

# DGO Gold Limited

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## ASX RELEASE 24 May 2018

### **DGO Gold announces 1-for-2 entitlement offer to raise between \$4.43 million and \$5.99 million**

#### **Capital raising overview**

- 1 for 2 non-renounceable entitlement offer to raise between \$4.43 million and \$5.99 million.
- Offer price of \$0.75 per new share, a 3.5% discount to the weighted average closing price for the five trading days to 23 May 2018.

As announced on 22 May 2018 DGO Gold Limited (ASX:DGO) (**DGO Gold** or **Company**) has reached an agreement to make a strategic investment in De Grey Mining Ltd (ASX:DEG) (**De Grey**). The Company will fund the investment via a capital raising and is therefore undertaking a non-renounceable entitlement offer to raise between \$4.43 million and \$5.99 million.

#### **Entitlement Offer overview**

DGO intends to conduct a 1 for 2 non-renounceable entitlement offer of fully paid ordinary shares in DGO Gold (**New Shares**) to raise between \$4.43 million and \$5.99 million before offer costs (**Entitlement Offer**).

The offer price for the Entitlement Offer will be \$0.75 per New Share (**Offer Price**).

Under the Entitlement Offer, eligible shareholders will be able to subscribe for 1 new ordinary share in DGO Gold for every 2 existing shares (and 1 new option for every New Share issued with an exercise price of \$1.00 per new option and exercisable on or before 31 December 2021) held at 7.00pm (Sydney time) on Tuesday, 12 June 2018 (**Record Date**) at the Offer Price (**Entitlements**).

The Entitlement Offer is not underwritten.

The Company currently has 4,168,736 existing options on issue exercisable at \$0.40 on or before 30 June 2020 (DGOAI) (**Existing Options**). The Company's largest holders of Existing Options, being Cairnglen Investments Pty Ltd, Lion Nominees Pty Ltd, Eduard Eshuys and Ginga Pty Ltd (**Major Option Holders**), have each separately committed to exercise all of the Existing Options they are able to exercise before the Record Date, which will result in up to \$1,184,243 being raised by the Company.<sup>1</sup>

In addition, three of the Company's largest shareholders being Cairnglen Investments Pty Ltd, Andama Holdings Pty Ltd and Ginga Pty Ltd have each committed to take up 1,333,333 New Shares for \$1 million, and DGO Gold's Chairman, Mr Eduard Eshuys, has agreed to take up 533,333 New Shares for \$400,000 in the offer which will result in a minimum \$3.4 million being raised through the issue of 4,533,332 New Shares.

Lion Nominees Pty Ltd, another major shareholder and a company associated with Director, Bruce Parncutt, has, as set out in the Company's announcement to ASX on 22 May, also committed to subscribe for \$1 million worth of New Shares. However, as Lion Nominees Pty Ltd is a related party of the Company by virtue of it being a company associated with recently appointed Director, Bruce Parncutt, it is not able to subscribe for New Shares in excess of its Entitlement by way of any participation in the Top Up Facility. Its participation in the Entitlement Offer will therefore, be limited to its Entitlement to take up its full Entitlement (in an amount of \$877,593.75).

The Company has committed to allow Andama Holdings Pty Ltd to take up a placement for new Shares and options on the same terms and conditions as the Entitlement Offer to the extent that its \$1 million committed is not satisfied through the Entitlements and its participation in the Top Up Facility. The Company has also committed to seek shareholder approval to allow Lion Nominees Pty Ltd to take up a placement for new Shares and options on the same terms and conditions as the Entitlement Offer to the extent that its \$1 million committed is not satisfied through its Entitlement (that is, a placement for 163,208 new Shares to raise approximately \$122,406.)

The purpose of the capital raising is primarily to fund a \$5 million investment by the Company in De Grey Mining Limited as announced by the Company on 22 May 2018, as well as providing additional working capital to the Company and to fund continued exploration activities. Further information about this transaction is included in the prospectus in relation to the Entitlement Offer.

The Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlements will not receive any value in respect of those Entitlements that they do not take up. Shareholders who are not eligible to receive Entitlements will not receive any value in respect of the Entitlements they would have received had they been eligible.

The Entitlement Offer will include a top up facility under which eligible shareholders who take up their full Entitlement will be invited to apply for additional shares in the Entitlement Offer from a pool of those not taken up by other eligible shareholders. There is no guarantee that applicants under this top up facility will receive all or any of the shares they apply for under the facility.

DGO Gold will notify shareholders as to whether they are eligible to participate in the Entitlement Offer. Eligible shareholders will receive a prospectus including a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer.

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<sup>1</sup> The number of Existing Options that may be exercised by the Major Option Holders is subject to the *Corporations Act 2001* (Cth) (including the applicable control thresholds under the *Corporations Act 2001* (Cth)), and will therefore depend on the number of Existing Options exercised by other existing option holders.

A prospectus in relation to the Entitlement Offer has been lodged with ASX and will be dispatched with an entitlement and acceptance form to eligible shareholders in accordance with the timetable below.

### Capital structure

Subject to the rounding up of fractional Entitlements and depending on the number of Existing Options that are exercised before the Record Date, the following table shows the shareholding structure of DGO Gold on completion of the Entitlement Offer:

Existing Shares on issue as at 24 May 2018 (announcement of the Entitlement Offer)	11,811,374
Approximate New Shares to be issued under the Entitlement Offer	Between 5,905,687 and 7,990,055
Approximate total number of Shares after the Entitlement Offer	Between 17,717,061 and 23,970,165

The New Shares will be fully paid and rank equally with existing DGO Gold Shares.

### Key dates<sup>2</sup>

Activity	Date
Prospectus date	Thursday, 24 May 2018
Announcement of the Entitlement Offer	Thursday, 24 May 2018
Ex date	Friday, 8 June 2018
Record Date for Entitlement Offer (7.00pm, Sydney time)	Tuesday, 12 June 2018
Prospectus and Entitlement and Acceptance Form despatched	Friday, 15 June 2018
Offer opens	Friday, 15 June 2018
Offer closes (5.00pm, Sydney time)	Friday, 29 June 2018
New Shares quoted on deferred settlement basis	Monday, 2 July 2018
Announcement of results of Entitlement Offer and under-subscriptions	Wednesday, 4 July 2018
Allotment of New Shares issued under the Entitlement Offer	Friday, 6 July 2018
Despatch of holding statements for New Shares issued under the Entitlement Offer	Monday, 9 July 2018
Normal ASX trading for New Shares issued under the Entitlement Offer commences	Monday, 9 July 2018

<sup>2</sup>All dates are indicative only and subject to change. DGO Gold reserves the right to withdraw the Entitlement Offer or vary the timetable without notice.

## **Appointment of Bruce Parncutt AO as Director**

The Board of DGO Gold is pleased to announce the appointment of Mr. Bruce Parncutt AO as a Non-Executive Director effective 23 May 2018. In accepting the Board position with DGO Gold, Mr. Parncutt will also become a member of the Audit and Remuneration and Nomination Committees.

Executive Chairman would like to thank Mr. Bruce Parncutt for joining the Board and complementing the Board with his substantial business and investment experience.

Mr. Bruce Parncutt, is Chairman of investment banking group Lion Capital, a member of The Australian Ballet Board, The University of Melbourne Campaign Board, and the University of Melbourne Centre for Positive Psychology Strategic Advisory Board, and a Trustee of the Helen MacPherson Smith Trust. His career spans over 40 years in investment management, investment banking and stock broking.

His previous roles include: Managing Director of McIntosh Securities, Senior Vice President of Merrill Lynch, Director of Australian Stock Exchange Ltd, President of the Council of Trustees of the National Gallery of Victoria, Board Member and Chairman of the NGV Foundation, member of the Felton Bequest Committee, Council member of Melbourne Grammar School, and Director of a number of listed public companies, including Acrux Ltd, Praemium Limited and Stuart Petroleum Ltd.

Bruce was recognised as Officer in the Order of Australia in the 2016 Queen's Birthday Honours List for distinguished service to the community as a philanthropist (particularly in arts and education) and as an advocate and supporter of charitable causes, and to business and commerce.

### **For further information, please contact:**

Should you have any queries in relation to the Entitlement Offer, please do not hesitate to contact the share registry on 1300 853 816 (within Australia) or +61 1300 853 816 (outside Australia) between 8.30am and 5.00pm (Sydney time) Monday to Friday during the offer period.

Yours faithfully

**DGO GOLD LIMITED**



**EDUARD ESHUYS  
EXECUTIVE CHAIRMAN**

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**Important information**

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933 (the 'US Securities Act'), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available. This document may not be distributed or released in the United States.