



21 September 2020

DGO expands land position around highly prospective South Australian copper target

The large, shallow Zambian Copper Belt-style target sits on the Stuart Shelf, host to the Olympic Dam and Carrapateena deposits

Key Points

- **DGO Gold has entered into an agreement with Investigator Resources to spend \$6.35 million on exploration in stages over 5 years to earn up to 80% interest in 5 exploration licences adjacent to DGO at Pernatty, South Australia**
- **The agreement will increase DGO land position by up to 72% to 4,353sqkm covering a total transition zone strike of +100km**
- **Detailed analysis of historic data on the Stuart Shelf has identified a Zambian Copper Belt-style (ZCB) sediment-hosted copper Target**
- **The transition zone target is supported by ore-grade copper mineralisation of 1.9m at 1.7% copper from 185m within a diamond core hole drilled in 1976 immediately east of the target zone**
- **No effective drilling has occurred within the identified target zone**
- **DGO is progressing plans to drill this target in the December quarter**

DGO Gold Limited (ASX: DGO) is pleased to announce that it has signed an earn-in agreement which will see the Company substantially increase its land holding around a highly prospective copper target on South Australia's Stuart Shelf.

Under the binding Heads of Agreement between DGO and Gawler Resources Pty Ltd, a wholly owned subsidiary of Investigator Resources Limited (ASX:IVR or "Investigator Resources"), DGO has the right to spend up to \$6.35 million on exploration in three stages over 5 years to earn an 80% interest in 5 South Australian exploration licences adjacent to DGO's Pernatty land position.

DGO Executive Chairman Eduard Eshuys said the Company had identified a large Zambian Copper Belt-style (ZCB) sediment-hosted copper target which spanned the DGO and Investigator tenements.

"DGO has a highly compelling sediment-hosted copper target based on carefully researched models and concepts. This deal with Investigator Resources allows DGO to rapidly advance exploration in South Australia," Mr Eshuys said.

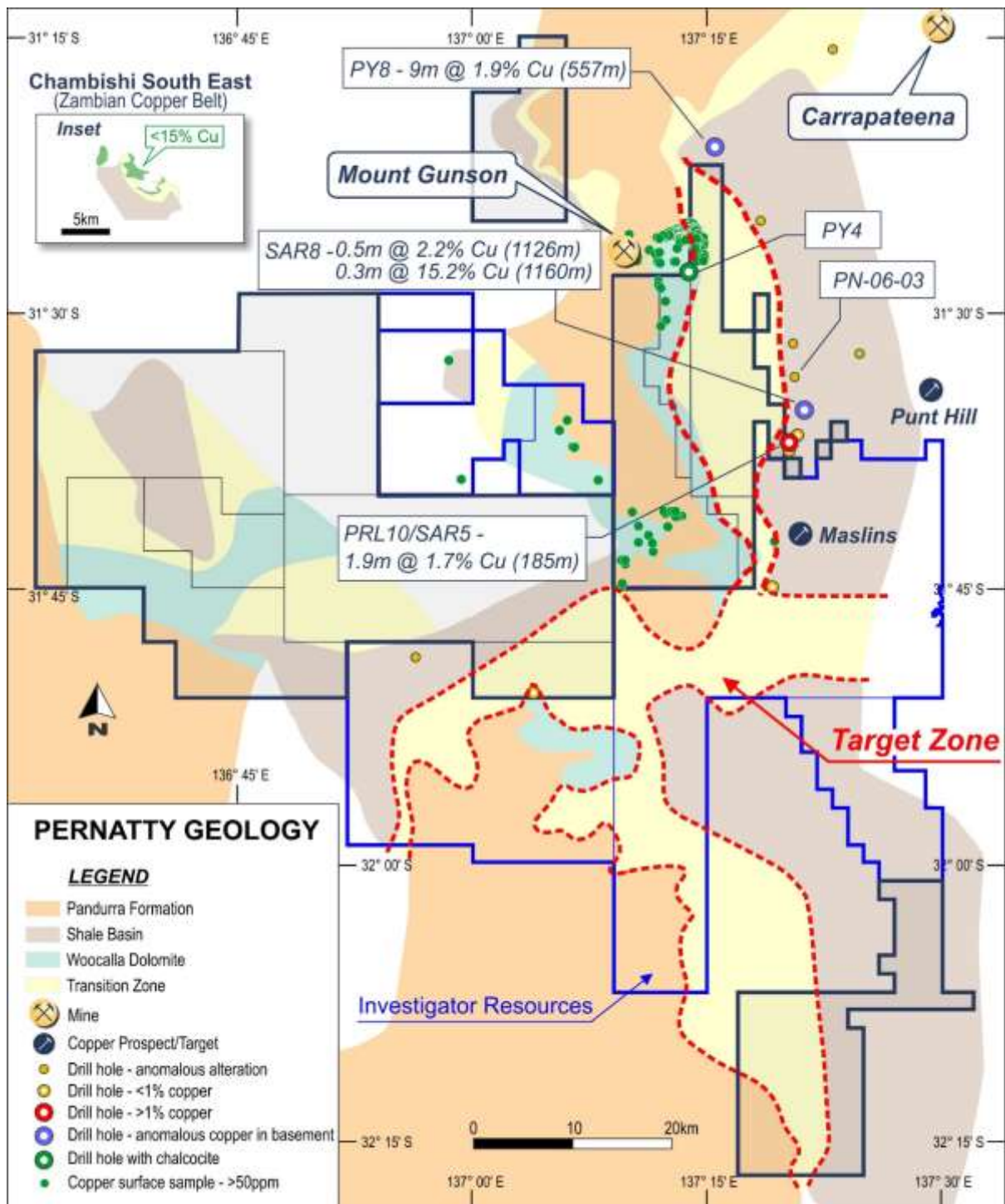


Figure 1: Regional geological interpretation & location of DGO target zone

Technical Detail

DGO's consultant, Dr Stuart Bull, an expert in Zambian Copper Belt deposits, has identified a +100km long transition zone between shallow water carbonates (Woocalla Dolomite) and reduced basin shales (Tapley Hill shale) overlying a basement high of oxidised sandstone (Pandurra Formation) as shown in Figure 1. The basin setting at Pernatty has many similarities with the edges of the Katangan Basin in the Central African Copperbelt which hosts deposits such as Chambishi (40Mt @ 2.6% Cu).

Significantly, copper has been identified in historic drillholes immediately east of DGO's tenements at the Tapley Hill-Pandurra contact close to the interpreted transition zone. Selection Trust Ltd intersected 1.9m @ 1.7% Cu from 185m when exploring for sedimentary copper immediately east of Pernatty in 1976 (hole PRL10/SAR5 - Open file report ENV02703)¹. This result was not adequately followed up before the tenement was relinquished in 1978. Past exploration results highlight the potential for significant mineralisation within the interpreted transition zone.

Based on historic drill hole intersections to the east and west of Pernatty, the depth to the prospective transition zone may be less than 100m. Therefore, Pernatty is a shallow, compelling, and highly prospective copper target in a province where sedimentary copper potential has been largely ignored for the last 40 years and warrants further work.

Key Terms of the Heads of Agreement

- Stage 1: Option Period
 - DGO to spend \$350,000 (minimum commitment) on exploration within 12 months of signing;
 - On completion of Stage 1 expenditure, DGO to commit to progress to Stage 2 or withdraw without earning any interest in the tenements;
- Stage 2
 - DGO to spend a further \$2 million on exploration within 2 years of completing Stage 1 to earn a 51% interest in the tenements;
- Stage 3
 - DGO to spend a further \$4 million on exploration within 2 years of completing Stage 2 to earn an 80% interest in the tenements.
- After Stage 3, Investigator may contribute pro-rata or elect to reduce to a 15% free carry through to a decision to mine

Planned Exploration

Investigator Resources hold a Native Title Agreement with the Traditional Owners which will enable DGO to accelerate field operations at Pernatty. DGO has commenced designing a drill program and obtaining the necessary land access approvals, and aims to commence drilling in the December quarter.

¹ The Exploration Results have not been reported in accordance with the JORC Code 2012. a Competent Person has not done sufficient work to disclose the Exploration Results in accordance with the JORC Code 2012. It is possible that following further evaluation and/or exploration work that the confidence in the prior reported Exploration Results may be reduced when reported under the JORC Code 2012. That nothing has come to the attention of the acquirer that causes it to question the accuracy or reliability of the former owner's Exploration Results but the acquirer has not independently validated the former owner's Exploration Results and therefore is not to be regarded as reporting, adopting or endorsing those results.

Pernatty Background

DGO's Pernatty tenements are located in the Eastern Gawler Craton, South Australia within the Stuart Shelf Copper-Gold Province. DGO's tenements cover 2,525km² over eight granted exploration licences and one exploration licence application immediately to the east and south of the Mount Gunson copper deposits, approximately 120km northwest of Port Augusta (Figure 2).

The Stuart Shelf Copper-Gold Province is a major copper province that includes examples of both Iron Oxide-Copper-Gold (IOCG) and stratiform sediment-hosted copper mineralisation in a NNW trending corridor 40km wide and at least 300km long. Deposits on the Stuart Shelf include, the stratiform copper-cobalt deposits at Myall Creek, Mt Gunson and Emmie Bluff, BHP's world class Olympic Dam copper-gold-uranium mine, and a number of other copper-gold deposits including Oz Minerals' Prominent Hill and Carrapateena deposits.

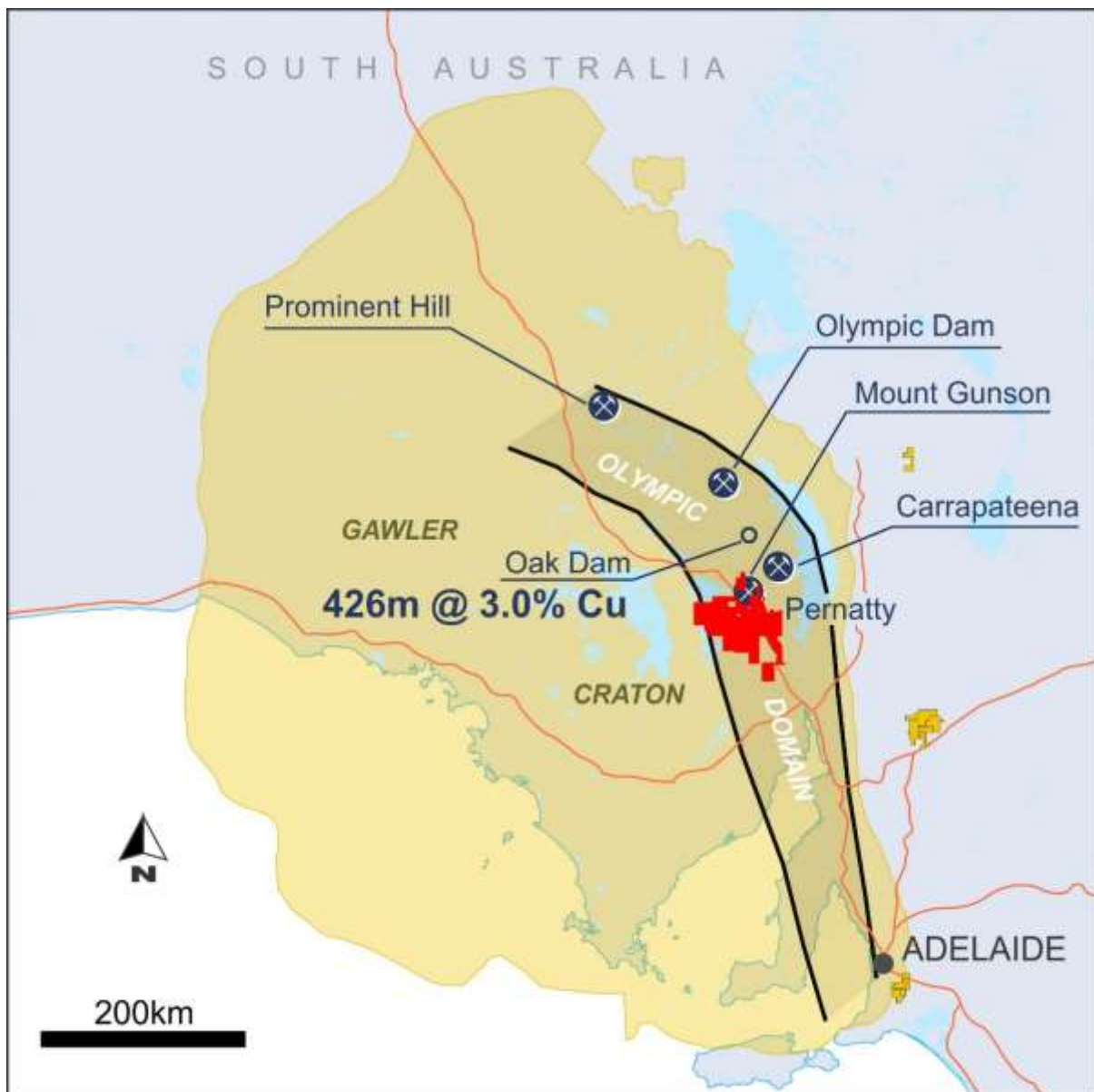


Figure 2: Location of DGO and Investigator Resources tenements in South Australia

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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 Australian 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.*

DGO Gold Background

DGO's strategy is to build a portfolio of Australian gold discovery opportunities through strategic equity investment and through tenement acquisition and joint ventures. DGO seeks to identify and invest in discovery opportunities that meet several key criteria:

Prospectivity – Geological analogue to Tier 1 deposits

Low-finding cost – Gold discovery opportunities where finding costs are assessed to be comparable to the brownfields average of \$20 per ounce.

Potential for scale – Initial resource potential of greater than 3 million ounces, required to support successful development.

Upside Optionality – Potential for long term resource growth well beyond 3 million ounces and potential for upside surprise via either a Tier 1 discovery or discovering significant high grade mineralization.

The Company's exploration strategy is led by veteran gold geologist, Executive Chairman, Eduard Eshuys, supported by a specialist consultant team comprising, Professor Ross Large AO, former head of the Centre for Ore Deposits and Earth Sciences (CODES), Professor Neil Phillips, former head of Minerals at CSIRO, Dr Stuart Bull, a sedimentary basin and Zambian Copper Belt specialist, and Barry Bourne of Terra Resources, a highly experienced mineral exploration geophysicist.

DGO has invested in two ASX listed companies over the past 2 years; De Grey Mining Ltd and NTM Gold Ltd which have both created substantial value as a result of the discovery of new gold resources in the Mallina Gold Province and the Leonora district WA respectively. DGO is also exploring in its own right a number of gold and copper prospects in WA and South Australia.