

DGO Gold Limited

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5 February 2019

[name]

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Dear DGO Gold option holder

Notice about non-renounceable rights offer – options exercise price may be adjusted

DGO Gold Limited (**DGO Gold**) today announced to ASX Limited (**ASX**) a non-renounceable pro rata rights offer (**Offer**) to DGO Gold's shareholders in Australia and New Zealand (**eligible shareholders**) to acquire 1 new ordinary share at \$0.65 (each) for every 6 existing fully paid ordinary shares held at 7:00 pm (Melbourne time) on Friday 8 February 2019. Shareholder approval of the Offer is not required.

There are currently on issue 25,143,544 fully paid ordinary shares in DGO Gold, all of which are quoted on ASX, 2,850,000 unquoted performance rights, and 10,920,824 unquoted options over ordinary shares (878,695 of which have an exercise price of \$0.40 and 10,042,129 of which have an exercise price of \$1.00). Assuming the Offer is fully subscribed and there is no other change to the issued share capital, up to 4,190,591 new fully paid ordinary shares will be issued under the Offer (subject to rounding of fractional entitlements and based on the register of members as at 7:00pm on Friday 8 February 2019) raising up to approximately \$2.7 million, before costs.

As a result, DGO Gold's total number of issued shares will (assuming the Offer is fully subscribed and subject to the aforementioned rounding of entitlements) increase to 29,334,135 fully paid ordinary shares (all of which will be quoted on ASX). Once issued, the new shares will rank equally with all other fully paid ordinary shares then on issue (including in respect of dividends).

DGO Gold intends to use the funds raised from the Offer (after payment of costs associated with the Offer):

- to fund tranche 2 of the Company's investment in NTM Gold Ltd, announced to the ASX on 20 November 2018 to fund NTM Gold's budgeted accelerated exploration programmes;
- for research and development into sediment hosted gold mineralisation;
- to pursue further strategic investments in brownfield gold opportunities in Western Australia as outlined in the Company's presentation at the Annual General Meeting held on 28 November 2018; and
- for general working capital purposes.

An offer statement in relation to the Offer has been given to ASX and is available to view on the ASX website and DGO Gold's website at www.dgogold.com.au. Further details regarding the Offer have also been announced to the ASX and are available on ASX's website.

The offer statement, together with a personalised entitlement and acceptance form, will be mailed to all eligible shareholders by Tuesday 12 February 2019. Shareholders with registered addresses outside Australia and New Zealand are not eligible to participate in the Offer.

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The Offer closes at 5:00 pm (Melbourne time) on Wednesday 27 February 2019.

The current timetable for the Offer is as follows:

Event	Target date
Announcement of Offer and Placement (including giving the Appendix 3B, offer statement and cleansing notice relating to Offer to ASX)	Tuesday 5 February 2019 (prior to 10:00am)
Despatch letter to option holders who cannot participate in the Offer informing them of the Offer	Tuesday 5 February 2019
Despatch letter to shareholders containing Appendix 3B information	Wednesday 6 February 2019
Shares commence quotation on an 'ex' basis (' ex ' date)	Thursday 7 February 2019
Notify ASX of any change to exercise price of existing options due to proposed issue of new shares under Offer	Friday 8 February 2019
Record date to determine entitlements under Offer	Friday 8 February 2019 at 7:00 pm (Melbourne time)
Despatch offer statements and entitlement and acceptance forms to eligible shareholders (and notify ASX when despatch has been completed) and despatch letters to ineligible foreign shareholders informing them of exclusion from Offer	Tuesday 12 February 2019
Offer opens	Tuesday 12 February 2019
Offer closes	Wednesday 27 February 2019 at 5:00 pm (Melbourne time)
Shares commence quotation on a deferred settlement basis	Thursday 28 February 2019
Announcement of results of offer and of any under subscriptions (i.e. shortfall)	Friday 1 March 2019
Issue new shares applied for under Offer (including shortfall) (and tell ASX when that has happened)	Tuesday 5 March 2019
Deferred settlement trading ends	Tuesday 5 March 2019
Despatch holding statements	Wednesday 6 March 2019
Normal trading of new Offer shares starts	Wednesday 6 March 2019

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These dates are indicative only and subject to change. DGO Gold reserves the right, subject to the Corporations Act and the ASX Listing Rules, to change any date including to extend the closing date of the Offer, to close the Offer early, to accept late acceptances either generally or in particular cases, or to withdraw or reduce the size of the Offer without notice. Any extension of the closing date will have a consequential effect on the issue date of new shares.

As the holder of options to subscribe for ordinary shares in DGO Gold, you may be entitled to exercise some of your options and thereby acquire the underlying ordinary shares before the record date for the Offer so that you can participate in the Offer. The option terms do not otherwise permit holders to participate in the Offer.

If you elect not to exercise your options, please note that:

- (a) in the case of options with an exercise price of \$0.40, the terms of your options provide for an adjustment in their exercise price according to a formula based on rule 6.22.2 of the ASX Listing Rules. The exercise price adjustment takes effect upon issue of the shares offered under the Offer and is, in part, dependent on the difference between the price under the Offer and the volume weighted average closing price of DGO Gold's ordinary shares sold on ASX for the 5 trading days ending on the day before the 'ex date' for the Offer (and the 'ex date' will be Thursday 7 February 2019). Accordingly, that market price will be determined after the 'ex date' and if there is any change to the exercise price of any of your options, DGO Gold will notify you and ASX of the change in accordance with rule 3.11.2 of the ASX Listing Rules; and
- (b) in the case of options with an exercise price of \$1.00, the terms of your options do not provide for an adjustment in their exercise price as a result of the Offer.

If you have any query or question about the Offer, please contact the DGO Gold Limited Offer Information Line on **1800 500 710** (within Australia) or **+61 1800 500 710** (from outside Australia) between 8:30am and 5:30pm (AEDT) Monday to Friday.

Yours faithfully



Eduard Eshuys
Chairman