

## ASX RELEASE

Dragon Mountain Gold Limited,  
ACN: 111 005 282  
182 Claisebrook Road, Perth WA 6000



31 July 2024

### Contacts:

**Robert Gardner**  
Chairman  
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## QUARTERLY REPORT 30 JUNE 2024

Dragon Mountain Gold Limited ("DMG" or "the Company") is pleased to provide this Quarterly Activity Report for the quarter ending 30 June 2024.

### Exploration Activities

The Company has continued its exploration of the Avalon and Cawse Projects, utilising the latest exploration techniques and mineralisation models, whilst taking advantage of substantial historic datasets.

The Company received PoW approval from DEMIRS and engaged a drill contractor. However, the program's start was delayed due to heavy rains in the region. After the end of the quarter, earthworks were completed on all accessible drill sites, and the drilling contractors mobilised to begin drilling. The recent rain events had prevented access to heavy machinery, contributing to the delay in on-ground works. Additionally, an internal redesign and budgeting process resulted in a slight delay in the mobilisation of personnel and equipment.

The planned RC drilling program targets interpreted gold geological hosts within a larger sheared contact between the Bulong ultramafic rocks and the volcanoclastics/basalts to the west. This program aims to obtain geological samples and data from beneath the extensive transported cover and laterite units that mask bedrock features of interest.

Historically, the bedrock geology of the Avalon tenements has seen limited to no exploration activity below the overlying nickel laterite deposits.

The four RC drill holes are spaced along this interpreted sheared/veined contact that runs through DMG's tenements.

During the quarter, the Company undertook internal fieldwork at the Cawse Project to identify potential gold drill targets. A four-hole drill program was outlined, with planning finalised and ground truthing completed at the Cawse Mine site. This program aims to assess the updated interpretation of gold mineralisation extensions beneath the historic Cawse Find open pit.

A PoW application has been submitted to DEMIRS and is currently under evaluation. Upon receiving approval and subject to favourable weather conditions, drilling will commence at the earliest opportunity available with the drilling contractor.

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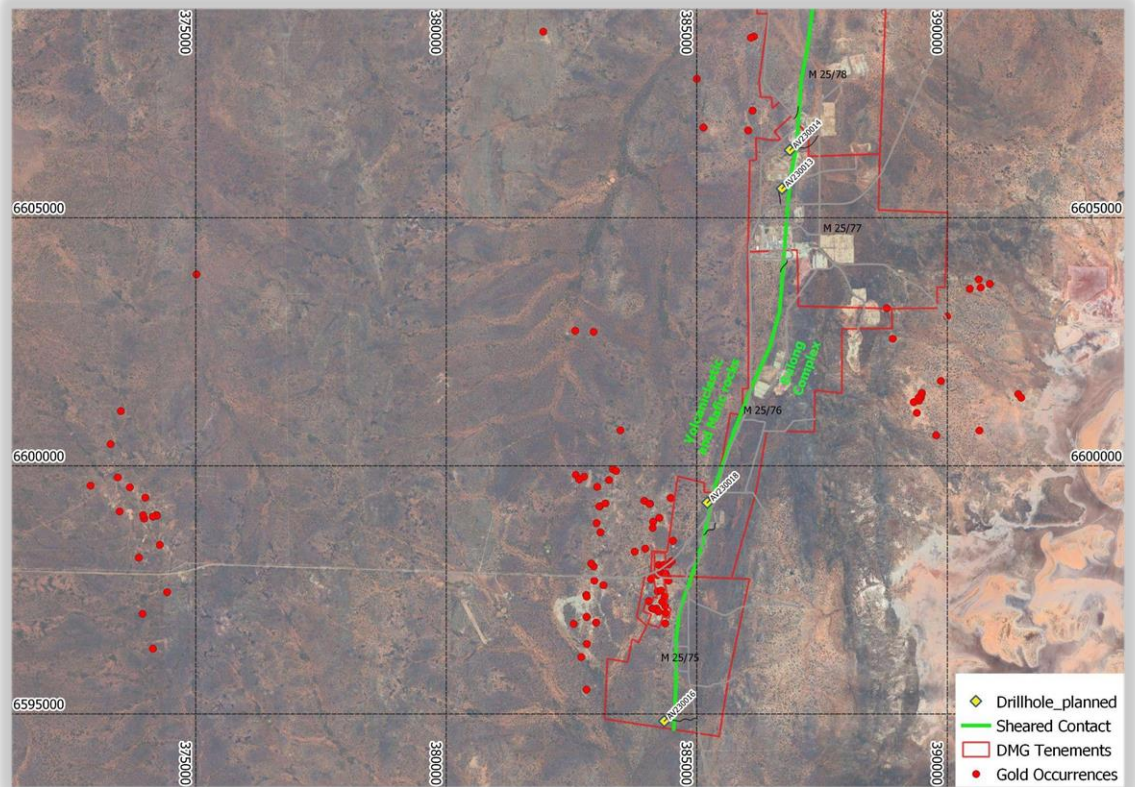


Figure 1: Overview of DMG tenements at the Avalon project with planned drill sites at targeted geological features of interest.

## Corporate Activity

At the end of the quarter, the Company's cash position was \$225,000.

## ASX Additional Information

Pursuant to ASX Listing Rules 5.3.1 and 5.3.2, the Company advises it has spent \$74,000 on exploration during the quarter. No expenditure was incurred on development or production activities during the quarter.

Pursuant to ASX Listing Rule 5.3.3 the Company advises that it holds the tenements detailed in Annexure A at the end of the quarter.

Pursuant to ASX Listing Rule 5.3.5, the Company advises it has made payments of \$37,000 to directors by way of salary, fees, or superannuation during the quarter.

In accordance with Listing Rule 5.3.4, provides the actual as at 30 June 2024 vs proposed use of Funds as outlined in Section 5.6 of the Prospectus dated 16 June 2022.

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| Proposed Use of Funds                        | Proposed \$      | Actual \$        | Variance \$    |
|----------------------------------------------|------------------|------------------|----------------|
| Exploration on Cawse and Avalon Projects     | 1,100,000        | 527,550          | 572,450        |
| Acquisition of new tenements/working capital | 399,004          | 300,000          | 99,004         |
| Expenses of the offer                        | 217,824          | 207,425          | 10,399         |
| Administration Costs                         | 500,000          | 623,994          | (123,994)      |
| <b>Total</b>                                 | <b>2,216,828</b> | <b>1,658,969</b> | <b>557,859</b> |

Major variances to the Prospectus include:

- Exploration on Cawse and Avalon projects
  - the Company has been planning a drill program which has not yet occurred. The Company is working with its exploration consultant Galt Mining Services to develop an optimal set of targets. A PoW application has now been submitted to the Mines Department.
  - As announced on 2 September 2023, the Company reduced the executive chairman's remuneration to \$50,000 from \$350,000 per annum. A portion of the remuneration is for exploration and as a result the total exploration over a two year period will be lower.
- Working capital – pursuant to the Prospectus Section 5.6 Note 3, the Company completed the acquisition of the Sleeklines package of tenements at a total investment of \$300,000.
- Administration Costs variances are due to timing.
- As outlined in the Statement of Confirmations released on 2 August 2022, the Company had reduced its total available funds from \$2,216,828 to \$1,952,000 due to lower cash reserves available at 30 June 2022.

In the Company announcement dated 11 June 2024, the Company outlined its planned expenditure over the next 12 months. Below is the current actual expenditure against the planned expenditure.

| Exploration Activity      | Avalon Forecast    | Avalon Actual | Cawse Forecast   | Cawse Actual  | Total Forecast     | Total Actual  |
|---------------------------|--------------------|---------------|------------------|---------------|--------------------|---------------|
| Data Review and Planning  | \$125,000          | 50,000        | \$150,000        | 24,000        | \$275,000          | 74,000        |
| Fieldwork and Overhead    | \$150,000          | -             | \$250,000        | 24,000        | \$400,000          | -             |
| Drilling - RAB, RC and DD | \$1,756,000        | -             | \$250,000        | -             | \$2,006,000        | -             |
| Assaying                  | \$30,000           | -             | \$30,000         | -             | \$60,000           | -             |
| Heritage                  | -                  | -             | \$18,564         | -             | \$18,564           | -             |
| Tenement Management       | \$75,000           | -             | \$82,500         | -             | \$157,500          | -             |
| <b>Total</b>              | <b>\$2,136,000</b> | <b>50,000</b> | <b>\$781,064</b> | <b>24,000</b> | <b>\$2,917,064</b> | <b>74,000</b> |

This release has been approved by the Board.

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Australia[www.dragonmountain.com.au](http://www.dragonmountain.com.au)**ANNEXURE A**

The Company has a right to earn an interest in the Cawse and Avalon Projects. As at 30 June 2024, the Company has earned a 25% interest in the Cawse and Avalon Projects.

| THE CAWSE PROJECT |          | THE AVALON PROJECT | HELD BY DMG | SLEEK LINES TENEMENTS |
|-------------------|----------|--------------------|-------------|-----------------------|
| 1.                | M24/0547 | L 27/0055          | P16/3355    | P24/5187              |
| 2.                | M24/0548 | L 27/0056          | P16/3350    | P24/5188              |
| 3.                | M24/0549 | M 25/0075          | P16/3351    | P24/5189              |
| 4.                | M24/0550 | M 25/0076          | P16/3352    | P24/5190              |
| 5.                | L24/0030 | M 25/0077          | P16/3353    | P24/5191              |
| 6.                | L24/0076 | M 25/0078          | P16/3354    | P24/5203              |
| 7.                | L24/0113 | M 27/0189          | P16/3347    | P24/5204              |
| 8.                | L24/0140 |                    | E16/586     | P24/5205              |
| 9.                | L24/0141 |                    | P16/3349    | P24/5206              |
| 10.               | L24/0142 |                    |             | P24/5207              |
| 11.               | L24/0152 |                    |             | P24/5451              |
| 12.               | L24/0153 |                    |             | P24/5452              |
| 13.               | L24/0159 |                    |             | P24/5453              |
| 14.               | L24/0167 |                    |             | P24/5454              |
| 15.               | L24/0168 |                    |             | P24/5455              |
| 16.               | L24/0185 |                    |             | P24/5456              |
| 17.               | L24/0193 |                    |             | P24/5468              |
| 18.               | L24/0194 |                    |             | P24/5469              |
| 19.               | M24/0224 |                    |             | P24/5470              |
| 20.               | M24/0389 |                    |             | P24/5471              |
| 21.               | M24/0517 |                    |             | P24/5472              |
| 22.               | M24/0518 |                    |             | P24/5473              |
| 23.               | M24/0519 |                    |             | P24/5474              |
| 24.               | M24/0520 |                    |             |                       |
| 25.               | M24/0543 |                    |             |                       |
| 26.               | M24/0544 |                    |             |                       |

## Appendix 5B

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

Name of entity

Dragon Mountain Gold Limited (ASX: DMG)

ABN

82 111 005 282

Quarter ended ("current quarter")

30 June 2024

| Consolidated statement of cash flows |                                                       | Current<br>quarter<br>\$A'000 | Year to date<br>(12 months)<br>\$A'000 |
|--------------------------------------|-------------------------------------------------------|-------------------------------|----------------------------------------|
| <b>1.</b>                            | <b>Cash flows from operating activities</b>           |                               |                                        |
| 1.1                                  | Receipts from customers                               | -                             | -                                      |
| 1.2                                  | Payments for                                          |                               |                                        |
|                                      | (a) exploration & evaluation (if expensed)            | (74)                          | (154)                                  |
|                                      | (b) development                                       | -                             | -                                      |
|                                      | (c) production                                        | -                             | -                                      |
|                                      | (d) staff costs                                       | (10)                          | (31)                                   |
|                                      | (e) administration and corporate costs                | (60)                          | (292)                                  |
| 1.3                                  | Dividends received (see note 3)                       | -                             | -                                      |
| 1.4                                  | Interest received                                     | 1                             | 8                                      |
| 1.5                                  | Interest and other costs of finance paid              | -                             | -                                      |
| 1.6                                  | Income taxes paid                                     | -                             | -                                      |
| 1.7                                  | Government grants and tax incentives                  | -                             | -                                      |
| 1.8                                  | Other (provide details if material)                   | -                             | -                                      |
| <b>1.9</b>                           | <b>Net cash from / (used in) operating activities</b> | <b>(143)</b>                  | <b>(469)</b>                           |
| <b>2.</b>                            | <b>Cash flows from investing activities</b>           |                               |                                        |
| 2.1                                  | Payments to acquire:                                  |                               |                                        |
|                                      | (a) entities                                          | -                             | -                                      |
|                                      | (b) tenements                                         | -                             | -                                      |
|                                      | (c) property, plant and equipment                     | -                             | -                                      |
|                                      | (d) exploration & evaluation (if capitalised)         | -                             | -                                      |
|                                      | (e) investments                                       | -                             | -                                      |
|                                      | (f) other non-current assets                          | -                             | -                                      |

| <b>Consolidated statement of cash flows</b> |                                                       | <b>Current<br/>quarter<br/>\$A'000</b> | <b>Year to date<br/>(12 months)<br/>\$A'000</b> |
|---------------------------------------------|-------------------------------------------------------|----------------------------------------|-------------------------------------------------|
| 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 (provide details if material)                   | -                                      | -                                               |
| <b>2.6</b>                                  | <b>Net cash from / (used in) investing activities</b> | <b>-</b>                               | <b>-</b>                                        |

|             |                                                                                         |          |          |
|-------------|-----------------------------------------------------------------------------------------|----------|----------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>                                             |          |          |
| 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                                                       | -        | -        |
| 3.4         | Transaction costs related to issues of equity securities or convertible debt securities | -        | -        |
| 3.5         | Proceeds from borrowings                                                                | -        | -        |
| 3.6         | Repayment of borrowings                                                                 | -        | -        |
| 3.7         | Transaction costs related to loans and borrowings                                       | -        | -        |
| 3.8         | Dividends paid                                                                          | -        | -        |
| 3.9         | Other (provide details if material)                                                     | -        | -        |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                                   | <b>-</b> | <b>-</b> |

|           |                                                                              |       |       |
|-----------|------------------------------------------------------------------------------|-------|-------|
| <b>4.</b> | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |       |       |
| 4.1       | Cash and cash equivalents at beginning of period                             | 368   | 694   |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | (143) | (469) |
| 4.3       | Net cash from / (used in) investing activities (item 2.6 above)              | -     | -     |
| 4.4       | Net cash from / (used in) financing activities (item 3.10 above)             | -     | -     |

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

| Consolidated statement of cash flows |                                                   | Current quarter<br>\$A'000 | Year to date<br>(12 months)<br>\$A'000 |
|--------------------------------------|---------------------------------------------------|----------------------------|----------------------------------------|
| 4.5                                  | Effect of movement in exchange rates on cash held | -                          | -                                      |
| 4.6                                  | <b>Cash and cash equivalents at end of period</b> | <b>225</b>                 | <b>225</b>                             |

| 5.  | Reconciliation of cash and cash equivalents<br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|
| 5.1 | Bank balances                                                                                                                                                        | 225                        | 368                         |
| 5.2 | Call deposits                                                                                                                                                        | -                          | -                           |
| 5.3 | Bank overdrafts                                                                                                                                                      | -                          | -                           |
| 5.4 | Other (provide details)                                                                                                                                              | -                          | -                           |
| 5.5 | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>                                                                                     | <b>225</b>                 | <b>368</b>                  |

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
\$A'000**

37<sup>1</sup>

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

<sup>1</sup>Amounts shown at 6.1 relate to director salary/fees, superannuation and rent paid during the quarter.

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

|                                                                                                                                                                                                                                                                                                                                                 |                                                         |                                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------|
| <b>7. Financing facilities</b><br><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.<br/>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>                                                                                                     | <b>Total facility amount at quarter end<br/>\$A'000</b> | <b>Amount drawn at quarter end<br/>\$A'000</b> |
| 7.1 Loan facilities                                                                                                                                                                                                                                                                                                                             | -                                                       | -                                              |
| 7.2 Credit standby arrangements                                                                                                                                                                                                                                                                                                                 | -                                                       | -                                              |
| 7.3 Other (please specify)                                                                                                                                                                                                                                                                                                                      | -                                                       | -                                              |
| 7.4 <b>Total financing facilities</b>                                                                                                                                                                                                                                                                                                           | -                                                       | -                                              |
| 7.5 <b>Unused financing facilities available at quarter end</b>                                                                                                                                                                                                                                                                                 |                                                         |                                                |
| 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. |                                                         |                                                |
| Nil                                                                                                                                                                                                                                                                                                                                             |                                                         |                                                |

|                                                                                                                                                                                                                     |                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>8. Estimated cash available for future operating activities</b>                                                                                                                                                  | <b>\$A'000</b> |
| 8.1 Net cash from / (used in) operating activities (Item 1.9)                                                                                                                                                       | (143)          |
| 8.2 Capitalised exploration & evaluation (Item 2.1(d))                                                                                                                                                              | -              |
| 8.3 Total relevant outgoings (Item 8.1 + Item 8.2)                                                                                                                                                                  | (143)          |
| 8.4 Cash and cash equivalents at quarter end (Item 4.6)                                                                                                                                                             | 225            |
| 8.5 Unused finance facilities available at quarter end (Item 7.5)                                                                                                                                                   | -              |
| 8.6 Total available funding (Item 8.4 + Item 8.5)                                                                                                                                                                   | 225            |
| 8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>                                                                                                                                   | 1.57           |
| 8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:                                                                                                                         |                |
| 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: The Company anticipates the current level of operating cashflows to increase due to planned exploration activities                                                                                          |                |
| 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: The Company is currently in discussions with a third party for funding. The Company believes the success of the funding is very likely.                                                                     |                |
| 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: Yes, based on the answer in 2 above.                                                                                                                                                                        |                |

## **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: 31 July 2024

Authorised by: The Board  
(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.