earahedy Basin, is located about 50km east of DGO's southern exploration licence applications.
- These tenement applications, combined with DGO's existing applications and TasEx JV tenement increases DGO's total holding (applications and granted tenure) in the Yerrida Basin to approximately 1,553km² (Figure 1).
- An initial review of past exploration activity across the tenement applications indicates that there has been limited modern exploration of the Maraloou Formation largely due to presence of younger the cover rocks.

DGO Gold Limited (“DGO”) has applied for six full sized exploration licences covering an area of approximately 1,294 km² within the Proterozoic Yerrida Basin, located 100km north of Meekatharra, WA. The applications cover the extension of the Johnson Cairn and Juderina Formations to the east of the existing DGO applications and TasEx joint venture tenement and the prospective contact between the Juderina and Maraloou Formations. The Yerrida Basin is considered highly prospective for gold and base metal mineralisation.

The applications are consistent with, and part of the Company’s ongoing greenfield exploration strategy focusing on exploring for gold and base metal deposits 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. The Yerrida Basin is considered to be of the “right” age, and is reinforced by recent exploration success in the broader region by Sandfire Resources Limited/Talisman Mining Limited Joint Venture at Monty, Enterprise Metals Limited at its Borg / Bono prospect and others.

Two exploration licence applications cover the extension of the Johnson Cairn and Juderina Formations to the east of the existing DGO applications and TasEx joint venture tenement. The Juderina Formation (sandstone, shale, siltstone, chert breccia and conglomerate) is conformably overlain by the clastic sediments, shales and thin bedded dolomite and marl of the Johnson Cairn Formation in the area of the DGO applications. In addition the eastern most of these applications covers the southern margin of the Archaean Goodin Inlier granite, with potential for the prospective stratigraphy occurring over a basement high representing a high priority target area.

Exploration by Enterprise Metals Limited, as reported to the ASX on 24 December 2015, testing the Borg / Bono SEDEX style targets about 40km to the north of the exploration licence applications 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 laminated and massive / semi massive pyritic sulphides were intersected in the drilling.

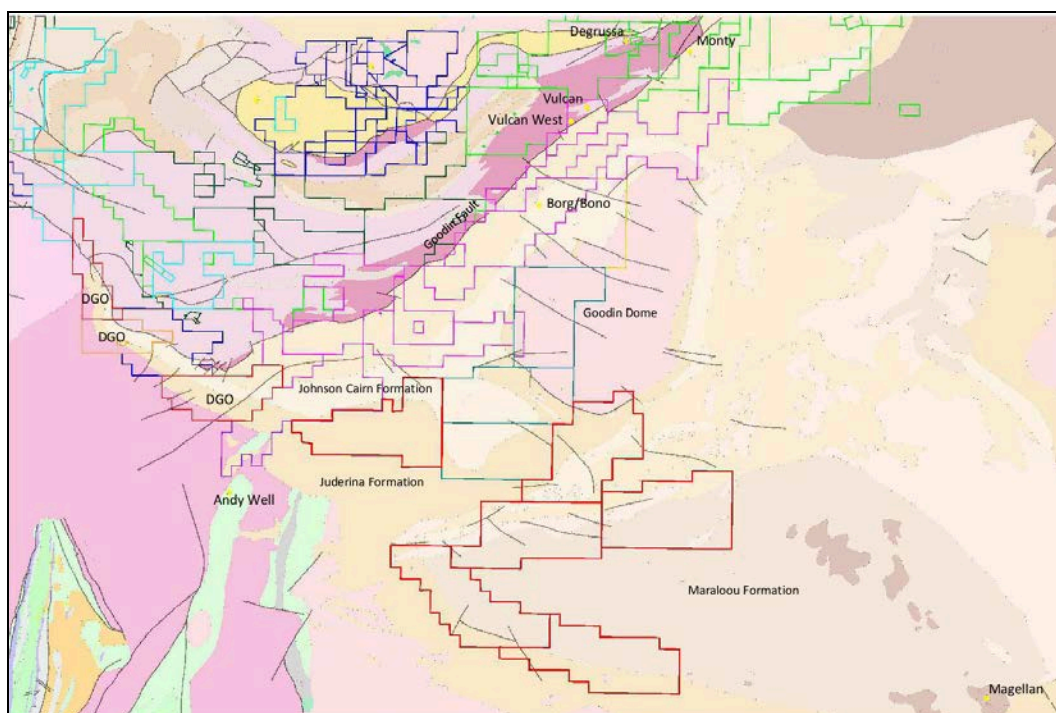


Figure 1: Tenement Applications, Location Diagram, Yerrida – Bryah Basin

The abundance of pyrite mineralisation in the carbonaceous shales of the Johnson Cairn Formation as intersected by the Enterprise Metals Limited drilling as described above is regarded by DGO as an important indicator of the prospectivity of the Johnson Cairn Formation

Four other exploration licence applications cover the contact between the Juderina and Maraloou Formations in the south / south west of the Yerrida Basin. The Maraloou Formation, estimated to be about 1800Ma, consists of siltstone, ferruginous shale (in part calcareous) with basal intercalated tholeiitic basalt pillow lava and dolerite sills which is similar to the description by Sandfire Resources Limited/Talisman Mining Limited joint venture of the mine / host sequence at the Monty and Degrussa high grade copper / gold deposits. This stratigraphic and lithological similarity makes the contact between the Juderina and Maraloou Formations a high priority target area. This area is also proximal to the southern margin of the Yerrida Basin (within 10km of the northern margin of the Archaean Yilgarn Craton), highlighting the potential for basement highs in the area of DGO's exploration licence applications.

Two of the northern exploration licence applications cover a structurally complex contact zone between the Juderina and Maraloou Formations

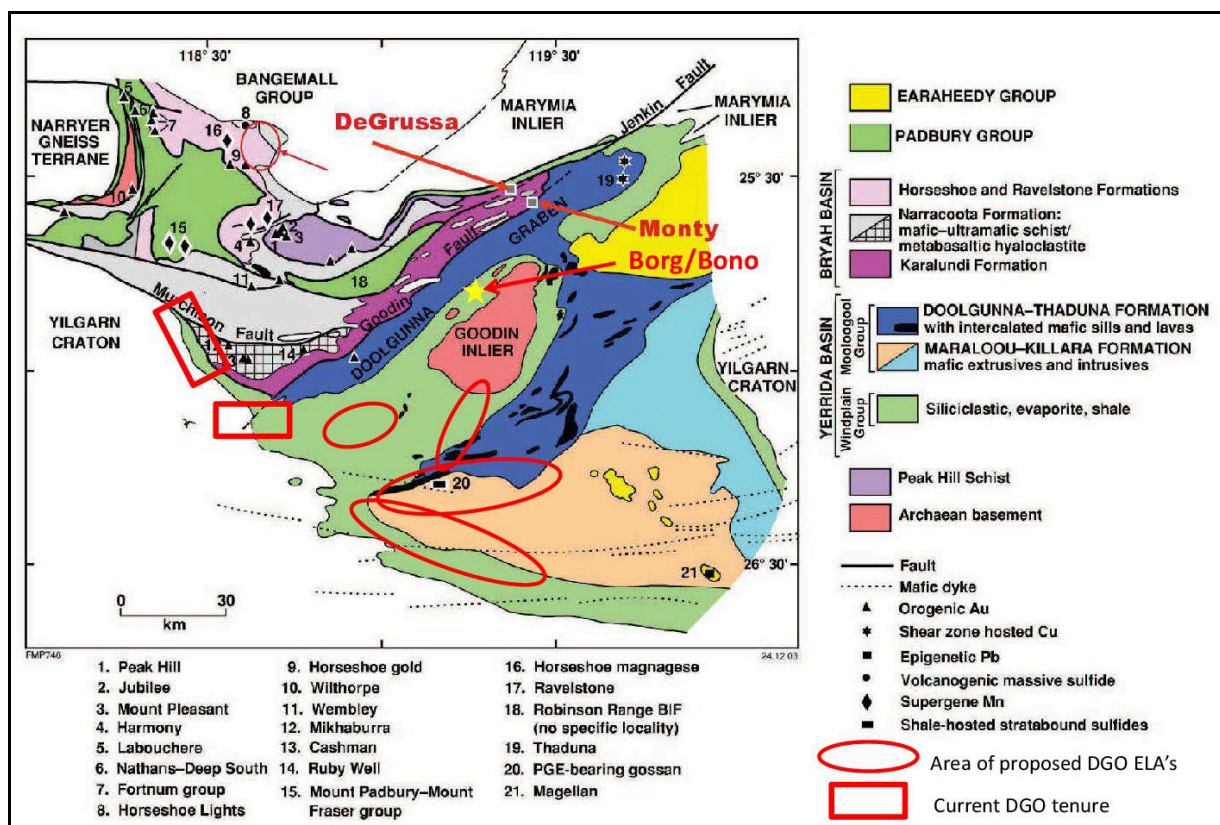


Figure 2: Geological Plan of the Yerrida – Bryah Basins Showing Position of DeGrussa, Monty, Borg / Bono and Location of DGO's Current Tenure and New Exploration Licence Applications

Base metal occurrences, including Cu, Pb, Zn, Co, Ni, plus minor precious metal occurrences have been recorded within the Maraloou Formation. The Magellan Lead deposit, hosted within Yelma Formation sediments of the neighbouring Earahedy Basin, is located about 50km east of DGO's southern exploration licence applications. Lead occurrences in the Magellan region are located proximal to the contact between the Juderina and Maraloou Formations and appear to occur in both the on lapping sediments of the Yelma Formation (Earahedy Basin) and the Juderina Formation.

The compilation and review of all past exploration data across DGO's Yerrida Basin holdings is ongoing, with an initial review indicating that there has been limited modern exploration along the contact zone between the Juderina and Maraloou Formations. This is considered to be largely due to alluvium obscuring these highly prospective rocks of the "right" geological age for the occurrence of sediment hosted gold and copper mineralisation.

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

Yours faithfully

DGO GOLD LIMITED

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

EDUARD ESHUYS
CHAIRMAN