

# DOURADO RESOURCES LIMITED

ABN: 84 131 090 947

Dourado Resources Ltd is a Perth based exploration company that has been established to predominantly explore for deposits of gold and copper mineralization.

The Company has 3,800km<sup>2</sup> of selected tenure that is highly prospective for gold and copper mineralization.

#### Moolooqool/Diamond Well Cu Projects

The project is more than 2,400km<sup>2</sup> in area. It is less than 70kms north east of Meekatharra and less than 30kms from Sandfire Resources' DeGrussa deposit.

Exploration has identified at least 13 anomalous geochemical zones. Ongoing exploration programs are proposed to further develop these targets.

#### Sabbath/Garden Gully Au Projects

This project is more than 480km<sup>2</sup> in area and less than 10kms north of Meekatharra. Recent drilling at the Sabbath project produced an increase of 1780 ounces in the Measured Mineral Resource category from 145,000 tonnes at 2.21 g/t for 10,320 ounces to 175,563 tonnes at 2.14 g/t for 12,100 ounces (both at 10g/t upper cut).

For more information please visit <http://www.dourado.com.au/>

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#### **Directors & Management**

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Non-Executive Chairman

Mr Peter Del Fante  
Managing Director

Mr Daryl Smith  
Non-Executive Director

#### **Company Secretary**

Mr Robert Marusco

**ASX Code:** DUO

**Website:** [www.dourado.com.au](http://www.dourado.com.au)

31 January 2013

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ASX Limited  
Company Announcements Office  
SYDNEY NSW 2000

## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING DECEMBER 31<sup>st</sup> 2012

### Sabbath/Garden Gully Project

- **The resource estimation for Sabbath has now been completed**
- **Estimation was completed using wire-frames based on cross-sectional interpretations using Minemap software and tabulated below:**

SABBATH RESOURCE		Au grade	Au Grade	Total (no upper cut)	Total (10 g/t upper cut)
Units		g/t	g/t	Troy Ounces	Troy Ounces
Lower Cut		0.5 g/t Au	0.5 g/t Au	0.5 g/t Au	0.5 g/t Au
Upper Cut		uncut	10 g/t Au	uncut	10 g/t Au
Measured Resource	175,563t	2.40	2.14	13529	12100
Indicated Resource	26,540t	2.25	2.10	1921	1795
<b>TOTAL MEASURED &amp; INDICATED</b>	<b>202,103t</b>	<b>2.38</b>	<b>2.14</b>	<b>15449</b>	<b>13894</b>

- **In addition pit optimisations were completed on the Measured Resource using Lerch Grossman methods on gold price variables between \$1500/oz and \$2000/oz**
- **An optimised Proven Reserve at \$1700/oz gold price is 92,080 tonnes at 3.11 g/t Au uncut**  
(Based on sale for 40% of contained gold - see notes on parameters)
- **Further parameters for pit optimisations and reserves are being modelled for toll-treatment options**
- **A Programme of Works application has been approved by the DMP for approximately 68,000 metres of RAB, Aircore and auger drilling which covers 12 exploration targets over the Garden Gully South and Sabbath South tenements**
- **Negotiations are continuing through the representatives of**

*the traditional owners to complete ethnographic and anthropology inspections of the proposed drilling areas.*

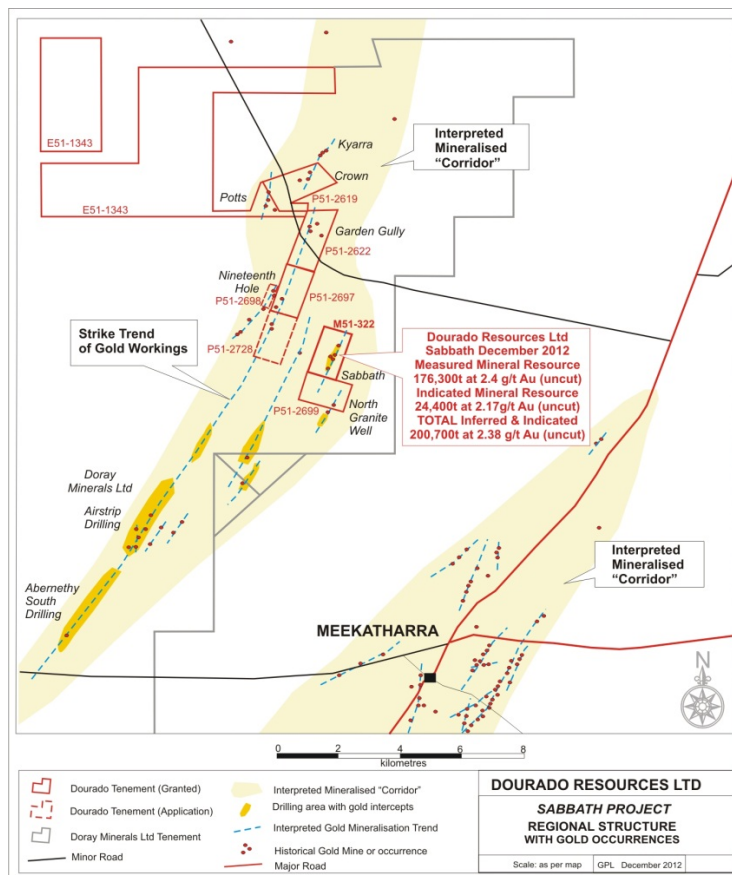
**Mooloogool Project**

- **A Programme of Works application to commence drilling on E51/1367 has been approved by the DMP. This will consist of a 15 hole Air Core (AC) program that will drill to 100m in depth with the holes spaced 1 km apart**
- **The Native Title process for assessing the proposed drilling on E51/1367 is progressing through the normal channels**
- **Targets covering 10 tenements are currently being investigated by a planned extensive soil & drainage sampling program complimented by geological mapping & scintillometer readings.**

**DETAIL**

**Sabbath Gold Project**

Sabbath mining tenement M51/322 (approximately 12 km north-west of Meekatharra) is situated in a well-defined belt or “corridor” of gold mineralisation in the Garden Gully South district north of Meekatharra. The strike trends of historical gold workings appear to be extensive and NE to NNE in orientation. This is a regional trend parallel to the Meekatharra Greenstone Belt.



**Figure 1 – Regional Setting of Sabbath and gold mineralisation trends**

**Sabbath Resource**

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The Sabbath RC survey, lithology and assay results were compiled on a cross-sectional basis using a section spacing of 10 metres in the main part of the drilling and 14-30m for the remainder. A total of 330 drill holes and 12231 samples constituted the resource drilling database. All samples had been tested for gold, silver, arsenic, copper, lead and zinc. Only the gold assay was used for resource estimation.

Check assays, standards and blanks were reviewed to assess sample quality, repeatability and reliability for confidence in the resource grades. There were no quality control issues and all check samples returned values well within acceptable error margins.

Using Minemap software interpreted outlines of mineralisation were digitised for each section. After checking for continuity and consistency with lithological logging between each section these outlines formed the basis for wireframe construction. Mineralised outlines were drawn around clusters of assays above 0.5 g/t Au and a minimum intercept of 2m exceeding 0.5 g/t Au was used. A maximum internal dilution of 2m was allowed within ore zones and no external dilution was added.

All ore wireframes were constructed within oxidised rock and a density was applied equally to each elevation zone on the basis of consistently uniform weathering and oxidation features and mineral assemblages. This tabulated below:

From	To	Density
500 mRL	490 mRL	1.6
490 mRL	470 mRL	1.8
470 mRL	460 mRL	2.0
460 mRL	450 mRL	2.1
450 mRL	440 mRL	2.2
440 mRL	430 mRL	2.3
430 mRL	420 mRL	2.4
420 mRL	360 mRL	2.4

Measured Mineral Resource category was assigned to those wireframes generated from drilling at less than 14m and usually less than 10m line spacing and mineralisation outlines were projected up to 5m away from drill holes.

Indicated Mineral Resource Category was assigned to those wireframes generated from 20m or greater drill spacing and outlines of mineralisation projected no more than 12m away from the drill hole trace.

Some mineralisation occurring below the resource and pit areas has not been included in the estimation if continuity between sections could not be established.

Estimation was completed by creating a block model of 2m (x) by 5m (y) by 2.5m (z) dimensions within wireframes. Grade interpolation was by Inverse Distance Squared algorithm. Grade assignment utilised search ellipse radii oriented grid N-S at 14m (along strike) and 10m across strike and 4m vertically.

## Results

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<b>SABBATH RESOURCE</b>		<b>Au grade</b>	<b>Au Grade</b>	<b>Total (no upper cut)</b>	<b>Total (10 g/t upper cut)</b>
<i>Units</i>		<i>g/t</i>	<i>g/t</i>	<i>Troy Ounces</i>	<i>Troy Ounces</i>
<i>Lower Cut</i>		<i>0.5 g/t Au</i>	<i>0.5 g/t Au</i>	<i>0.5 g/t Au</i>	<i>0.5 g/t Au</i>
<i>Upper Cut</i>		<i>uncut</i>	<i>10 g/t Au</i>	<i>uncut</i>	<i>10 g/t Au</i>
<b>Measured Resource</b>	175,563t	2.40	2.14	13529	12100
<b>Indicated Resource</b>	26,540t	2.25	2.10	1921	1795
<b>TOTAL MEASURED &amp; INDICATED</b>	<b>202,103t</b>	<b>2.38</b>	<b>2.14</b>	<b>15449</b>	<b>13894</b>

The Sabbath deposit now has a Measured Mineral Resource of 175,563 tonnes at 2.14 g/t Au compared to the previously reported 145,000 tonnes at 2.21 g/t Au (at a 10g/t upper cut).

In addition an Indicated Mineral Resource of 26,540 tonnes at 2.10 g/t Au (at 10g/t upper cut) has been defined. This brings the total resource estimation to 202,103 tonnes at 2.14 g/t Au at a 10g/t upper cut.

Optimisation runs using the Lerch Grossman method were completed on the Measured Resource on gold price variables between \$1500/oz and \$2000/oz.

This work was completed using 2 options. Each option had the following costs applied:

Mining: \$4 per tonne  
Haulage to plant: \$0.30/tonne/kilometre  
Waste dump within 1km of pit

Therefore Mining and Haulage = \$20.80 for ore and \$4.60 for waste.

Option 1 assessed the deposit as if the ore was sold at a purchase price of 40% of the contained gold value

Option 2 assessed the deposit as if the ore was toll-treated at \$83 per tonne at a 92% recovery.

<b>Option</b>	<b>Gold Price USD/oz</b>	<b>Tonnes</b>	<b>Grade (cut to 10g/t Au)</b>	<b>Ounces (cut to 10g/t Au)</b>	<b>Density</b>
Option 1	1500	91830	2.64	7804	1.91
Option 1	1700	93485	2.63	7903	1.91
Option 1	1800	101538	2.57	8399	1.91
Option 2	1500	49436	2.91	4627	1.87
Option 2	1700	65531	2.79	5883	1.90
Option 2	1800	65877	2.79	5916	1.90

An optimised Proven Reserve at \$1700/oz gold price is 92,080 tonnes at 3.11 g/t Au uncut (Based on sale for 40% of contained gold).

Further parameters for pit optimisations and reserves are being modelled for toll-treatment options.

Dourado Resources Limited (**Dourado** or **the Company**) will conduct a review of possible production scenarios in order to establish the most suitable approach.

In addition a Programme of Works application has recently been approved by the DMP for approximately 68,000 metres of RAB, Aircore and auger drilling which covers 12 exploration targets over the Garden Gully and Sabbath South tenements. See Figure 2.

Negotiations are continuing through the representatives of the traditional owners to complete ethnographic and anthropology inspections of the proposed drilling areas.

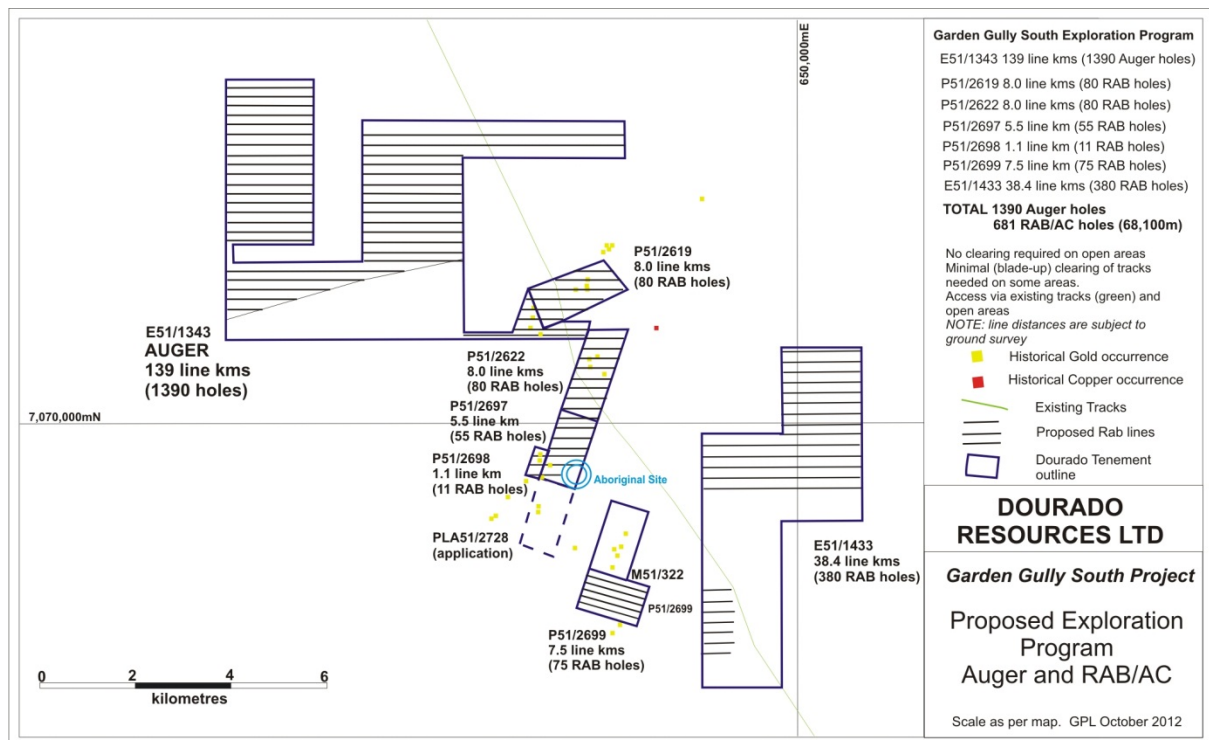


Figure 2 – Proposed exploration drilling program for various tenements at Garden Gully South

**MOOLOGOOL**

Air-Core Drilling Program

A Programme of Works (PoW) has been approved and negotiations are continuing through the representatives of the traditional owners to complete ethnographic and anthropology inspections of the proposed drilling areas.

This program will consist of 15 Air Core (AC) drill holes which will drill to a maximum depth of 100 metres and will be spaced 1000 metres apart.

Soil Sampling Program

A sampling program has been designed to investigate a number of new targets identified as a result of analyzing coincident geological boundaries and radiometric or magnetic anomalies. Other targets are extensions of known geochemical anomalies or areas of geological interest

The targets cover 10 tenements (E51/1187, E51/1213, E51/1214, E51/1215, E51/1185, E51/1186, E51/1325, E51/1340, E51/1341 and E51/1342) and will be tested by a soil and

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drainage program comprising 4330 soil samples for 216 line kilometres, as well as 15 drainage samples together with geological mapping and scintillometer readings.

### Corporate

Dourado announced various placements during the last quarter before and after the company's AGM which was held on 30 November 2012.

A number of resolutions were passed at the recent AGM including approval for a Working Capital Facility for the Company to draw down a maximum of \$200,000 per month for the three months following shareholder approval.

The draw down amount is based on 80% of the total value of Shares traded on ASX in the 20 Business Days prior to the date a Drawdown Notice is given.

The Working Capital Facility commencement date has been delayed due to the Christmas/New Year break but it has now been signed and the first draw down lodged.

Apart from the Working Capital Facility; Dourado has been in discussion with a third party of significant financial strength to take a substantial stake in the Company. Discussions are ongoing and there is an expectation that agreement may be reached soon.

During the quarter Dourado advised shareholders of the following:

On 9<sup>th</sup> October 2012 the Company released an Appendix 3B for a placement from a raising of approximately \$130,000.

On 6 November 2012 the Company released an Appendix 3B for a placement from a raising of approximately \$16,500.

On 30 November 2012 the Company released an Appendix 3B for a placement from a raising of approximately \$278,820.

On 11 December 2012 the Company released an Appendix 3B for a placement from the conversion of a loan amount of \$542,000.

The Company still has significant capacity remaining under ASX Listing Rule 7.1 to continue raising capital to fund exploration and administration costs and believes a substantial injection of funds will occur.

#### *Comment*

*It is common practice for a company to comment on and discuss its exploration in terms of target size and type. In addition surface sampling assays and drill sample results may also be discussed in the context of information describing the presence of anomalous mineral content. The above information relating to Exploration Targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Mineral Reserves. Hence the terms Resource (s) or Reserve(s) have not been used in this context. The potential quantity and grade is conceptual in nature, since there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource*

#### *Declaration*

*The information in this statement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by independent consulting geologist Brian Davis who is a Member of The Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Davis is employed by Geologica Pty Ltd and has sufficient experience which is relevant to the style of mineralization*

*and type of deposit under consideration and to the activity which is undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.*

*Mr Davis consents to the inclusion in the report of the matters based on the information made available to him, in the form and context in which it appears”.*

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