

DGO Gold Limited

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29 May 2017

Letter to eligible shareholders – DGO Gold Limited (ASX Code: DGO)

Dear Shareholder

Entitlement Offer – notice to eligible shareholders

DGO Gold Limited (**DGO Gold**) today announced a \$724,666 million equity raising through a 1 for 2 non-renounceable entitlement offer of fully paid ordinary shares in DGO Gold (**New Shares**) (and 1 new option for every New Share issued) (**Entitlement Offer**).

The purpose of the capital raising is to provide working capital, complete further exploration activities and research and development in sediment hosted gold, copper and cobalt mineralisation and to undertake proof of concept drilling.

The Entitlement Offer is partially underwritten by Ginga Pty Ltd as trustee for the Thomas G Klinger Family Trust up to an amount of \$400,000 (1,600,000 New Shares).

The two largest shareholders being Lion Nominees Pty Ltd and Cairnglen Investments Pty Ltd have separately committed to take up their full entitlements (being 561,500 New Shares (\$140,375) for Lion Nominees Pty Ltd and 578,363 New Shares (\$144,590) for Cairnglen Investments Pty Ltd).

Summary of key terms of the Entitlement Offer

Under the Entitlement Offer, Eligible Shareholders (defined below) will be invited to subscribe for 1 New Share for every 2 existing ordinary shares (and 1 free new option for every New Share issued with an exercise price of \$0.40 per new option and exercisable on or before three years from the date the option is issued) in DGO Gold held at 7.00pm (Sydney time) on 1 June 2017 (**Record Date**) at an offer price of \$0.25 per New Share (**Entitlement**).

Eligibility of shareholders to participate in the Entitlement Offer

You are being sent this letter because DGO Gold believes you are an Eligible Shareholder. An Eligible Shareholder means a holder of DGO Gold Shares at 7.00pm (Sydney time) on the Record Date who has a registered address in Australia or New Zealand or is a Shareholder that DGO Gold has otherwise determined is eligible to participate.

The Entitlement Offer is being made by DGO Gold in accordance with section 713 of the *Corporations Act 2001* (Cth). DGO Gold lodged a prospectus for the Entitlement Offer with the Australian Securities and Investments Commission (ASIC) on 29 May 2017.

Ineligible shareholders

If you are not an Eligible Shareholder you cannot participate in the Entitlement Offer. DGO Gold will notify those shareholders who are not Eligible Shareholders.

Further details about the Entitlement Offer

Eligible Shareholders who take up their full Entitlement, may subscribe for additional New Shares from a pool of those not taken up by Eligible Shareholders as at the closing date of the Entitlement Offer (**Top Up Facility**). There is no guarantee that applicants under the Top Up Facility will receive the number of New Shares applied for under the Top Up Facility, or any. The Directors reserve the right to allot and issue New Shares under the Top Up Facility at their discretion.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX, nor can they be transferred or otherwise disposed of.

Fractional Entitlements will be rounded to the nearest whole number of New Shares and holdings on different registers or sub-registers will not be aggregated to calculate Entitlements.

Shareholder approval is not required for DGO Gold to make the offer under the Entitlement Offer.

Prospectus

On 6 June 2017, you will be sent a prospectus and personalised entitlement and acceptance form which contains important information about the Entitlement Offer and sets out the number of New Shares you are entitled to purchase under the Entitlement Offer. A copy of the prospectus is also available on the ASX website at www.asx.com.au and DGO Gold's website at www.dgogold.com.au.

Key dates

DGO Gold expects the Entitlement Offer to be conducted according to the following timetable:

Activity	Date
Announcement of the Entitlement Offer	29 May 2017
Mailing of the Entitlement Offer details	30 May 2017
Ex date	31 May 2017
Record Date for Entitlement Offer (7.00pm (Sydney time))	1 June 2017
Prospectus and Entitlement & Acceptance Form despatched	6 June 2017
Entitlement Offer opens	6 June 2017
Closing date for acceptances under Entitlement Offer (5.00pm (Sydney time))	16 June 2017
New Shares quoted on deferred settlement basis	19 June 2017
Company notifies ASX of under subscriptions	21 June 2017
Allotment of New Shares issued under the Entitlement Offer	22 June 2017
Despatch of holding statements for New Shares issued under the Entitlement Offer	23 June 2017
Normal ASX trading for New Shares issued under the Entitlement Offer commences	26 June 2017

This timetable is indicative only and subject to change. The Directors may vary these dates subject to the Listing Rules. The last date to extend the closing date is 13 June 2017. An extension of the closing date will delay the anticipated date for issue of the New Shares.

The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time prior to allotment and issue of the New Shares. In that event, the relevant application monies (without interest) will be returned in full to applicants.

Placement

Following completion of the Entitlement Offer, the Company intends to undertake a placement to issue shares and attaching options:

- to the underwriter up to an amount of \$400,000 to the extent shares are not issued to the underwriter as a result of a shortfall arising from the Entitlement Offer; and
- to two of the Company's major shareholders, Cairnglen Investments Pty Ltd and Lion Nominees Pty Ltd, up an amount of \$62,500 each,

(the **Placement**).

Securities issued under the Placement will be issued at the same price and on the same terms as the New Shares and options issued under the Entitlement Offer.

To the extent that shareholder approval is required for the issue of some or all of the shares and options to be issued under the Placement, the Placement will occur in two tranches so that:

- that number of shares and options utilising the Company's existing placement capacity under the Listing Rules will be issued by no later than 30 June 2017; and
- the balance of placement shares and options will be issued within two business days of shareholder approval being obtained. Further information with respect to any shareholder meeting will be provided to Shareholders in due course.

Capital structure

The capital structure of DGO Gold following the issue of New Shares, assuming the maximum number of New Shares is issued under the Entitlement will be as follows:

Shares on issue as at 29 May 2017 (announcement of the Entitlement Offer)	5,797,268
Maximum number of options to be issued under the Entitlement Offer	2,898,665
Maximum number of New Shares to be issued under the Entitlement Offer	2,898,665
Shares on issue after the Entitlement Offer (before the exercise of any options)	8,695,933

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

The Company currently has no existing options on issue.

Further information

Should you have any queries in relation to the Entitlement Offer, please do not hesitate to contact the share registry on 1300 407 677 (within Australia) or +61 1300 407 677 (outside Australia) at any time from 8.30am to 5.00pm (Sydney time) Monday to Friday.

On behalf of the Directors, I thank you for your continued support of DGO Gold.

Yours sincerely

A handwritten signature in black ink, appearing to read 'E. Eshuys', with a long horizontal flourish extending to the right.

Eduard Eshuys
Executive Chairman
DGO Gold Limited

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.