

DGO Gold Limited

ACN 124 562 849

Financial Report for the half-year ended 31 December 2016

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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 2016 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 DGO Gold Limited (the Company or DGO) submit herewith the consolidated financial report of DGO Gold Limited and its controlled entities (the Group) for the half-year ended 31 December 2016. 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)
Mr. R. C. Hutton (Non-Executive Director)

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 profit after income tax of \$6,122 for the half-year ended 31 December 2016 (31 December 2015: Net loss after income tax of \$728,821).

Review of operations

The Group continues to implement its greenfield exploration strategy of SHGD analogues of world class gold deposits and the peak ages of gold deposition to target Australian sedimentary basins. This strategy is supported by the research conducted over the past decade at CODES at the University of Tasmania, which has focused on identifying districts in which SHGD's could occur in rocks in Australia that are of comparable geologic age to those of SHGD elsewhere in the world.

DGO now holds tenure covering a total of 3,172km² (under application, joint venture or granted) across Western Australia and South Australia covering some of the high priority targets identified by the CODES research. Further details of the tenement holdings are contained in table 1 in unaudited additional information.

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

DGO has established land holdings at Mt Edwards, Ora Banda and Black Flag in the Eastern Goldfields, with tenements in areas where Black Flag Group (BFG) sediments are largely covered by overburden or transported younger sediments and consequently remain to be effectively explored. 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 2016 has confirmed the prospectivity of the BFG sediments.

An RC drilling program, consisting of three (3) holes (BFRC0001 - BFRC0003) for a total of 438m, was completed at Black Flag located 30 km north west of Kalgoorlie during the period. This drilling, testing a section of the previously defined +3.0km long gold-in-saprolite anomaly within the Black Flag Group sediments, returned two broad shallow interesting gold zones a distance of 2.2 km apart, being:

- 40m at 0.2g/t from 20m in hole BFRC0001, and
- 52m at 0.2g/t from 60m in hole BFRC0002.

A prospect scale review of all available geophysical and geological data is proposed to assist with further targeting at Black Flag.

Sediment Hosted Gold and Base Metals, Yerrida Basin, WA

The Yerrida Basin is located about 100 km north of Meekatharra in Western Australia. DGO has established land holdings covering an area of 1,550km² of granted tenure, divided in to the Johnson Cairn Target, consisting of one joint venture tenement and three wholly owned exploration licences, and the Maralouou Target, consisting of five wholly owned exploration licences. This area is considered prospective for sediment hosted gold and base metal (Cu, Co, Zn, Ni) mineralisation (Juderina, Johnson Cairn and Maralouou Formations) based on the long term research by Codes at the University of Tasmania.

The stratigraphic and lithological similarity of the Maralouou Formation and the host sequence of the high grade copper mineralisation at the Monty and Degruusa deposits, as described by Sandfire Resources Limited, identifies the base of the Maralouou Formation as a high priority target. Past exploration activity has identified base metal occurrences, including Cu, Pb, Zn, Co, Ni, plus precious metal occurrences within the Maralouou Formation.

A review of geophysical data has identified a number of targets across the Johnson Cairn and Maralouou Targets including:

- Sediment hosted gold targets associated with north east trending structures and anomalous gold values / nuggets within Johnson Cairn and Juderina Formations (Johnson Cairn Target),
- VHMS target associated with Narracoota Volcanics on an interpreted VHMS horizon along strike from RNI NL's Orient – T10 target (Johnson Cairn Target), and
- VHMS targets associated with mafic lithologies towards the base of the Maralouou Formation coincident with moderate copper anomalism from limited past surface sampling (Maralouou Target).

Evidence of cobalt mineralisation within the Maralouou Formation has been identified by DGO's open file data review of the Maralouou Target based on surface sampling by previous explorers within the Maralouou Formation adjacent to the lower contact with the Juderina Formation. This historical exploration has identified an interpreted cobalt prospective horizon which passes through the south east and north east portions of DGO's Maralouou Target holdings.

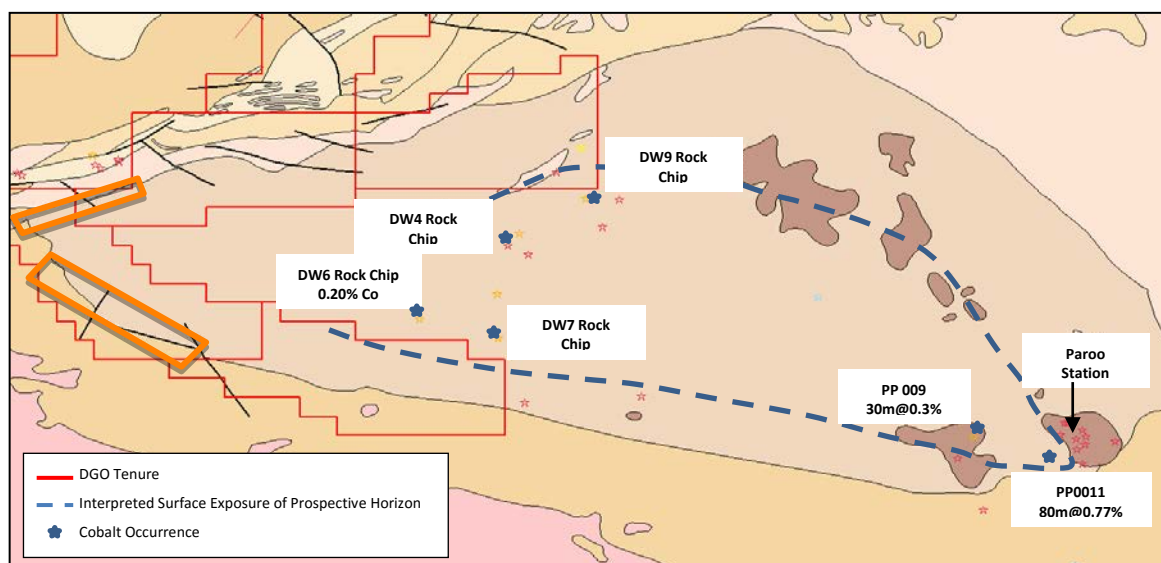


Figure 1: Yerrida Basin Maralouou Formation with Interpreted Cobalt Prospective Horizon

Prospect scale interpretation of the available geological and geophysical data for each of the identified target zones, including the cobalt prospective horizon, is expected to generate and / or fine tune drill targets for each of the target zones

Corporate Activities

During the half year, DGO and Yandan Gold Mines Pty Ltd received a total of \$503,511 (before fee) in tax refunds relating to the 2015 and 2016 research and development activities. Out of this amount, a total of \$260,429 relating to 2015 financial year has been recognised as other income and included as receivable as at 30 June 2016.

The \$243,082 research and development tax offset relating to 2016 financial year was treated as deductible offset against the carrying value of exploration and evaluation assets amounting to \$68,127 and the remaining balance of \$174,955 as other income in the half-year financial report.

On 2 February 2017 the Company announced that it had entered in to a joint venture with a private consortium, Romardo Gold (WA) Pty Ltd over the Lake Randall area in the Eastern Goldfields of Western Australia. Lake Randall consists of an exploration licence application ELA15/1573, covering an area of 53km², located about 10km south south west of the Randalls Gold Mine and 80km south east of Kalgoorlie.

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 7 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.



Eduard Eshuys
Executive Chairman

Brisbane, 9 March 2017

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 2016, 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 entity it controlled during the period.



T R Mann
Director

BDO Audit Pty Ltd

Brisbane, 9 March 2017

Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2016

	Note	Consolidated	
		Half-year ended	
		31 Dec 2016	31 Dec 2015
		\$	\$
Continuing operations			
Revenue			
Interest income		3,725	1,350
Loan forgiveness income		-	6,057
Other Income – research and development tax offset	4	174,955	-
Administration and other expenses		(67,902)	(80,143)
Consulting and contractor expenses		(45,640)	(58,157)
Depreciation of non-current assets		(2,602)	(4,126)
Directors' fees		(37,000)	(78,708)
Employee benefits expenses		(3,515)	(25,727)
Exploration and evaluation expenditure		(4,007)	(74,862)
Finance costs		-	(11)
Loss on sale of fixed asset		-	(4,730)
Property rental and occupancy expenses		(9,764)	(9,764)
Impairment of available-for-sale financial assets		-	(400,000)
Impairment of assets classified as held for sale	5	(2,128)	-
Profit/(loss) before income tax benefit		6,122	(728,821)
Income tax (expense)/benefit		-	-
Net income (loss) for the period		6,122	(728,821)
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		6,122	(424,566)
Profit/(Loss) per share			
Basic (cents per share)	8	0.11	(13.36)
Diluted (cents per share)	8	0.11	(13.36)

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

**Consolidated statement of financial position
as at 31 December 2016**

		Consolidated	
		Half-year ended	
Note		31 Dec 2016	30 June 2016
		\$	\$
Current assets			
	Cash and cash equivalents	483,956	365,668
	Other receivables	22,488	279,567
5	Assets classified as held for sale	78,723	80,851
	Total current assets	585,167	726,086
Non-current assets			
	Plant and equipment	16,203	18,805
6	Exploration and evaluation assets	331,837	151,393
	Total non-current assets	348,040	170,198
	Total assets	933,207	896,284
Current liabilities			
	Trade and other payables	122,724	91,923
	Provisions	7,877	7,877
	Total current liabilities	130,601	99,800
	Total liabilities	130,601	99,800
	Net assets	802,606	796,484
Equity			
7	Issued capital	20,350,768	20,350,768
	Reserves	300,652	300,652
	Accumulated losses	(19,848,814)	(19,854,936)
	Total equity	802,606	796,484

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 2016**

	Issued capital	Accumulated losses	Option premium reserve	Share revaluation reserve	Total
Consolidated	\$	\$	\$	\$	\$
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
Balance at 1 July 2016	20,350,768	(19,854,936)	300,652	-	796,484
Net income for the half-year	-	6,122	-	-	6,122
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	6,122	-	-	6,122
Issue of shares	-	-	-	-	-
Share issue costs	-	-	-	-	-
	-	-	-	-	-
Balance at 31 December 2016	20,350,768	(19,848,814)	300,652	-	802,606

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 2016**

	Note	Consolidated	
		Half-year ended	
		31 Dec 2016 \$	31 Dec 2015 \$
Cash flows from operating activities			
Payments to suppliers and employees		(216,989)	(433,238)
Interest and other costs of finance paid		-	(11)
Receipt of research and development tax offset		435,384	
Net cash generated/(used) in operating activities		218,395	(433,249)
Cash flows from investing activities			
Interest received		3,725	1,350
Proceeds from property plant and equipment		-	31,818
Payments for equity investment		-	(100,000)
Receipt of research and development tax offset in relation of exploration assets	4	68,127	-
Payments for exploration and evaluation assets	4	(171,959)	(15,099)
Net cash used in investing activities		(100,107)	(81,931)
Cash flows from financing activities			
Proceeds from issue of equity securities		-	162,500
Payments for share issue costs		-	(15,975)
Net cash generated from financing activities		-	146,525
Net decrease in cash and cash equivalents		118,288	(368,655)
Cash and cash equivalents at the beginning of the period		365,668	457,246
Cash and cash equivalents at the end of the period		483,956	88,591

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 2016**

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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', as appropriate for for-profit oriented entities. 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 2016 annual financial report for the financial year ended 30 June 2016.

(c) 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.

(d) Going concern

The Group incurred a net profit of \$6,122 for the half-year ended 31 December 2016. As at 31 December 2016, the Group has cash reserves of \$483,956 and its statement of financial position showed a net current asset surplus of \$454,566.

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 obtain a research and development income tax refund for its activities during the 2017 financial year;
- 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 some of 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.

Impairment of assets and exploration and evaluation expenditure

The Company determines whether non-current assets should be assessed for impairment based on identified impairment triggers. At each reporting date management assesses the impairment triggers based on their knowledge and judgement.

4. Results for the period

The Group recorded a net profit after tax of \$6,122 for the half-year ended 31 December 2016 (31 December 2015: net loss of \$728,821). The financial position and performance of the group was particularly affected by the following transaction during the six months to 31 December 2016:

Receipt of research and development tax offset amounting to \$503,511 (before fees) in relation to 2015 and 2016 exploration activities. Out of this amount, a total of \$260,429 relating to 2015 financial year has been recognised as other income and included as receivable as at 30 June 2016. The \$243,082 research and development tax offset relating to 2016 financial year was treated as deductible offset against the carrying value of exploration and evaluation assets amounting to \$68,127 and the remaining balance of \$174,955 as other income in the half-year financial report.

5. Assets classified as held for sale

	31 Dec 2016 \$	30 June 2016 \$
Quoted shares – Talisman Mining Limited (i)	78,723	80,851
Amounts recognised directly in equity associated with assets held for sale	78,723	80,851

- (i) During the previous financial year the Company had acquired 212,766 quoted shares in Talisman Mining Limited for the consideration of \$100,000. As at 30 June 2016 the fair value of these shares was \$80,851. The Directors have determined that the fair value of the shares in Talisman Mining Limited was \$78,723 as at 31 December 2016 which has been based on the quoted price of the Talisman Mining Limited shares as at that date. The resulting \$2,128 difference between the fair value at 30 June 2016 and 31 December 2016 has been recorded as an impairment expense.

The directors have made the decision to sell the listed shares in Talisman 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*. The listed shares were likely to be sold within 12 months in order to meet the expenditure requirements of the group.

6. Exploration and evaluation assets

	31 Dec 2016 \$	30 June 2016 \$
Balance at the beginning of the period	151,393	-
Exploration expenditure incurred during the financial period (i)	248,571	151,393
Research and development tax offset	(68,127)	-
	331,837	151,393
Less accumulated write off/impairment	-	-
Net book value at end of period (i)	331,837	151,393

- (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. Details of the current holdings in tenements are contained in the unaudited additional information section of this report.

7. Issued capital

	31 Dec 2016 \$	30 June 2016 \$
Balance at the beginning of the financial year	20,350,768	20,204,243
Issue of shares to directors under private placements	-	64,500
Issue of shares under a share purchase plan	-	98,000
Share issue costs	-	(15,975)
Balance at the end of the financial period	20,350,768	20,350,768

7. Issued capital (continued)

	31 Dec 2016 Number of Shares	30 June 2016 Number of Shares
Balance at beginning of the period	5,797,268	519,021,975
Result of a 100:1 share consolidation	-	(513,831,707)
Issued shares under private placements	-	215,000
Issued shares under a share purchase plan	-	392,000
	5,797,268	5,797,268

8. Profit/(loss) per share

	Half-year 31 Dec 2016 cents per Share	Half-year 31 Dec 2015 cents per share
Basic and dilute profit/(loss) cents per share		
From continuing operations	0.11	(13.36)
Total basic loss per share	0.11	(13.36)

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 2016 \$	Half-year 31 Dec 2015 \$
Net Profit/(Loss)	6,122	(728,821)
Net Loss used in the calculation of the basic loss per share and diluted loss per share from operations	6,122	(728,821)

Weighted average number of fully paid ordinary shares used for the purposes of calculating the loss per share and diluted loss per share (i)

	Half-year 31 Dec 2016 Number	Half-year 31 Dec 2015 Number
	5,797,268	5,455,006

9. Dividends

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

10. Events after reporting date

On 2 February 2017 the Company announced that it had entered in to a joint venture with a private consortium, Romardo Gold (WA) Pty Ltd over the Lake Randall area in the Eastern Goldfields of Western Australia. Lake Randall consists of an exploration licence application ELA15/1573, covering an area of 53km², located about 10km south south west of the Randalls Gold Mine and 80km south east of Kalgoorlie.

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 2016	\$	\$	\$	\$
<i>Assets classified as held for sale</i>				
Quoted securities in Talisman Mining Limited	78,723	-	-	78,723
Total assets	78,723	-	-	78,723
	Level 1	Level 2	Level 3	Total
Consolidated – 30 June 2016	\$'000	\$'000	\$'000	\$'000
<i>Assets classified as held for sale</i>				
Quoted securities in Talisman Mining Limited	80,851	-	-	80,851
Total assets	80,851	-	-	80,851

The assets classified as held for sale are measured at fair value on a recurring basis.

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

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 2016 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*.



Eduard Eshuys
Executive Chairman

Brisbane, 9 March 2017

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 2016, 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 entity 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 2016 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:

- (i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1(d) in the financial report which describes the events and/or conditions which give rise to 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. Our conclusion is not modified in respect of this matter.

BDO Audit Pty Ltd



T R Mann
Director

Brisbane, 9 March 2017

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	E15/1488, 1514	81
Ora Banda	P24/4946 - 4956		22
Black Flag	P24/4986 - 4992, E24/197		32
Mallina	E47/3327 - 3329		245
Yerrida Basin	E51/1590, 1729, 1730, 1748 - 1753		1547
<i>Sub-Total</i>			1927
South Australia			
Mt Barker	EL5770, EL5812	E2016/00017	328
Dawson	EL5737, EL5876, EL5877		772
Yerelina	EL5813		145
<i>Sub-Total</i>			1245
TOTAL			3172

Table 1 Mineral tenements granted and under application

Competent person statement

Exploration or technical information in this release has been prepared by Mr. Ian Prentice BSc, who is a consultant to DGO Gold Limited and a Member of the Australian Institute of Mining and Metallurgy. Mr. Prentice 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. Prentice consents to the report being issued in the form and context in which it appears.