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29 October 2021

September 2021 Quarterly Report

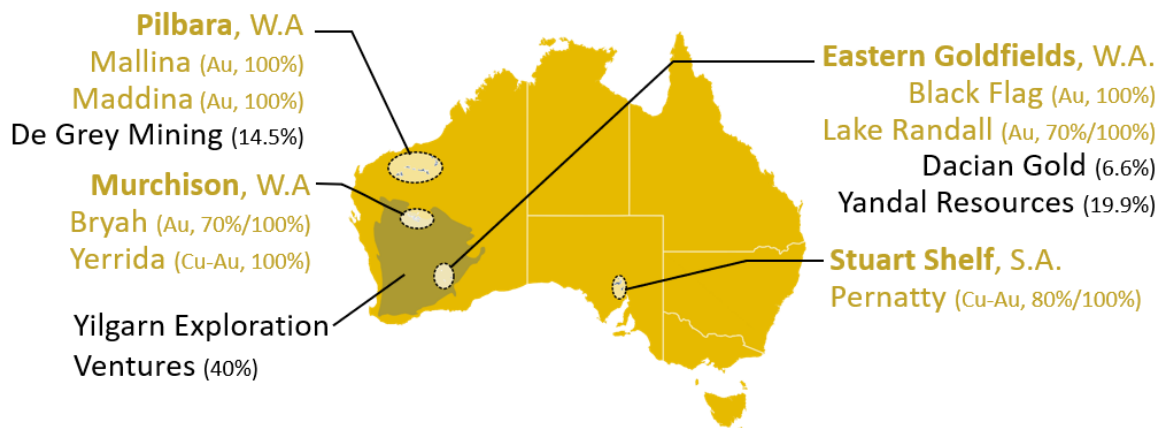
DGO focused on drilling at 4 strategic land holdings

DGO Gold Limited (ASX:DGO) is pleased to report on its September 2021 quarter activities. DGO continues to advance its objective of shareholder wealth creation through its brownfield and greenfield gold discovery strategy. This strategy has gained momentum with ongoing drilling activity at its brownfield investments, drilling activities at Pernatty SA and Yerrida, WA with upcoming drilling at Bryah, WA and Mallina, WA.

Highlights

- The next stage of drilling occurred at **Pernatty** testing for Zambian style copper mineralisation under cover where previous DGO results included 4m @ 0.8% CuEq from 73m. Drilling was completed subsequent to quarter end.
- Drilling at **Yerrida** intersected a 1.8m interval of semi-massive pyrrhotite-pyrite with disseminated chalcopyrite within a 39m zone of bands of sulphide mineralisation. The sulphides and associated quartz-carbonate veining are similar to feeder zone structures within a VHMS-style system and follow up drilling is in progress.
- DGO activities in the December quarter will focus on drilling at Yerrida, Bryah, and subject to progressing heritage agreements, at Mallina.
- DGO has a 14.5% interest in **De Grey Mining (ASX: DEG)**. DEG have 12 drilling rigs operating and reported the results of a Scoping Study on the 9Moz Mallina Gold Project resource in WA's Pilbara during the quarter. The market value of DGO's holding at October 28, 2021 was \$228 million.
- DGO increased its investment in **Yandal Resources Limited (ASX: YRL)** during the quarter and now holds 19.9% of issued capital. YRL reported excellent results for a number of prospects during the quarter, particularly at Star of Gordon. Four drill rigs are currently operating. The market value of DGO's holding at October 28, 2021 was \$8.2 million.
- DGO has a 6.6% interest in **Dacian Gold (ASX: DCN)** with options to 8.7%. During the quarter DGO participated in a \$44 million capital raise to accelerate exploration at Mt Morgans. The market value of DGO's holding at October 28, 2021 was \$15 million.

DGO Discovery Activity



Greenfield Discovery

Pernatty, Stuart Shelf, SA (DGO 100%)

The Stuart Shelf contains BHP's world class Olympic Dam copper-gold-uranium mine, and a number of other major copper-gold deposits including Oz Minerals' Prominent Hill and Carrapateena operations. DGO's 5571km² landholding on the Stuart Shelf is a significant position surrounded by companies such as BHP, FMG, OZ Minerals, and Coda Minerals. The Stuart Shelf is prospective for Zambian Copper Belt style sediment hosted copper and Olympic Dam style iron oxide copper-gold (IOCG).

DGO's recent drill program confirmed the presence of Zambian style copper mineralisation under cover on the Stuart Shelf. Results from the proof of concept drilling at Moseley included 4m @ 0.8% CuEq (0.41% Cu, 0.04% Co, & 10.6g/t Ag) from 73m (Figure 2).

During the quarter DGO commenced a program of approximately 6000m wide spaced reverse circulation (RC) holes to test for Zambian Copper Belt (ZCB) style sediment hosted copper at Moseley. Approximately 10km of strike length of the target transition zone was to be tested by this program. Drilling was completed subsequent to quarter end with results due in late November.

A review of the IOCG potential of Pernatty has commenced following the recent results from Emmie Bluff, 20km north of DGO's tenements (ASX:COD 28 July 2021). This review is ongoing. DGO also expanded its land holding on the Stuart Shelf to 5571km² during the quarter through the purchase of EL5929.

DGO continued to progress land access approvals for a drilling program on its 100% owned tenements during the quarter. The negotiated Native Title Mining Agreement with Kokatha Aboriginal Corporation awaits approval by the Kokatha Board and the common lore holders.

Refer to DGO's ASX announcement on 28 September 2021.

Yerrida, Murchison, WA (DGO 100%)

Yerrida is located in the Yerrida Basin, 75 kilometres south of the DeGrussa copper-gold mine and 60km northeast of Meekatharra. DGO's detailed data review and analysis has confirmed that the Yerrida Basin is prospective for both DeGrussa style copper-gold mineralisation and stratiform sediment-hosted copper deposits analogous to the world-class Zambian Copper Belt.

DGO's exploration and detailed analysis at Yerrida has identified coincident electromagnetic, magnetic, and signature VHMS geochemical anomalies. These coincident anomalies are within a geological sequence of the right lithology, age, and structure for hosting DeGrussa style VHMS mineralisation.

During the quarter, DGO commenced a diamond drilling program at Yerrida. The maiden diamond hole (21YEDD001) was completed at a depth of 634.3m and intersected a 1.8m interval of semi-massive pyrrhotite-pyrite from 302.2m within a broad interval of stratabound bands of pyrrhotite-pyrite with disseminated chalcopyrite from 295 to 334m. These zones of sulphides containing minor chalcopyrite and sphalerite hosted in dense quartz-carbonate veining shales and mafic volcanics are characteristic of feeder zone structures within a VHMS-style system.

The association of chalcopyrite with magnetic pyrrhotite suggested massive sulphide mineralisation is related to magnetic anomalies. Follow up drilling is targeting a series of magnetic features extending over a strike length of 10km along the mafic-shale contact. During the quarter 2,745m was drilled and drilling is ongoing. The geological data generated by drilling is being evaluated.

Refer to DGO's ASX announcement on 22 July 2021.

Bryah, Murchison, WA (DGO 70-100%)

Bryah is located 95km southwest of DeGrussa copper-gold mine, 70km north of Meekatharra, and adjacent to Judge's Find, an area of known gold nugget occurrences where surface mining for gold has occurred for some time. The source of this alluvial gold is unknown.

During the previous quarter DGO completed a maiden diamond drilling program of seven holes for 3412m to test for both sediment-hosted and volcanogenic-hosted massive sulphide (VHMS) style copper-gold mineralisation on the basin margin.

Several horizons of intense quartz/carbonate veining were intersected, containing pyrite, minor chalcopyrite, and intense magnetite zoning including traces of galena and sphalerite, in a highly altered sequence of sediments, acid and mafic volcanics and dolomites.

Detailed analysis of the drill core and initial multi-element assays has been conducted by DGO's expert geological consultants Professor Ross Large AO and Dr Stuart Bull. Professor Large and Dr Bull have identified 3 distinct horizons (M1, M2, and M3) approximately 100m apart in the volcano-sedimentary stratigraphy with potential for hosting VHMS mineralisation immediately northwest of Judges' Find gold nugget field. When extrapolated to the surface and along strike these horizons intersect an AEM anomaly further north west. Laser ICPMS analyses completed on pyrite from the M3 horizon has

identified a Pb isotope ratio ($^{207}\text{Pb}/^{206}\text{Pb}$) in the same range as in the DeGrussa VHMS deposit suggesting both systems share a common mineralising fluid source.

The AEM anomaly overlying the high potential VHMS horizons will be tested with drilling this quarter.

Subsequent to the end of quarter, DGO expanded its landholding through the purchase of the Judge's Find mining lease.

Refer to DGO's ASX announcement on 22 June 2021.

Mallina, Pilbara, WA (DGO 100%)

DGO holds 281km² of prospective tenements adjoining De Grey's Mallina Gold Project. The Mallina Basin hosts substantial structurally controlled gold resources including the intrusion related gold at Hemi, 75km east-northeast of DGO's tenure.

Detailed analysis by DGO suggests that mineralisation at Hemi is associated with the Millindinna intrusives which are present in DGO's Mallina tenements. Broad spaced (400m x 160m) UltraFine soil sampling completed over the Millindinna intrusives has identified a series of gold-in-soil anomalies including a high priority gold and semi-coincident arsenic anomaly. Detailed reprocessing and interpretation of geophysical data has identified a series of targets coincident with the Millindinna intrusives and the soil anomalies.

During the previous quarter DGO commenced an air core drilling program targeting Hemi style mineralisation in an area where native title claims have not been determined. Drilling activities were suspended to progress heritage discussions with the adjacent Kariyarra and Ngarluma native title holders, and the Kurlarnunya Tjinapi who are seeking to register a native title claim over the area. DGO will recommence drilling when heritage agreements are in place.

Refer to DGO's ASX announcements on 27 May 2021 and 13 July 2021.

Lake Randall, Eastern Goldfields, W.A (DGO 70-100%)

DGO holds 230km² of untested, prospective terrain under shallow lake and transported sediment cover 50km east of Kambalda and 7km south of Silverlake Resources' Mt Belches Mining Centre. The Lake Randall target was generated as a result of a comprehensive review for sediment hosted gold mineralisation in the Eastern Goldfields of Western Australia.

A ground gravity survey in late 2019 identified fourteen targets with potential to host granite-associated Granny Smith style, and banded iron formation-associated Mt Belches-style, gold mineralisation beneath the lake sediments.

Recent exploration by Lefroy Exploration (ASX:LEX) intersected 60m at 5.22g/t Au and 0.38% Cu from 112m to end of hole at Burns (ASX:LEX 23 February 2021), 15km west of DGO's Lake Randall. Mineralisation is associated with a large felsic intrusion which does not outcrop.

These results have led to DGO planning the drilling of intrusive-associated Granny Smith style targets at Lake Randall and air core drilling is expected to commence once access terms are agreed with the native title holders.

Refer to DGO's ASX announcement on 28 January 2020.

Deleta, Eastern Goldfields, W.A (DGO 100%)

Interpretation of historical geochemical datasets has identified gold and arsenic soil anomalies associated with structures within the Deleta Greenstone Belt to the west of the Yamarna Belt. DGO is progressing heritage approvals in preparation for additional soil sampling and drilling programs to evaluate the under-explored Deleta targets.

Yilgarn Exploration Ventures Pty Ltd (DGO 40%)

During the quarter, DGO agreed to the addition of Balugundi, 20km east of Kalgoorlie, to the Joint Venture. Activities during the quarter were focussed on preparing for drilling at Balugundi in the December quarter.

Brownfield Discovery

De Grey Mining Limited (DGO 14.5%)

DGO's investment in De Grey Mining Limited (De Grey) is 203.6 million De Grey shares or 14.5% of issued capital and DGO is De Grey's largest shareholder.

During the quarter De Grey announced the results of a scoping study for the 9Moz Mallina Gold Project. The study shows that a 10 year, 427,000 ounce per annum operation could be developed with a post-tax NPV₅ of \$2 billion (ASX:DEG 5 October 2021). These results continue to demonstrate that the Mallina Gold Project is a Tier 1 asset and DGO is pleased to have been on this journey from the beginning.

Significant extensional results at Hemi and regional exploration results were released during the quarter which highlight the potential for continued resource growth. These include:

- 173.7m @ 1.5g/t Au from 271.3m (Diucon, ASX:DEG 22 July 2021)
- 84m @ 2.8g/t Au from 136m (Eagle, ASX:DEG 9 September 2021)
- 5m @ 14.8g/t Au from 14m (Gillies, ASX:DEG 13 October 2021)
- 29m @ 5.4g/t Au from 80m (Withnell, ASX:DEG 13 October 2021)

During the quarter De Grey also released initial results of metallurgical testing of samples from Falcon and Crow (ASX:DEG 21 September 2021). Test work showed that gold recoveries of 94.2% and 96.8% of primary mineralisation was recovered by sulphide flotation, pressure oxidation (POX) and CIL leach from Falcon and Crow respectively. POX is an established treatment process used worldwide on large scale gold operations at Lihir (Newcrest Mining Limited) and Nevada gold mines (Barrick Gold and Newmont).

Subsequent to the end of quarter, De Grey raised \$125 million through a placement in which DGO elected to not participate.

Yandal Resources Limited (DGO 19.9%)

During the quarter, DGO acquired an additional 6.6 million shares in Yandal Resources Limited (Yandal) increasing DGO's shareholding to 20 million shares or 19.9% of issued capital. DGO is Yandal's largest shareholder.

Yandal continued to announce significant, high grade results from a number of prospects including:

- Star of Gordon: 45m @ 2g/t Au from 18m (ASX:YRL 28 September 2021)
- Sims Find: 6m @ 8.97g/t Au from 172m (ASX:YRL 23 August 2021)
- Malone: 3m @ 8.16g/t Au from 130m (ASX:YRL 11 August 2021)

The results from Star of Gordon are in a similar geological position to Kanowna Belle 20km to the south and DGO looks forward to seeing further results from this prospect.

Dacian Gold Limited (DGO 6.6%; Options to 8.7%)

During the quarter, DGO supported a \$44 million capital raise acquiring 12.5 million shares. An updated resource and reserve statement, a new 5 year mine plan, and debt facility refinancing were announced during the quarter.

Corporate

- Cash as at 30 September 2021 was \$4.5 million
- As disclosed in the Cashflow Report (item 2.1(d)) DGO's exploration expenditure for the quarter was \$3.29M; and details of the exploration activities underlying this expenditure are as set out in the Activities Report.
- As announced on 13 July 2021 the Company has entered into a \$15m secured debt facility which remains undrawn.
- As at 30 September 2021 the Company's holdings in DEG, DCN and YRL had a market value of \$219 million verses DGO's market capitalization of \$217 million. At the end of trading on 28 October 2021 the market value of DGO's listed investments was \$251 million compared to DGO's market capitalization of \$229 million.
- As at 28 October 2021 the Company has 83,332,623 fully paid shares, 161,681 \$1 unlisted options, 3,271,082 \$2.50 unlisted options, 505,000 \$4.50 unlisted options, 150,000 \$5.37 unlisted options, 1,000,000 Series C performance rights, 1,000,000 Series D performance rights, and 405,000 Series E performance rights on issue.

- ENDS -

This announcement is authorised for release by Mr Eduard Eshuys, Executive Chairman.

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Competent person statement

*Exploration or technical information in this release has been prepared by **David Hamlyn**, who is the General Manager - Exploration of DGO Gold Limited and a Member of the Australasian Institute of Mining and Metallurgy. Mr Hamlyn has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Hamlyn consents to the report being issued in the form and context in which it appears.*

Appendix I: Announcements during the quarter relating to exploration

Date	Title
29/09/2021	Annual Report to shareholders
28/09/2021	Pernatty Follow Up Drilling
22/07/2021	Yerrida Drilling Update
13/07/2021	Corporate Update
9/07/2021	YRL: DGO Gold Moves to 19.9% of Yandal
7/07/2021	Yerrida Drilling Update
1/07/2021	Bryah and Yerrida Drilling Update

Appendix II: DGO Gold Tenement Holdings

Project	Location	Tenement Number	Interest at Beginning of Quarter	Interest at End of Quarter
Lake Randall	WA	E15/1573 ¹ E25/584	30 100	30 100
Black Flag	WA	E24/197, P24/4986-4992	100 100	100 100
Mallina	WA	E47/3327-3329 E47/4315, 4316	100 100	100 100
Maddina	WA	E45/5940 ² , E46/1397 ² E47/4557 – 4564 ² E45/5962, 6026 – 6028 ² E46/1401, 1402, 1405 ² E47/4577, 4578 ²	100 100 0 0 0	100 100 100 100 100
Tom Price	WA	E47/3898, 3900 ²	100	100
Bryah	WA	E51/1590 ⁴ E51/1729 E51/2045 ²	80 100 100	80 100 100
Yerrida	WA	E51/1725, 1726, 1730, E51/1748-1753, 1833, E51/1897, 1920, 1921 E51/1952 E51/2016 ⁴ E51/2023, 2040 ³ E51/2043, E53/2163 ³ E51/2041 – 2042, 2060 ² E53/2164 - 2166 ² E53/2183 ²	100 100 100 100 0 100 100 100 100 100 0	100 100 100 100 0 100 100 100 100 100 100
Deleta	WA	E38/3343, 3344, 3547	100	100
Pernatty Lagoon	SA	EL 6145, 6302, 6030, 6436 EL 6303, 6473, 6474, 6507 EL 6583 EL 6636, 6686 ³ EL 6643, 6642, 6641 ⁵ EL 6640, 6402 ⁵ EL 5929 ⁶	100 100 100 100 0 0 0	100 100 100 100 0 0 100

¹ Farm-in and Joint Venture with Romardo Gold WA Pty Ltd – DGO earning up to 70%

² Tenement application – on grant 100% DGO

³ Tenements granted during the quarter

⁴ Farm-in and Joint Venture with TasEx Geological Services Pty Ltd – DGO earning 90%

⁵ Farm-in and Joint Venture with Investigator Resources Limited – DGO earning 80%

⁶ Acquired during the quarter

Appendix 5B

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

Name of entity

DGO Gold Ltd

ABN

96 124 562 849

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date 3 months \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers			
1.2 Payments for			
(a) exploration & evaluation			
(b) development			
(c) production			
(d) staff costs <i>(included in 1.2 (a),(e), 2.1(d))</i>			
(e) administration and corporate costs		(432)	(432)
1.3 Dividends received (see note 3)			
1.4 Interest received		1	1
1.5 Interest and other costs of finance paid			
1.6 Income taxes paid			
1.7 Government grants and tax incentives			
1.8 Other			
1.9 Net cash from / (used in) operating activities		(431)	(431)
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(a) entities			
(b) tenements			
(c) property, plant and equipment		(91)	(91)
(d) exploration & evaluation		(3,289)	(3,289)
(e) investments		(7,403)	(7,403)
(f) other non-current assets			

Consolidated statement of cash flows		Current quarter \$A'000	Year to date 3 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		
2.6	Net cash from / (used in) investing activities	(10,783)	(10,783)

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	8,673	8,673
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(24)	(24)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other		
3.10	Net cash from / (used in) financing activities	8,649	8,649

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	7,086	7,086
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(431)	(431)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10,783)	(10,783)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	8,649	8,649

Consolidated statement of cash flows		Current quarter \$A'000	Year to date 3 months \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	4,521	4,521

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	4,521	7,086
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)	4,521	7,086

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	23
6.2 Aggregate amount of payments to related parties and their associates included in item 2	0

Note: Payments to Related Parties relate to Director Fees, expense reimbursements and consultancy fees.

7. Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A’000	Amount drawn at quarter end \$A’000
7.1 Loan facilities	15,000	0
7.2 Credit standby arrangements		
7.3 Other (please specify)	100	8
7.4 Total financing facilities	100	8
7.5 Unused financing facilities available at quarter end	15,092	
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.		
Unsecured credit card from ANZ with a \$100,000 limit. Secured loan facility from Bell Potter with \$15,000,000 limit		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(431)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(3,289)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(3,720)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,521
8.5	Unused finance facilities available at quarter end (item 7.5)	15,092
8.6	Total available funding (item 8.4 + item 8.5)	19,613
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3) <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	5.27
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	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:	
8.8.2	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:	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

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: 29/10/2021

Authorised by:



Eduard Eshuys

(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.