

ASX RELEASE

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



31 January 2025

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QUARTERLY REPORT 31 DECEMBER 2024

Dragon Mountain Gold Limited (“DMG” or “the Company”) is pleased to provide this Quarterly Activity Report for the quarter ending 31 December 2024.

Exploration Activities

Dragon Mountain Gold Limited (“DMG” or “the Company”) is pleased to provide an update on its exploration progress for the quarter ending 31 December 2024. During this period, the Company focused on advancing its drilling program at the Avalon Project and preparing for future work at the Cawse Project.

Avalon Project:

During the quarter, the Company announced the results of its Avalon Drilling Program.

The initial program consisted of four RC drill holes for a total of 612 metres drilled. These were targeting an interpreted 12 km sheared, altered, and quartz-veined geological contact between the Bulong Ultramafic Complex and adjacent volcanoclastic and mafic rocks.

Two drill holes (AV24001 and AV24003) intersected shear zones with indications of hydrothermal alteration and elevated gold concentrations. The hydrothermal alteration was inferred from pXRF element associations of Fe-Cu-As-Mn-Sn-Zn-S, coincident with sheared and quartz-veined rock.

The drilling campaign has provided valuable insights into the geological and geochemical characteristics of the Avalon Project. Observations of shearing and hydrothermal alteration have been identified along a metavolcanoclastic-meta-mafic and ultramafic contact, which are encouraging indicators for gold deposition. Elevated gold values were observed within the geochemical elevated intervals (from pXRF analysis) suggesting there may be potential for higher gold grades along this altered, sheared contact and providing a focus for further exploration activity on the Bulong tenements.

Cawse Project:

In anticipation of the next phases of exploration, DMG has diligently advanced preparations for the drilling program at the Cawse Project. Leveraging insights gained from prior surface sampling and field assessments, the Company has continued to refine and enhance the drill program’s design based on comprehensive ground truthing efforts. This targeted drill program is designed to explore the extensions of known mineralisation

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trends adjacent to the historic Cawse Find open pit, aiming to both confirm and expand upon the established mineralization models for the area.

New Projects

The Company continues to identify and review new complementary projects which can potentially add value for shareholders via acquisition

Corporate Developments:

During the quarter, DMG successfully completed a capital raise, securing \$550,000 through Convertible Loan Agreements with an additional \$120,000 Investor Relations (IR) service agreement also paid via convertible loan structure. The total funding secured through this initiative amounts to \$670,000, reinforcing DMG's exploration budget and enabling a structured pathway toward achieving its project milestones at both Avalon and Cawse.

The funding raised ensures DMG is well-positioned to carry forward its ambitious exploration and project development objectives, and it significantly reduces any near-term financial pressures, enabling focused attention on resource expansion at Avalon and the upcoming Cawse program.

Following the end of the quarter, the Company announced that Mr Gernot Abl replaced Dimitri Bacopanos as Non-Executive Director of the Company. Mr. Abl brings extensive experience in law, corporate finance, and strategic consulting, and over 20 years of entrepreneurial, business strategy, and investment experience. He currently serves as Chairman of DorsaVi Limited (ASX: DVL), Nelson Resources Limited (ASX: NES), and Peakco Limited (ASX: PKO).

At the end of the quarter, the Company's cash position was \$366,000.

ASX Additional Information

Pursuant to ASX Listing Rules 5.3.1 and 5.3.2, the Company advises it has spent \$166,000 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 \$77,000 to directors by way of salary, fees, or superannuation during the quarter.

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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	82,500	\$150,000	36,500	\$275,000	119,000
Fieldwork and Overhead	\$150,000	35,500	\$250,000	29,552	\$400,000	65,052
Drilling - RAB, RC and DD	\$1,756,000	81,576	\$250,000	0	\$2,006,000	81,576
Assaying	\$30,000	6,661	\$30,000	0	\$60,000	6,661
Heritage	-	0	\$18,564	0	\$18,564	0
Tenement Management	\$75,000	19,711	\$82,500	0	\$157,500	19,711
Total	\$2,136,000	225,948	\$781,064	66,052	\$2,917,064	292,000

This release has been approved by the Board.

Competent Person's Statement

The information in this report that relates to Exploration Results has been compiled and reviewed by Mr Brett Innes. Mr Brett Innes is a full-time employee of Galt Mining Solutions who is consulting for Dragon Mountain Gold (DMG) and is a Member of the Australian Institute of Geoscientists (AIG). Mr Brett Innes has sufficient experience of >5yrs relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking for DMG to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Brett Innes consents to the inclusion of this information in the report of the matters based upon his information in the form and context in which it appears.

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

THE CAWSE PROJECT		THE AVALON PROJECT	HELD BY DMG	SLEEKLINES 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")

31 December 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(166)	(195)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(18)	(32)
	(e) administration and corporate costs	(126)	(183)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	2
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)	-	-
1.9	Net cash from / (used in) operating activities	(309)	(409)
2.	Cash flows from investing activities		
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	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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 (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

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	550	550
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)	-	-
3.10	Net cash from / (used in) financing activities	550	550

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	125	225
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(309)	(409)
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)	550	550

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	366	366

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	366	125
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)	366	125

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
77 ¹
-

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

¹Amounts 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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		
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		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(309)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(309)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	366
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	366
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.18
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 maintaining similar levels of exploration expenditures in the near term. However, administrative expenses are expected to decrease. This reduction is primarily due to the settlement of outstanding administrative creditors, which were cleared following the infusion of funds from the convertible loan.	
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 actively pursuing additional financing through a structured plan with PAC Partners. Discussions have commenced regarding the timing and structure of the next fundraising round. We are confident in our approach, supported by our strong relationship with PAC Partners.	
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, the entity is confident in its ability to sustain operations and achieve its business objectives. This confidence is grounded in rigorous cash management practices and our proactive fundraising strategy, as detailed previously. Our partnership with PAC Partners enhances our financial stability and supports our strategic financial planning, ensuring that we remain on track to meet our goals.

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 January 2025

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.