

# DGO Gold Limited

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**ASX RELEASE**  
**24 May 2018**

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

Dear Shareholder,

### **Entitlement Offer – notice to eligible shareholders**

DGO Gold Limited (**DGO Gold** or **Company**) today announced an 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) to raise between \$4.43 million and \$5.99 million (**Entitlement Offer**).

The proceeds of the Entitlement Offer will primarily allow DGO Gold to fund its \$5 million investment in De Grey Mining Limited as announced to the ASX on 22 May 2018. Funds will also be applied for ongoing working capital, costs of the Entitlement Offer and to fund continued exploration activities.

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,

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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.

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).

### **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 new option for every New Share issued with an exercise price of \$1.00 per new option exercisable on or before 31 December 2021) in DGO Gold held at 7.00pm (Sydney time) on Tuesday, 12 June 2018 (**Record Date**) at an offer price of \$0.75 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 24 May 2018.

### **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, but it is intended that all Eligible Shareholders who apply for shares under the Top Facility will receive their pro rata entitlement to any available shares.

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 up 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 15 June 2018, 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](http://www.asx.com.au) and DGO Gold's website at [www.dgogold.com.au](http://www.dgogold.com.au).

### Key dates

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

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

*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 Tuesday, 26 June 2018. 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.*

## **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.

## **Further information**

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) 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 faithfully

**DGO GOLD LIMITED**



**EDUARD ESHUYS  
EXECUTIVE CHAIRMAN**

**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.