

*Dourado Resources Limited (DUO) is an Australian company with a portfolio of quality gold, copper and zinc exploration assets.*

*As a gold and copper explorer DUO is focused on a quality package of tenements in the Mid West Region of WA. Initial efforts are directed at two prospective areas.*

#### Sabbath/Garden Gully Projects

*Data from the resource drilling and mining optimisation is still being reviewed for the Sabbath Project. The mineralization appears to occur in several south-plunging shoots. Approval for an RC program of 124 holes for approximately 15,000 metres has been approved by DMP. The program is designed to extend known mineralisation down dip, along plunge and along strike.*

*Garden Gully North auger geochemistry program has begun and 404 holes have been completed to date. At Garden Gully (E51/1433) a soil sampling program of 308 samples has been completed.*

#### Mooloogool/Diamond Well Projects

*Current exploration work in the area has concentrated on RAB drilling at anomalous Geochemical Zones 1,2, 5 and 6. Results confirm areas of anomalous copper, lead, zinc and silver.*

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

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Non-Executive Director

#### **Company Secretary**

Mr Robert Marusco

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30 January 2012

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ASX Limited  
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## **QUARTERLY REPORT FOR PERIOD ENDING 31 DECEMBER 2011**

### **HIGHLIGHTS**

#### **Sabbath Gold Project**

- Ongoing review of the resource, drill hole database and mining parameters.
- Approval for an RC program of 124 holes for about 15,000 metres has been granted by DMP.
- The program is planned to extend the known mineralization and to cover the Mining Lease. The program will also identify and sterilize potential areas for waste dumps and mining infrastructure.

#### **Garden Gully North Project**

- 35 auger traverses are planned for 269 line kilometres and 1350 holes across E51/1427, E51/1428 and E51/1429.
- The auger program started in November and 404 holes have been completed to date.

#### **Garden Gully Project**

- A sampling program was completed on E51/1433 over 16 traverse lines for 29 line kilometres and 308 samples were collected.
- An exploration program with soil geochemistry and RAB drilling is planned this year for E51/1343, P51/2619 & P51/2622.
- The remaining nine tenement applications will be assessed for work when they are granted.

#### **Mooloogool/Diamond Well Project**

- Several target areas within Geochemical Zones 1 to 6 were identified for testing by RAB drilling. Some of these targets are coincident with linear gravity anomalies resulting from the completed ground-based gravity survey.
- A total of 2552 assay results have been received to date.
- Base metal values up to 8.9ppm Ag, 709ppm Cu, 1020ppm Pb and 1848ppm Zn as well as 1420ppm Ba were recorded.

**Other Projects**

- *Mainland - M21/126 has been granted and initial work has begun on regional and historical exploration data analysis.*
- *Lennonville - P58/1343 and P58/1376. Analysis of auger sampling results has led to the recognition of several targets for follow-up RAB drilling.*
- *Barrambie - P57/1226 and 1227. The multi-element results from the initial geochemical sampling such as hydrothermally-associated Arsenic and Barium indicate that several areas require further testing and targets for RAB drilling are currently being assessed.*

**Corporate**

- *Dourado Resources Ltd completed the first tranche of previously approved Capital Raising program raising funds totaling \$1,080,658.*
- *The Company accepted the resignation of Ms Arlene Mendoza as Non-Executive Director.*
- *Release of 38,875,000 fully paid ordinary shares and 19,437,500 listed options from escrow.*

**REVIEW OF OPERATIONS****Sabbath Gold Project**

Sabbath mining tenement M51/322 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, regional and NE to NNE in orientation. This is a regional trend as is seen in the Meekatharra Greenstone Belt where Doray Minerals Ltd have recently added to their Andy Well resource (see map on Figure 1). Strike continuations of mineralisation associated with the Abernethy and Airstrip deposits also identified by Doray Minerals Ltd to the SW of Sabbath are interpreted to be present in the DUO Garden Gully tenements. There are also similar parallel mineralisation trends extending SW from Sabbath and in the North Granite Well area. Further work is expected to highlight target areas for more detailed gold and copper exploration. Figure 1 below demonstrates regional trends.

**Sabbath Review**

The Sabbath deposit has a Measured Mineral Resource of 145,000 tonnes at 2.21 g/t Au identified by Au Mining Pty Ltd in 2002-2003. The resource estimation was completed by Cercare and Associates Pty Ltd. The resource is based on 19 Reverse Circulation (723 metres) and 36 Air Core (981 metres) drill holes along with 45 lines of surface earth-saw trenches. The lower grade cut for block estimation was 1g/t Au and a 10 g/t Au upper cut was used in the resource estimation. Preliminary pit optimisations identified 50,000 tonnes at 3.5 g/t Au

The resource and drilling database for Sabbath was reviewed. Section and flitch plots confirm that several areas are open along strike, down dip and parallel to the identified mineralisation.

Large portions of the Mining Lease (M51/322) housing the Sabbath resource have not been drilled and there is a NE as well as a NNE mineralised trend seen in the plots. There also appears to be a strong southerly plunge component to the mineralisation. The combination of these attributes has allowed for the recognition of several areas that require drill testing and two drilling programs are proposed.

In 1994 Dominion Mining Ltd optimised pit designs around the block model resource that resulted in three pit shells down to 40 metres (giving the Measured Resource category stated above). The gold price used at the time was \$550 per ounce. This data will be reviewed after the next round of drilling and it is expected that the resulting pit shells will be deeper and could coalesce into one pit using a

gold price of \$1200 per ounce. Figure 2 shows a plot of the optimised pit outlines at \$550 per ounce gold price.

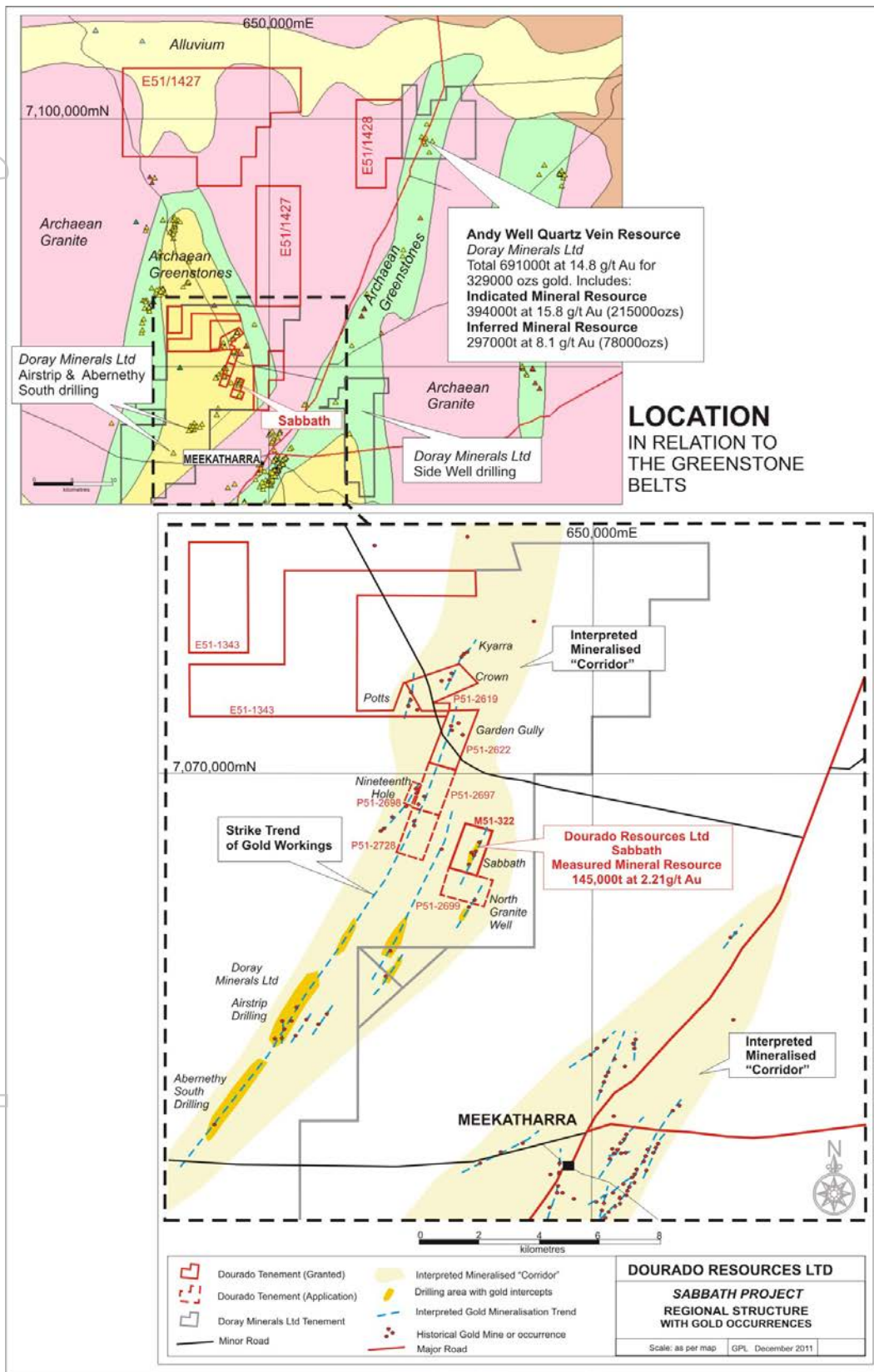


Figure 1 – Plan showing regional geology and location of Sabbath resource

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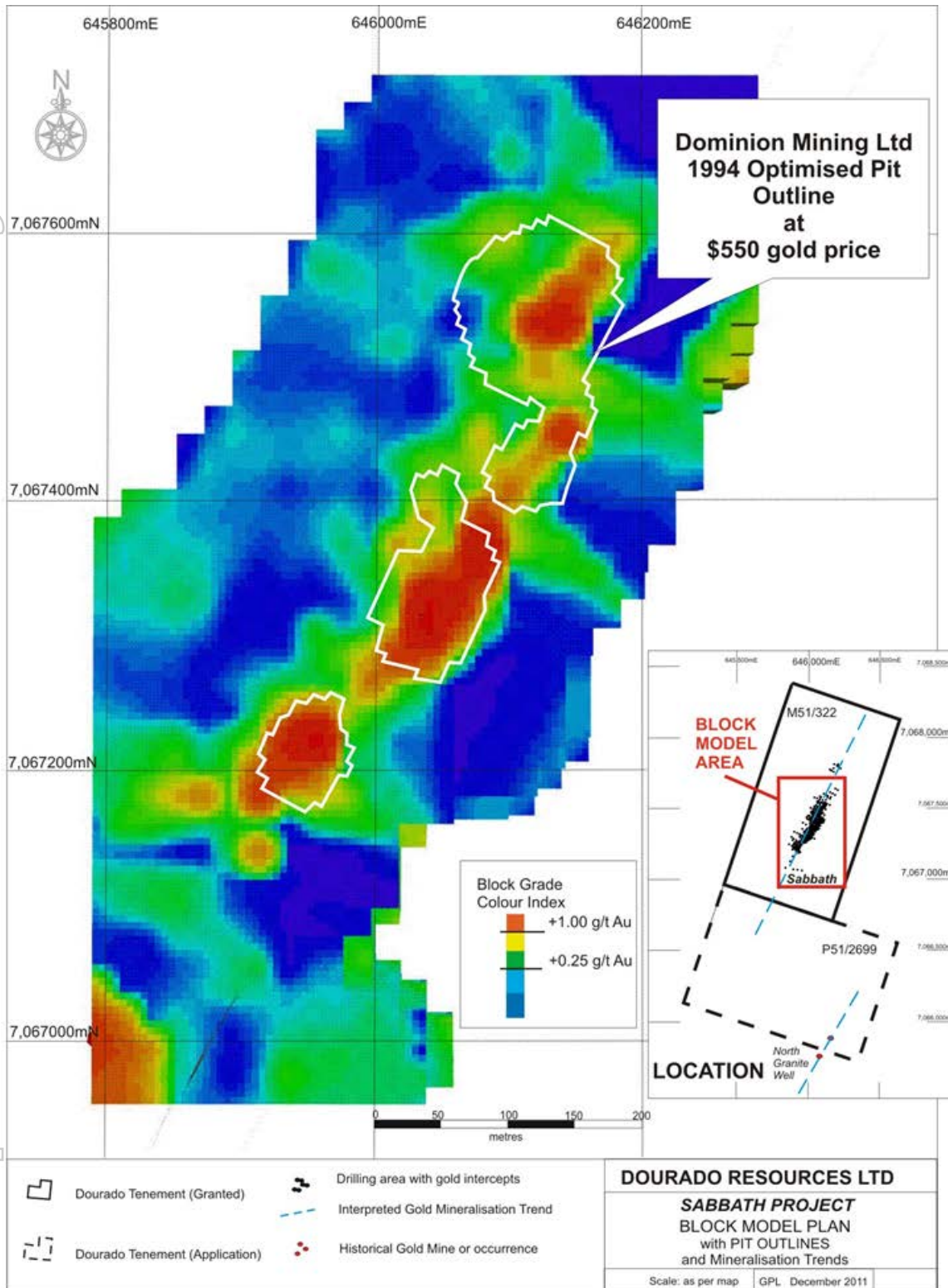


Figure 2 - plot of the optimised pit outlines at \$550 per ounce gold price

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**Sabbath Drilling Program**

The first program comprises 9 Reverse Circulation drill holes for 1070 metres and is planned to extend the Sabbath resource area and to test mineralisation down dip and down plunge.

The second program comprises 115 Reverse Circulation holes for approximately 14,000 metres to explore for additional mineralisation across M51/322. These exploration drill lines are approximately 200 metres apart and will be drilled at 50 metre centres to a depth of 120 metres. This program will be testing to identify:

- extensions of mineralisation along strike to the north and south of Sabbath,
- parallel lode targets and mineralisation along oblique faults or shears
- areas that can be sterilized for the location of waste dumps, processing plant and other infrastructure

A Permit of Works for the proposed 15,000 metre RC program has been approved by DMP. It is expected that this large program will begin in the first quarter of 2012. When this drilling is completed and all assays received the resource database will be reviewed and any additional mineralisation, changes in geometry or revised orebody boundaries will be used to modify the current resource model. RC drill hole locations are shown on the map in Figure 3 below.

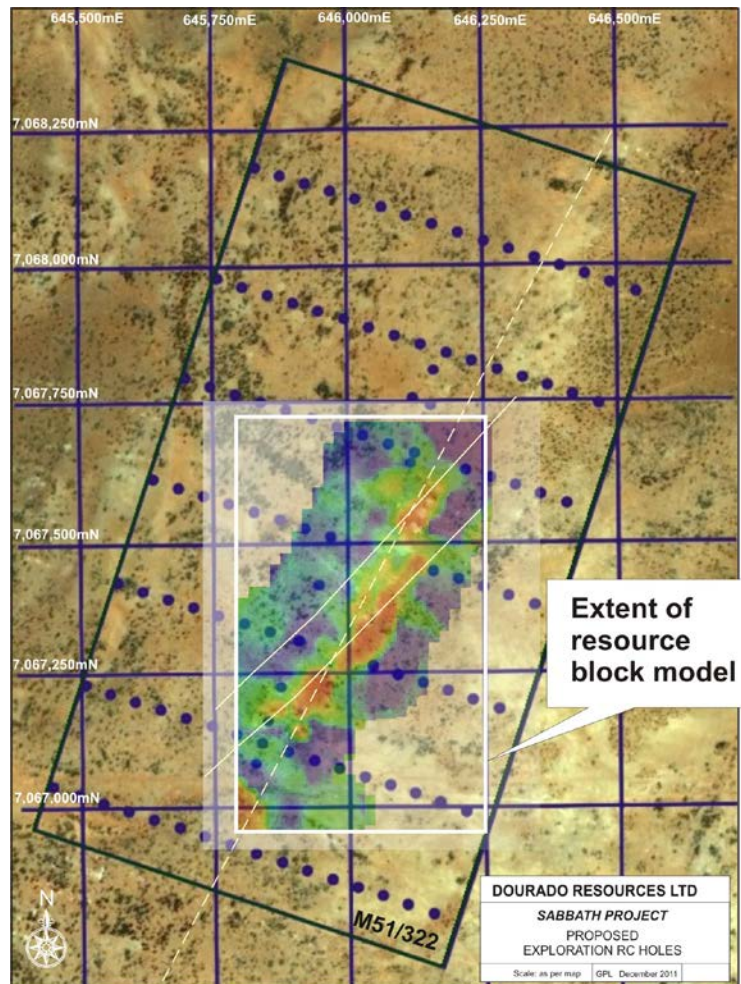


Figure 3 – Proposed RC drill hole locations for the next campaign at Sabbath

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**Garden Gully Projects**

**Garden Gully North**

Exploration Licences E51/1427-I, 1428-I and 1429-I were granted in February 2011 to wholly- owned subsidiary Abbotts Exploration Pty Ltd.

An exploration program of auger sampling along lines approximately 1500m apart will be conducted on these tenements. 35 auger traverses are planned for a total of 269 line kilometres and 1350 holes across E51/1427, E51/1428 and E51/1429. To date approximately 404 sites have been sampled on the E51/1427 auger drilling program and the work is ongoing.

**Garden Gully**

Comprises four granted tenements E51/1343-I, E51/1433-I, P51/2619 & P51/2622 and applications for 9 other tenements (PLA51/2697, PLA51/2698, PLA51/2728 and PLA51/2760-65 inc) which are located to the north of Meekatharra. A review of historical exploration data for these tenements is in progress. An exploration program with soil geochemistry and RAB drilling is planned to commence here when the tenements are granted.

A comprehensive soil sampling program of 16 traverses at 450m line spacing and 100m sample spacing for 308 samples was completed over tenement E51/1433 during the period. Samples have been submitted for assay and results are pending.

See Figure 4 below.

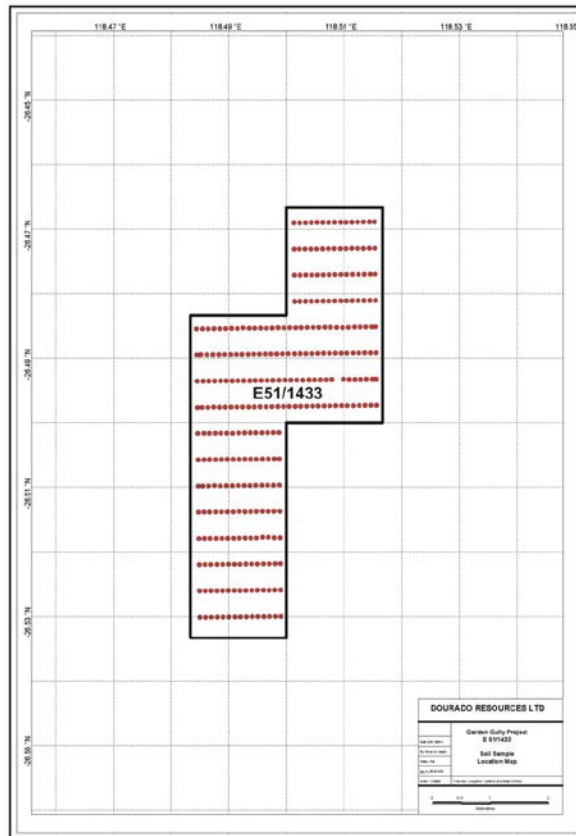


Figure 4 – Soil Sample locations on E51/1433

**Mooloogool/Diamond Well Project**

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This large project represents a significant holding in the Palaeo Proterozoic Yerrida Basin to the NE of Meekatharra. Mooloogool has 8 large granted exploration licences and Diamond Well has 3 granted Exploration Licences and 2 exploration tenements under application. This area spans an east-west distance exceeding 70 kilometres and a north-south distance of about 50 kilometres.

On the project area 1438 samples have been collected to date with 26 being rock samples and 1412 soil samples from Geochemical Zones 1 to 11.

An initial RAB drilling program within identified Geochemical Zones 1, 2, 5 and 6 began in September. This first stage campaign comprised 48 drill holes for a total of 2774 metres across anomalous areas for copper and gold resulting from analysis and interpretation of the soil geochemistry, geology and geophysics.

This RAB program was completed on existing tracks to confirm the geochemistry and geology of the initial widely-spaced auger and soil results.

Another, larger RAB drilling campaign is planned for the southern tenements on specific structural and geochemical targets located away from tracks.

This will necessitate a Permit of Works application for the proposed larger program to be submitted to DMP.

The first stage RAB drilling locations are shown on the map (Figure 5) below:

### **E51/1367 Diamond Well Geochemistry**

Twelve drill holes for 732m were completed on the tenement in the previous period. 732 RAB and Air-Core samples were submitted during the current quarter. Best results are as follows:

#### **Significant Results E51/1367 Diamond Well (Geochemical Zone 2)**

HOLE No	FROM (m)	TO (m)	Width (m)	Result	Comment
MRB004	37	38	1	1020ppm Pb	Strong lead value
MAC001	37	38	1	446ppm Cu	Weak to moderate copper  Strong zinc values
	40	41	1	709ppm Cu	
	42	43	1	1100ppm Zn	
	63	64	1	1360ppm Zn	
MAC002	15	16	1	1590ppm Zn	Strong zinc values
	22	26	4	1848ppm Zn	
	74	76	2	113ppm Pb	
MAC003	22	23	1	1200 ppm Zn	Strong zinc values
	27	28	1	1350ppm Zn	
	74	75	1	120ppm Pb	
MAC004	24	25	1	5.4ppm Ag	High silver value
MAC006	19	20	1	8.9 ppm Ag	High silver value
	26	27	1	1070ppm Zn	

The above results show that this area is anomalous in silver, zinc, copper and lead. Gold values in this area were generally below 50ppb Au. Copper is extensive, but low tenor (generally 100 to 250ppm Cu over 30-50m down hole thickness – as reported in DUO announcement of December 15<sup>th</sup> 2011). Silver values up to 8.9 ppm Ag and zinc values up to 1848ppm Zn indicate a strong base-metal rather than copper-gold environment.

**E51/1340 Mooloogool Geochemical Zone 5**

Seven RAB and twenty Air-Core holes for 1820m were completed in the previous quarter and the corresponding 502 RAB samples and 1318 Air-Core samples were assayed during the current quarter. Significant results are as follows:

**Significant Results E51/1340 Mooloogool Geochemical Zone 5**

HOLE No	FROM (m)	TO (m)	Width (m)	Result	Comment
MRB010	11	12	1	1420ppm Ba	Strong barium
MAC014	18	19	1	1290ppm Ba	Strong barium
MAC018	2	3	1	1030ppm Ba	Strong barium
	28	29	1	130ppm Pb	
MAC024	0	1	1	1170ppm Ba	Strong barium
	26	27	1		
MAC025	16	18	2	349ppm Pb	Elevated lead values
	19	20	1	226ppm Pb	
	21	26	5	286ppm Pb	
MAC026	1	4	3	1250ppm Ba	Strong barium

The results indicate that lead and barium feature prominently in the area. Some of the NE-trending structures are coincident with elevated barium and lead values and could represent hydrothermal fluid pathways.

**E51/1185 Mooloogool Geochemical Zone 6**

Nine Air-Core holes for 222m were completed in the previous quarter and the corresponding 222 samples were submitted for assay during the current period. Results are pending.

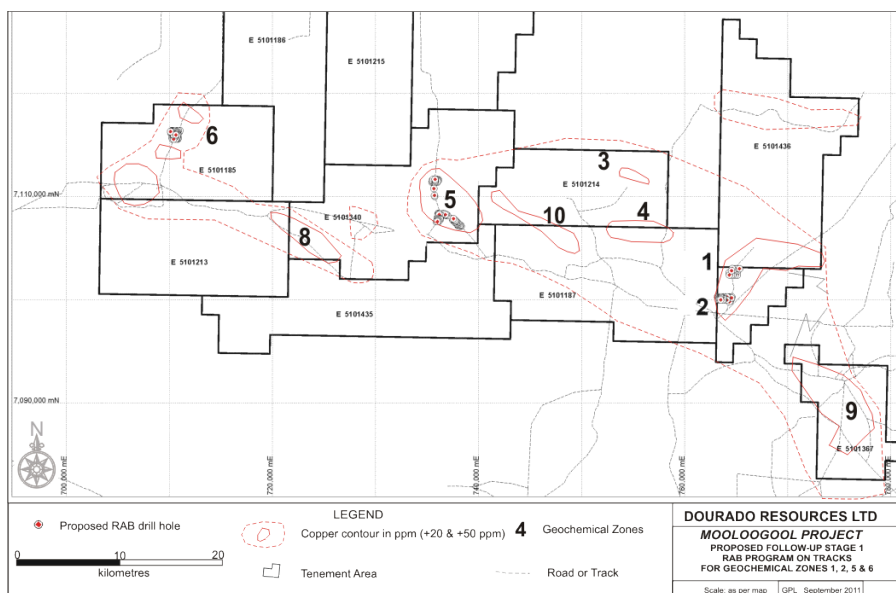


Figure 5 - Map of Mooloogool/Diamond Well tenements showing location of First Stage RAB program and Geochemical Zones.

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**Other Projects**

**Lennonville**

Auger samples from tenements PL58/1343 and PL58/1376 at Lennonville were plotted and the gold assays show a NNW trending +15 ppb Au anomaly. There were no assays for copper or base metals completed for this initial program. A request has been made to SGS Laboratory to re-assay the pulps from this project for other elements. No results have yet been received.

Follow-up sampling and analysis of potential drill targets will continue at Lennonville so that the next field campaign will comprise a RAB drilling program to investigate the gold and copper potential.

**Barrambie**

Barrambie Prospecting Licences P57/1226 and 1227 were sampled on E-W traverses 400m apart. Arsenic results have been plotted and show two strong NNW trends at +4ppm as which are oblique to the geological boundary between the dolerite and basalt units. These trends are similar to those of copper previously reported. The results of this program are currently being assessed for several different elements with a view to planning follow-up RAB drilling. See maps (Figures 6 and 7) below:

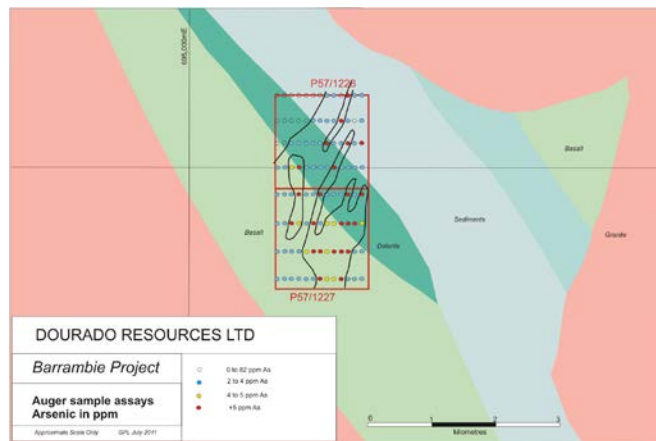


Figure 6 – Barrambie Arsenic Geochemistry

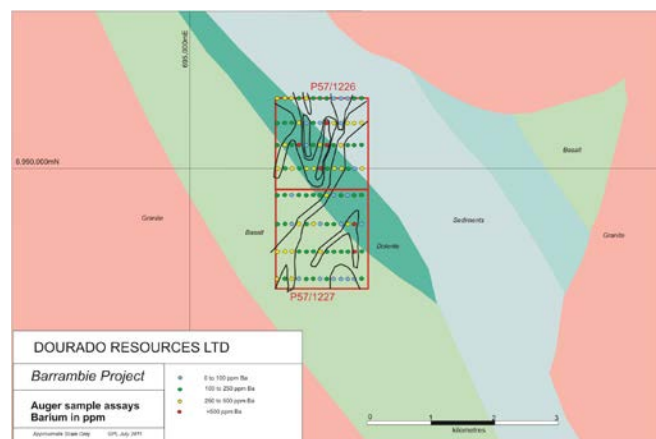


Figure 7 – Barrambie Barium Geochemistry

**Mainland**

The Mainland Mining Lease M21/126 has been granted and initial work has begun on regional and historical exploration data analysis.

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## Corporate

Dourado Resources Ltd (“**Dourado**” or the “**Company**”) announced on the 4<sup>th</sup> November 2011 it had completed the first tranche of the company’s previously approved \$5 million capital raising program issuing 8,137,997 fully paid ordinary shares and 2,843,838 listed options exercisable at 20 cents expiring at 5:00pm (WST) on or before 30<sup>th</sup> November 2014 raising funds totaling \$1,080,658.

Dourado accepted the resignation of Ms Arlene Mendoza. Arlene has been involved with Dourado since the company was incorporated and was a founding Director of the listed entity. She has made a substantial contribution to the Company and its present success.

Dourado advised shareholders on 10<sup>th</sup> November 2011 that 38,875,000 fully paid shares and 19,437,500 listed options would be released from escrow on 1<sup>st</sup> December 2011.

### *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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