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21 April 2022

ASX Market Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

Target's Statement- Off-market takeover bid by Gold Road Resources Limited

Enclosed, in accordance with section 633(1) item 14 of the *Corporations Act 2001* (Cth), is a copy of the Target's Statement issued by DGO Gold Limited ACN 124 562 849 (**ASX:DGO**) in relation to the off-market takeover bid by Gold Road Resources Limited ACN 109 289 527 (**ASX: GOR**).

The Target's Statement is being lodged today with the Australian Securities and Investments Commission and served on GOR.

Authorised for lodgement and release by Mr Eduard Eshuys, Executive Chairman.

Executive Chairman
Eduard Eshuys

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THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt as to how to deal with it, you should consult your legal, financial or other professional adviser.

**YOUR DIRECTORS
UNANIMOUSLY RECOMMEND
THAT, IN THE ABSENCE OF A
SUPERIOR PROPOSAL, YOU**

ACCEPT

**THE OFFER BY GOLD ROAD
RESOURCES LIMITED
ABN 13 109 289 527 FOR
YOUR SHARES IN DGO GOLD
LIMITED ABN 96 124 562 849**

IMPORTANT NOTICES

This target's statement is made by DGO Gold Limited (DGO) under part 6.5 of the Corporations Act. It is given in response to the offer by Gold Road Resources Limited (Gold Road) under its bidder's statement dated 7 April 2022. This target's statement is dated, and a copy was lodged with ASIC on, 21 April 2022. ASIC takes no responsibility for the contents of this target's statement.

The information on Gold Road contained in this target's statement has been prepared by DGO using publicly available information and limited information provided by Gold Road (including information provided in its bidder's statement). The information in this target's statement concerning Gold Road has not been independently verified by DGO. Accordingly, DGO does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

The forward looking statements contained in this target's statement have been based on expectations at the date of this statement about future events. They are, therefore, subject to risks, uncertainties and assumptions that could cause actual results to differ materially from the expectations. These factors include, among other things, the risks identified in section 8 (risks) and other investment considerations, as well as other matters not yet known to DGO or not currently considered material by DGO.

DGO does not give any assurance that the implied values, anticipated results, performance or achievements expressed or implied in forward looking statements contained in this target's statement will be achieved.

This target's statement does not take into account your individual objectives, financial situation or particular needs. It does not contain personal advice. You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the offer made to you by Gold Road.

The release, publication or distribution of this target's statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This target's statement has been prepared in accordance with Australian law and the information contained in this target's statement may not be the same as that which would have been disclosed if this target's statement had been prepared in accordance with the laws and regulations outside Australia.

DEFINED TERMS

A number of terms used in this statement are defined in section 10 (glossary).

IMPORTANT DATES

Announcement of the offer	4 April 2022
Date of Bidder's Statement	7 April 2022
Gold Road offer opens	8 April 2022
Target's statement lodged with ASIC and ASX, and despatched to DGO shareholders	21 April 2022
Gold Road offer scheduled to close (unless extended or withdrawn)	9 May 2022 at 7:00 pm (Sydney time)

PRIVACY

DGO has collected your information from the DGO register of shareholders and option holders for the purpose of providing you with this target's statement. The type of information DGO has collected about you includes your name, contact details and information on your shareholding or option holding (as applicable) in DGO. Without this information, DGO would be hindered in its ability to issue this target's statement. The Corporations Act requires the name and address of shareholders and option holders to be held in a public register. Your information may be disclosed on a confidential basis to DGO's related bodies corporate and external service providers (such as the share registry of DGO and print and mail service providers) and may be required to be disclosed to regulators such as ASIC. If you would like details of information about you held by DGO, please contact Link Market Services. The registered address of DGO is Level 9, 63 Exhibition Street, Melbourne, VIC 3000.

FURTHER INFORMATION

If you have any questions in relation to the offer or accepting it, please contact the DGO shareholder information line (hosted by Link Market Services) on 1800 218 694 for callers in Australia or +61 1800 218 694 for callers outside Australia.

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CHAIRMAN'S LETTER



“ Gold Road has made a conditional off-market takeover bid for all of the ordinary shares in DGO. ”

21 April 2022

Dear DGO Shareholder

ACCEPT GOLD ROAD'S OFFER

Gold Road has made a conditional off-market takeover bid for all of the ordinary shares in DGO. The consideration offered is 2.16 Gold Road Shares for each DGO Share you hold, which based on the 10-day volume weighted average price of Gold Road as at the close of trading on 1 April 2022 (being the last day prior to announcement of the offer) gives an implied value of \$3.55 for each DGO Share. Your directors have considered this offer and **unanimously recommend that you ACCEPT it in the absence of a superior proposal**. As disclosed elsewhere in this statement, all of the directors have decided to accept the offer with respect to their own DGO Shares and those they control.

WHY YOU SHOULD ACCEPT GOLD ROAD'S OFFER IN THE ABSENCE OF A SUPERIOR PROPOSAL

The reasons underlying the directors' decision to recommend accepting Gold Road's offer in the absence of a superior proposal are set out in detail in section 2.2 of this statement. However, in summary:

- **The offer represents attractive implied premia for DGO shareholders at various volume weighted average prices (VWAPs): Gold Road's offer implies attractive premia to recent DGO trading, including 28% over DGO's 10 trading day VWAP** of \$2.77 for DGO Shares, at an implied offer price of \$3.55 based on Gold Road's 10 day VWAP; and 37% over the 30 day VWAP of \$2.60 for DGO Shares, at an implied offer price of \$3.56 based on Gold Road's 30 day VWAP;
- **The offer recognises value for DGO's portfolio that was not being reflected in its share price:** Historically the market price of DGO Shares have implied a discount to the value of its underlying assets, which are primarily listed investments with readily observable market prices, noting DGO also has an attractive portfolio of prospective exploration assets that are not listed which have value beyond this amount. Gold Road's offer, at a premium to DGO's trading prior announcement, unlocks value of DGO's portfolio for DGO shareholders that was not being recognised in its share price;
- **Gold Road Shares are more liquid than DGO Shares:** Gold Road is an ASX 200 company and the trading volumes in its shares are typically substantially higher than those of DGO. In the 30 trading days to close of trading on 1 April 2022, the average daily turnover of Gold Road shares was approximately \$10.2 million per day compared to DGO's average daily turnover of approximately \$0.1 million per day. Accordingly, accepting Gold Road's offer is anticipated to give DGO shareholders greater liquidity and a greater ability to realise some or all of their investment in the future;
- **Exposure to a larger and more diversified portfolio of high-quality gold assets:** The offer provides DGO shareholders with ongoing exposure to DGO's high-quality portfolio of assets as well as the Gold Road portfolio. Gold Road is an ASX 200 listed Australian gold producer with a 50% interest in the Gruyere Gold Mine, one of Australia's largest producing gold mines with a 10+ year mine life, and exploration projects in the Yamarna Greenstone Belt in Western Australia's north-eastern goldfields. Further detail about Gold Road's assets is set out in section 1 of the Gold Road bidder's statement;

- **Decrease in funding risks for DGO shareholders:** DGO currently has a net debt position, and as an investor in greenfield exploration and brownfield investments, is not currently generating cash flow. Future funding would require raising equity, debt or selling existing assets. Gold Road is well capitalised with a strong net cash position and has a 50% interest in the cash flow generating Gruyere Gold Mine, providing capacity to fund operations;
- **Acceptance of the offer may not trigger a tax liability:** As this is a scrip offer, and the offer is also conditional upon a minimum 80% acceptance, then scrip for scrip roll-over relief may be available. Consequently, you may not trigger a capital gains tax liability on acceptance of Gold Road's offer. However, I encourage you to seek your own tax and other professional advice in respect of the offer made by Gold Road;
- **As at the date of this Target's Statement, no superior proposal has emerged:** Since announcement of the offer, no superior proposal has emerged that would cause the DGO Directors to reconsider their recommendation. The Gold Road offer is currently the only corporate control proposal that is capable of being put to DGO shareholders; and
- **DGO Directors have committed to accept the offer:** DGO Directors have assessed the offer and each have committed to accept the offer with respect to their own DGO Shares and those they control, in the absence of a superior proposal, 21 days after commencement of the Gold Road Offer, being 29 April 2022. These shares collectively represent ~16% of DGO's issued shares.

Gold Road's offer is scheduled to be open until 7:00pm (Sydney time) on 9 May 2022 (unless extended or withdrawn). Gold Road is required to notify the market of the status of the defeating conditions relating to the offer on 1 May 2022 (unless the offer is extended prior). The instructions about how you may accept the offer are set out in section 4.6 of this target's statement and section 10.6 of Gold Road's bidder's statement.

Please be aware that once you accept the offer, you may not be able to withdraw your acceptance (unless in some limited circumstances prescribed by the Corporations Act). This means that once the offer is accepted, you may not be able to sell, or accept any other offer, in respect of your DGO Shares. See section 4.7 of this target's statement for further details.

You will be advised if there are any material developments in relation to Gold Road's offer during the offer period.

I encourage you to read both the bidder's statement and this target's statement carefully, and to seek professional advice if you are unsure what action you should take in relation to Gold Road's offer.

Yours sincerely



Eduard Eshuys
Executive Chairman

1 — KEY QUESTIONS AND ANSWERS

1. KEY QUESTIONS AND ANSWERS

1.1 WHAT DO I NEED TO DO?

- (a) Read this target's statement as well as the Gold Road bidder's statement.
- (b) If you are unsure whether to accept Gold Road's offer, consult your legal, financial or other professional adviser.
- (c) If you wish to accept the offer, you need to do so before the offer closes. The offer is scheduled to close at 7:00 pm (Sydney time) on 9 May 2022 (but may be extended by Gold Road). Gold Road is required to notify the market of the status of the defeating conditions relating to the offer on 1 May 2022 (unless the offer is extended prior). See section 10.6 of the Gold Road bidder's statement for instructions about how to accept the offer. Please be aware that once you accept the offer, you may not be able to withdraw your acceptance (unless in some limited circumstances prescribed by the Corporations Act). This means that once the offer is accepted, you may not be able to sell, or accept any other offer, in respect of your DGO Shares. See section 4.7 of this target's statement for further details.
- (d) If you wish to reject the offer, you do not need to do anything.

1.2 WHAT IS GOLD ROAD'S OFFER?

Gold Road is offering to acquire all of your DGO Shares in exchange for Gold Road Shares, such that you will be issued 2.16 Gold Road Shares for each DGO Share that you hold. If the calculation of the number of Gold Road Shares you are to be issued results in a fractional entitlement to a Gold Road Share, Gold Road may round that entitlement to the nearest whole Gold Road Share as it determines.

The market value of both Gold Road Shares and DGO Shares will fluctuate during the offer period, however as at close of trading on 14 April 2022 (being the last trading day before this target's statement was finalised) the value of 2.16 Gold Road Shares was \$3.65.

See sections 4.1 to 4.5 of this target's statement for further details.

1.3 WHAT IS THE BOARD'S RECOMMENDATION IN RELATION TO GOLD ROAD'S OFFER?

The Board of DGO **unanimously recommends** that you accept the offer (in the absence of a superior proposal) for a number of reasons, including the following:

- (a) The consideration being offered for your DGO Shares represents an attractive premium to various volume weighted average market prices of DGO Shares over the last 3 months prior to the announcement of the offer for DGO shareholders;
- (b) Historically, the market price of DGO Shares has traded at a discount to the underlying value of DGO's portfolio (by reference to the market values of its listed investments). The Gold Road offer unlocks value for DGO shareholders;
- (c) Trading volumes in Gold Road Shares are typically substantially higher than those of DGO, accepting Gold Road's shares is anticipated to give DGO shareholders greater liquidity and a greater ability to realise some or all of their investment in the future;
- (d) The offer provides DGO shareholders with ongoing exposure to DGO's high-quality portfolio of assets as well as the Gold Road portfolio;
- (e) Because this is a scrip offer, and the offer is conditional upon a minimum 80% acceptance, then scrip for scrip roll-over relief may be available. Consequently, DGO shareholders may not trigger a capital gains tax liability on acceptance of Gold Road's offer. However, you should seek your own tax and other professional advice in respect of the offer made by Gold Road;
- (f) Prior to recommending the Gold Road offer, DGO considered alternative options that were available to it. Following this process, the DGO Board determined to unanimously recommend the Gold Road offer, and as at the date of this target's statement no superior proposal has emerged that would cause the DGO Directors to reconsider their recommendation. The Gold Road offer is currently the only corporate control proposal that is capable of being accepted by DGO shareholders; and
- (g) DGO Directors have each committed to accept the offer with respect to their own DGO Shares (collectively representing ~16% of DGO's issued shares) and those they control, in the absence of a superior proposal, 21 days after the commencement of the Gold Road offer, being 29 April 2022. This intention extends to any new DGO Shares issued upon exercise of DGO convertible securities owned or controlled by the DGO directors (which they intend to accept the separate offers being made for those DGO convertible securities or immediately exercise and accept the Offer should those DGO convertible securities vest in accordance with their terms).

See section 2.2 of this target's statement for further details regarding the reasons for the Board's recommendation.

1. KEY QUESTIONS AND ANSWERS CONT.

Please be aware that once you accept the offer, you may not be able to withdraw your acceptance (unless in some limited circumstances prescribed by the Corporations Act). This means that once the offer is accepted, you may not be able to sell, or accept any other offer, in respect of your DGO Shares. See section 4.7 of this target's statement for further details.

1.4 IS GOLD ROAD'S OFFER SUBJECT TO CONDITIONS?

The offer is made subject to the terms and conditions set out in section 10 of the Gold Road bidder's statement, including (but not limited to) the following conditions to the offer:

- (a) At the end of the offer period, Gold Road has a relevant interest in at least 80% of all DGO Shares (on a fully diluted basis);
- (b) No material adverse change occurring as a result of an event or disclosure or announcement by DGO, or other information concerning an event becoming public, where that results in:
 - (1) a material adverse effect on the business, assets (including the mining tenements but excluding the shares DGO holds in other listed entities), liabilities, financial or trading position, profitability or prospects of DGO; or
 - (2) a diminution in the value of the assets of DGO by at least \$30 million against what it would reasonably have been expected to have been but for the event.
- (c) There being no public announcement relating to:
 - (1) a change to the Hemi Mineral Resource announced by De Grey on ASX on 23 June 2021; or
 - (2) any fact, matter or circumstance which impacts on the reasonable prospects for eventual economic extraction of the Hemi Mineral Resource (including but not limited to metallurgical recovery, the proportion of refractory or semi-refractory ore within the Hemi Mineral Resource or access to part or all of the Hemi Mineral Resource);
 (each a **Hemi Resource Announcement**), and that Hemi Resource Announcement results in the Adjusted Post Hemi Resource Announcement De Grey VWAP falling to a level that is 90% or less than the De Grey VWAP for the 5 ASX trading days immediately prior to the date of that Hemi Resource Announcement.

If the conditions to the offer are not satisfied by the end of the offer period (and not waived by Gold Road in its sole discretion), the offer will lapse, the transfer of your DGO Shares to Gold Road will not be registered and your DGO Shares will be returned by you.

See section 4.5 of this target's statement for further details.

1.5 WILL ALL DGO SHAREHOLDERS WHO ACCEPT GOLD ROAD'S OFFER RECEIVE GOLD ROAD SHARES AND WHEN WILL THOSE GOLD ROAD SHARES BE ISSUED?

If your address in the DGO Gold share register is in Australia, New Zealand, Singapore, United Kingdom or the United States (excluding shareholders who are not Accredited Investors) and you accept the offer, you will be issued Gold Road Shares on completion of the offer. The Gold Road Shares are to be issued on 30 May 2022 (assuming the conditions are not waived by Gold Road before the offer closes and the offer closes at 7:00pm on 9 May 2022, as scheduled).

However, if your address in the DGO Gold share register is outside Australia, New Zealand, Singapore, United Kingdom or the United States (excluding shareholders who are not Accredited Investors) and you accept the offer, you will not be entitled to be issued Gold Road Shares (unless Gold Road agrees otherwise), and instead you will receive cash consideration for your DGO Shares.

See sections 4.1 and 4.2 of this target's statement, and section 10.10 and 10.11 of the bidder's statement, for further details.

1.6 CAN I SUBSEQUENTLY WITHDRAW MY ACCEPTANCE OF GOLD ROAD'S OFFER?

You may not be able to withdraw your acceptance of the offer, as the entitlement to withdraw is limited. Following acceptance of the offer you will no longer be able to trade your DGO Shares unless a right to withdraw your offer arises.

See section 4.7 of this target's statement and section 10.9 of the bidder's statement for further details.

1.7 IS THERE AN INSTITUTIONAL ACCEPTANCE FACILITY?

Gold Road have established an institutional acceptance facility in relation to the offer, which is open to professional investors (as defined in section 9 of the Corporations Act) that hold or beneficially own at least 150,000 DGO Shares. The facility has been established to enable eligible shareholders who may be unable or unwilling to accept the offer until the offer becomes or is declared conditional to indicate their support of the offer and intention to accept the offer.

Further details are included in section 10.7 of the bidder's statement.

1.8 ARE THERE TAX CONSEQUENCES IF I ACCEPT GOLD ROAD'S OFFER?

There may be tax consequences for you if you accept the offer, depending on your personal tax and financial circumstances. See the commentary at section 7 of the Gold Road bidder's statement about the Australian income tax implications of accepting the offer. You should carefully consider the tax consequences and, if necessary, consult your tax adviser before deciding whether to accept the offer.

See section 4.9 of this target's statement for further details.

1.9 WILL I BE FORCED TO SELL MY DGO SHARES?

If you do not accept Gold Road's offer, Gold Road may still be entitled to acquire your DGO Shares compulsorily in accordance with the Corporations Act. You will still receive Gold Road Shares (or cash consideration, if ineligible to receive Gold Road Shares) if that occurs, but there will likely be a delay in receiving the consideration.

See section 4.10 of this target's statement for further details.

1.10 HOW DO I ACCEPT GOLD ROAD'S OFFER?

The method for accepting Gold Road's offer depends on whether your holding of DGO Shares is a CHESS holding or an issuer sponsored holding. If you are not sure how your DGO Shares are held, contact DGO's share registrar, Link Market Services, by telephone on 1800 218 694 (for callers in Australia) or +61 1800 218 694 (for callers outside Australia).

The instructions about how you may accept the offer are set out in section 4.6 of this target's statement and in section 10.6 of Gold Road's bidder's statement.

1.11 WHEN DO I HAVE TO MAKE A DECISION ABOUT GOLD ROAD'S OFFER?

If you wish to accept the offer, you must do so before the offer closes. The offer is scheduled to close at 7:00 pm (Sydney time) on 9 May 2022 (but may be extended by Gold Road in accordance with the terms of the offer).

If you do not wish to accept the offer, you do not need to do anything.

1.12 WHAT IF I HOLD OPTIONS OR PERFORMANCE RIGHTS WHICH MAY CONVERT INTO DGO SHARES?

Gold Road is not making a separate takeover offer to holders of DGO Convertible Securities (DGO Convertible Offer). However, DGO Convertible Securityholders whose DGO Convertible Securities are exercised and converted into DGO Shares during the Offer Period will be able to accept the Offer in respect of the DGO Shares which they are issued.

Pursuant to the Bid Implementation Agreement, and conditional only on Gold Road's Offer being declared unconditional, DGO will make the DGO Convertible Offer to each remaining holder of DGO Convertible Securities in a form approved by Gold Road to cancel each of their DGO Convertible Securities for:

- (a) in the case of DGO Convertible Securities, the DGO Option Consideration; and
- (b) in the case of all other DGO Performance Rights holders, nil consideration.

Refer to section 4.11 of this target's statement for further details.

1.13 WHO CAN I CONTACT FOR FURTHER INFORMATION?

If you have any questions in relation to the offer or accepting it, please contact the DGO shareholder information line (hosted by Link Market Services) on 1800 218 694 for callers in Australia or +61 1800 218 694 for callers outside Australia.

1. KEY QUESTIONS AND ANSWERS CONT.

1.14 WHAT IS THE BIDDER'S STATEMENT?

The bidder's statement is the document prepared by Gold Road that sets out the terms of Gold Road's offer. This bidder's statement was lodged with ASIC and filed with ASX on 7 April 2022.

1.15 WHO IS OFFERING TO PURCHASE MY SHARES?

Gold Road Resources Limited (ABN 13 109 289 527) (**Gold Road**). Headquartered in Perth, Western Australia, Gold Road is listed on the ASX (ASX:GOR) with a market capitalisation of approximately \$1.4 billion (as at the date prior to the date of the bidder's statement). Gold Road is an Australian gold producer with a 50% interest in Gruyere, and with exploration projects in the underexplored Yamarna Greenstone Belt, in Western Australia's north-eastern Goldfields.

Information relating to Gold Road can be obtained from sections 1 and 2 of the bidder's statement.

1.16 WHAT DO THE DGO DIRECTORS INTEND TO DO WITH THEIR SHARES?

DGO Directors have assessed the offer and each have committed to accept the offer with respect to their own DGO Shares and those they control, in the absence of a superior proposal, collectively representing ~16% of DGO's issued shares.

1.17 WHAT DOES THE OFFER MEAN FOR DGO'S PROJECTS?

Gold Road have stated that should it acquire 90% or more of DGO Shares, DGO's portfolio of brownfield investments and greenfield discovery opportunities will be fully integrated into Gold Road's asset portfolio. Gold Road will leverage its technical and operational expertise in the gold mining and exploration industry and, subject to the outcomes of its strategic review, intends to provide capital to conduct further exploration activities.

Further detail on Gold Road's intentions can be obtained from section 6 of the bidder's statement.

1.18 WHEN WILL GOLD ROAD ADVISE OF THE STATUS OF THE CONDITIONS OF THE OFFER?

Section 10.16 of the bidder's statement indicates that Gold Road will provide notice on the status of the conditions required by section 630(1) (subject to variation in accordance with section 630(2) of the Corporations Act if the offer is extended).

1.19 DO I PAY BROKERAGE?

No brokerage or stamp duty will be payable as a result of your acceptance of the offer.

1.20 CAN I ACCEPT PART OF THE OFFER?

No, you cannot accept the offer for part of your shareholding. The offer can only be accepted for all of the DGO Shares you hold.

1.21 CAN GOLD ROAD EXTEND THE OFFER?

Yes. Gold Road can extend the Offer Period in accordance with the Corporations Act provided that the extension does not extend beyond 8 October 2022 which is 6 months from the opening of the offer unless prior to that date, Gold Road and its Associates together have relevant interests in more than 50.1% of DGO Shares (on a fully diluted basis), in which case Gold Road may extend the Offer Period to a date which is no later than 8 January 2023, which is 9 months from the opening of the offer.

1.22 CAN I BE FORCED TO SELL MY SHARES?

You cannot be forced to sell your DGO Shares unless Gold Road acquires a relevant interest in at least 90% of all DGO Shares.

Gold Road's intentions with respect to compulsory acquisition are set out in section 6.2 of the bidder's statement. In summary, Gold Road has indicated that if it becomes entitled to do so under the Corporations Act, it intends to give notices to compulsorily acquire any outstanding DGO Shares in accordance with the Corporations Act.

2 —

RECOMMENDATION OF DIRECTORS OF DGO

2. RECOMMENDATION OF DIRECTORS OF DGO

2.1 RECOMMENDATION

The DGO directors have considered the advantages and disadvantages of the offer and **unanimously recommend** that you accept Gold Road's offer for your DGO Shares (in the absence of a superior proposal).

Each of the DGO directors has committed to accept the offer with respect to their own DGO Shares and those they control, in the absence of a superior proposal, collectively representing ~16% of DGO's issued shares.

Please be aware that once you accept the offer, you may not be able to withdraw your acceptance (unless in some limited circumstances prescribed by the Corporations Act). This means that once the offer is accepted, you may not be able to sell, or accept any other offer, in respect of your DGO Shares. See section 4.7 of this target's statement for further details.

2.2 REASONS FOR RECOMMENDATION

The directors' recommendation to accept Gold Road's offer is based on the following key factors:

BENEFITS NOT DEPENDENT ON LEVEL OF ACCEPTANCES

(a) **Attractive implied premia to DGO shareholders:** The consideration being offered for your DGO Shares (based on the value of Gold Road Shares as at close of trading on 1 April 2022, the last trading day prior to announcement of the offer) represents an attractive and significant implied premium to various volume weighted average market prices of DGO Shares¹, including:

- 20% over the last trading day VWAP (prior to the announcement of the offer) of \$2.91 for DGO Shares, at an implied offer price of \$3.49 based on Gold Road's last trading day VWAP;
- 28% over DGO's 10 trading day VWAP of \$2.77 for DGO Shares, at an implied offer price of \$3.55 based on Gold Road's 10 day VWAP; and
- 37% over the 30 day VWAP of \$2.60 for DGO Shares, at an implied offer price of \$3.56 based on Gold Road's 30 day VWAP.

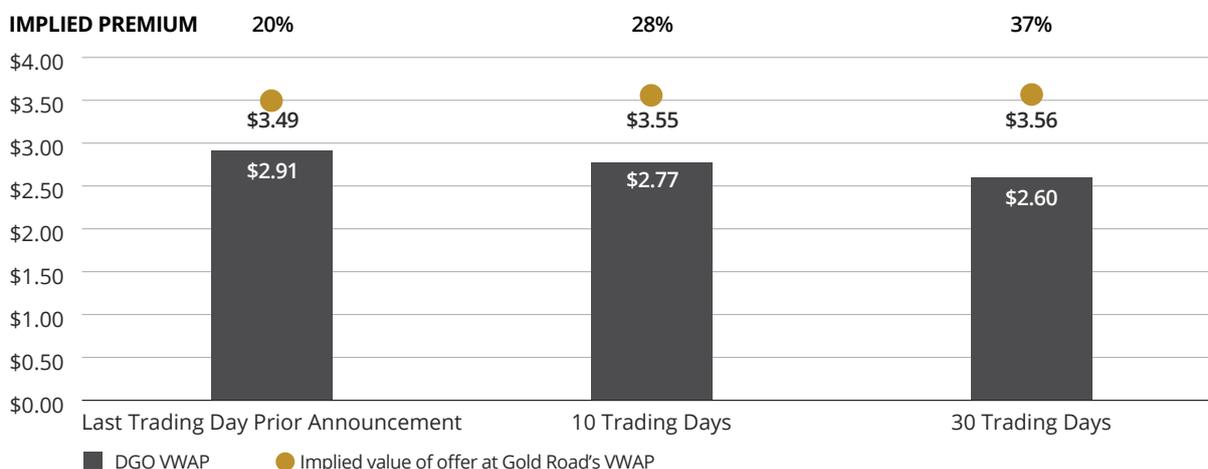


Figure 1: Implied premium based on Gold Road's offer relative to DGO's historical trading benchmarks on 1 April 2022, being the last trading day prior to the announcement date (Source: IRESS).

The actual market value of the consideration you will receive will depend on the price at which Gold Road shares trade on the ASX after they are issued to you.

To realise this premium for your DGO Shares you should accept the offer.

(b) **Unlocks value in DGO's portfolio that is not being recognised in its share price:** Historically the market price of DGO Shares has implied a discount to the value of its underlying assets, which are primarily listed investments with readily observable market prices (noting DGO also has an attractive portfolio of prospective exploration assets that are not listed which have value beyond this amount). The Gold Road offer unlocks value in DGO's portfolio that was not previously recognised in DGO's share price.

See section 5 of this target's statement for more details.

¹ As at 1 April 2022, being last trading day prior to the offer announcement.

- (c) **Increased liquidity:** Gold Road is an ASX 200 company and the trading in its shares is typically higher than that of DGO, trading on average \$10.2 million of shares per day (compared to DGO's \$0.1 million per day).² Accordingly accepting Gold Road's offer is anticipated to give DGO shareholders greater liquidity, and a greater ability to realise some or all of their investment in the future.

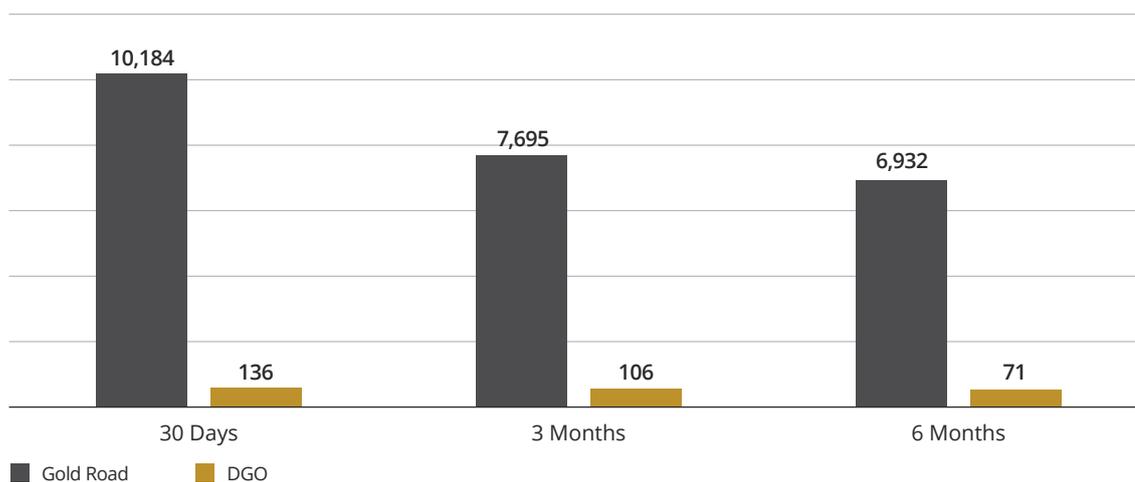


Figure 2: Daily traded value (A\$000s) of DGO Shares and Gold Road shares to 1 April 2022, being the last trading day prior to the announcement date (Source: IRESS).

- (d) **Exposure to a larger portfolio of high quality gold assets:** Given the offer is in scrip, if it is successful, it would provide DGO shareholders with ongoing exposure to the high-quality portfolio of assets DGO has accumulated as well as the Gold Road portfolio.

On completion of the offer, assuming Gold Road acquire 100% of DGO's shares on issue, DGO shareholders will hold approximately 17% of Gold Road, ensuring that DGO shareholders will retain significant exposure to DGO's existing assets, including its investments in De Grey Mining, Dacian Gold and Yandal Resources, as well as its portfolio of its unlisted prospective exploration assets.

In addition to ongoing exposure to DGO's current assets, DGO shareholders will also gain exposure to Gold Road's portfolio of assets, which includes a 50% interest in the Gruyere Gold Mine, one of Australia's largest producing gold mines, as well as exploration projects in the Yamarna Greenstone Belt in Western Australia's north-eastern Goldfields. Further detail about Gold Road's assets is set out in section 1 of the Gold Road bidder's statement.

- (e) **No other proposals announced:** As at the date of this target's statement, no superior proposal has emerged that would cause the DGO Directors to reconsider their recommendation. The Gold Road offer is currently the only corporate control proposal that is capable of being put to DGO shareholders.

The bid implementation agreement that DGO has entered into with Gold Road prohibits DGO from soliciting third party proposals during the term of the bid implementation agreement. Gold Road also has a right under the bid implementation agreement to match any third party proposal if one is received by DGO.

If a third party proposal for DGO emerges, your Directors will carefully consider the proposal to determine whether it is a superior proposal and will inform you of any material developments which may affect their current recommendation that the Offer is the most favourable proposal for all your DGO Shares.

- (f) **Alternatives:** In the view of the directors, Gold Road's offer is considered superior to other courses of action currently available to DGO.

Prior to recommending the offer, the DGO directors assessed a range of strategic alternatives to maximise value for shareholders. After careful consideration of these potential alternatives, the directors have concluded that the offer represents the best way to maximise value.

If Gold Road's offer is not accepted and DGO were to continue as is, the company would continue to be managed under its current strategy, and the benefits of enhanced scale, diversity and increased investment liquidity for shareholders would not be achieved.

² Based on the 30 day average trading value as at 1 April 2022 (Source: IRESS).

2. RECOMMENDATION OF DIRECTORS OF DGO CONT.

In addition, as noted elsewhere in this target's statement, DGO has historically traded at a discount to the value of its underlying assets. If the offer did not proceed, DGO's share price may fall and continue to trade at a discount to the value of its assets.

Consequently, DGO Directors have each committed to accept the offer with respect to their own DGO Shares (collectively representing ~16% of DGO's issued shares) and those they control, in the absence of a superior proposal, 21 days after the commencement of the Gold Road offer, being 29 April 2022.

This intention extends to any new DGO Shares issued upon exercise of DGO convertible securities owned or controlled by the DGO directors (which they intend to accept the separate offers being made for those DGO convertible securities or immediately exercise and accept the Offer should those DGO convertible securities vest in accordance with their terms).

See section 6 of this target's statement for more detail about the directors intentions for DGO if the offer does not proceed.

BENEFITS DEPENDENT ON LEVEL OF ACCEPTANCES

- (g) **Limited costs:** No stamp duty or brokerage is payable by DGO shareholders who accept the offer and there are no costs or charges payable to Gold Road for the issue of Gold Road Shares.
- (h) **Enhanced scale:** You will become a shareholder in an enlarged ASX 200 gold mining company. Gold Road has estimated the market capitalisation of Gold Road immediately following completion of the offer (assuming Gold Road acquires all of the DGO Shares on issue) at in excess of \$1.7 billion (on a pro forma basis, based on Gold Road's share price of \$1.57, as at the close of trading on 5 April 2022) – see section 5.1 of the Gold Road bidder's statement.
- (i) **Reduced likelihood of future funding requirements and associated dilution risk:** DGO currently has a latest disclosed net debt position of \$6.4 million as at 31 March 2022.³ Given DGO's current operations are focused on brownfield and greenfield exploration projects, it does not generate sufficient positive cash flow to fund its operations. As such, future funding, including to fund its pro rata share in any future capital raising by a portfolio company of DGO, or to fund ongoing exploration programs, would likely require DGO to raise further capital either by way of debt or an equity offering, or require DGO to sell some of its assets.

With \$139.9 million⁴ in cash and no drawn debt, Gold Road currently has significantly greater capacity than DGO to fund any future capital requirements. Additionally, Gold Road's 50% interest in the Gruyere Gold Mine currently generates positive cash flow, which can also be used towards funding future capital requirements and exploration activities of a combined business as required.
- (j) **Synergies and cost reductions:** It is anticipated that Gold Road would be able to reduce the cost of certain fees and expenses on an ongoing basis (such as lease costs). Whilst these have not yet been quantified, as detailed in section 5.3 of the Gold Road bidder's statement, Gold Road is of the view that there is potential to realise synergies. Such synergies would be to the benefit of DGO shareholders that retain the Gold Road shares offered as part of the transaction.
- (k) **Maintain your investment:** By becoming a shareholder in Gold Road, you will stay invested in DGO's portfolio of ASX-listed brownfield explorers (being De Grey, Yandal, and Dacian), as well as the strategic greenfield discovery opportunities that DGO holds, including at Bryah and Yerrida in Murchison, Western Australia, Mallina, in the Pilbara in Western Australia, Lake Randall and Deleta in the Western Australian Eastern Goldfields, and Pernatty in the Stuart Shelf in South Australia, and be exposed to a more substantial (and potentially more diversified) portfolio of gold assets (including via Gold Road's 50% interest in the Gruyere gold mine) depending on the extent of the interest in DGO that Gold Road acquires.
- (l) **Capital gains tax rollover relief:** Because this is a scrip offer, and the offer is also conditional upon a minimum 80% acceptance, then scrip for scrip roll-over relief may be available. Consequently, DGO shareholders may not trigger a capital gains tax liability on acceptance of Gold Road's offer. However, you should seek your own tax and other professional advice in respect of the offer made by Gold Road.

The extent of some of the benefits outlined above will depend on the level of acceptances received under the offer, which is difficult to predict. In recommending acceptance of the offer, the directors of DGO have assumed sufficient DGO shareholders will accept the offer to substantially realise those benefits. However, even if that is not the case, the directors believe that some of the benefits of accepting the offer that are not contingent on the level of acceptances (in particular the benefits outlined in paragraphs (a) to (d) above), on balance outweigh not accepting the offer and remaining a shareholder of DGO, particularly in view of the uncertainties were Gold Road to end up with partial ownership of DGO – see section 8.4 for further details.

3 The draw down on the debt facility with Bell Potter is \$7.5m as at 14 April 2022.

4 Refer to Gold Road's ASX announcement dated 7 April 2022.

3 — OTHER CONSIDERATIONS OF THE OFFER

3. OTHER CONSIDERATIONS OF THE OFFER

3.1 POSSIBLE REASONS TO NOT ACCEPT THE OFFER

There are some reasons why shareholders may choose not to accept the Gold Road offer, including:

- (a) **You may disagree with the recommendation of DGO directors:** You may have a different view on the merits of the Gold Road offer and believe that 2.16 Gold Road shares per DGO share is inadequate to acquire your DGO Shares.
- (b) **You may wish to remain a DGO shareholder:** Accepting the offer will result in you no longer being a DGO shareholder, and you will no longer be entitled to participate in the future of DGO, or exercise your rights as a DGO shareholder (including voting rights).
- (c) **The tax consequences of the offer may not be favourable to you given your financial position:** Acceptance of the offer may have tax implications for DGO shareholders. You should carefully read and consider the potential Australian taxation consequences of accepting the Offer as summarised in section 7 of the bidder's statement, and briefly in section 4.9 of the target's statement.

DGO shareholders should not rely on the taxation considerations set out in section 7 bidder's statement and section 4.9 of the target's statement as being advice on their own affairs and shareholders should consult with their own independent taxation advisers regarding the taxation implications of accepting the offer given their particular circumstances.

- (d) **You may consider there is potential for a proposal superior to the offer to emerge for DGO Shares:** It is possible that a proposal that is superior to the offer materialises in the future, accepting the offer would mean that DGO shareholders would not have an opportunity to consider such future potential offer. As at the date of this target's statement however, no alternative proposal has been received by DGO.

3.2 RISKS ASSOCIATED WITH ACCEPTING THE OFFER AND BEING A GOLD ROAD SHAREHOLDER

Details on the risks associated with accepting the offer and being a Gold Road Shareholder are contained in section 8.1 of this target's statement and section 8 of the bidder's statement.

4



SUMMARY OF GOLD ROAD'S OFFER, TAX CONSIDERATIONS AND COMPULSORY ACQUISITION

4. SUMMARY OF GOLD ROAD'S OFFER, TAX CONSIDERATIONS AND COMPULSORY ACQUISITION

4.1 THE OFFER

Gold Road is offering to acquire all of your DGO Shares in exchange for Gold Road Shares, on the basis of 2.16 Gold Road Shares being issued to you for each DGO Share you hold.

Because Gold Road Shares are quoted on ASX, the value of a Gold Road Share will fluctuate during the period of the offer, but as at close of trading on 14 April 2022 (being the last trading day prior to finalisation of this target's statement) the value of a Gold Road Share was \$1.69 – giving a total value of the offer of \$3.65 for each DGO Share you hold. The Gold Road offer represents the following premia to DGO shareholders at the following volume weighted average share prices (VWAPs) as at close of trading on 1 April 2022, the last trading day prior to the announcement of the offer:

- a premium of 20% over the last trading VWAP of \$2.91 for DGO Shares, at an implied offer price of \$3.49 based Gold Road's trading day VWAP;
- a premium of 28% over the 10 day VWAP of \$2.77 for DGO Shares, at an implied offer price of \$3.55 based Gold Road's 10 day VWAP; and
- a premium of 37% over the 10 day VWAP of \$2.60 for DGO Shares, at an implied offer price of \$3.56 based Gold Road's 30 day VWAP.

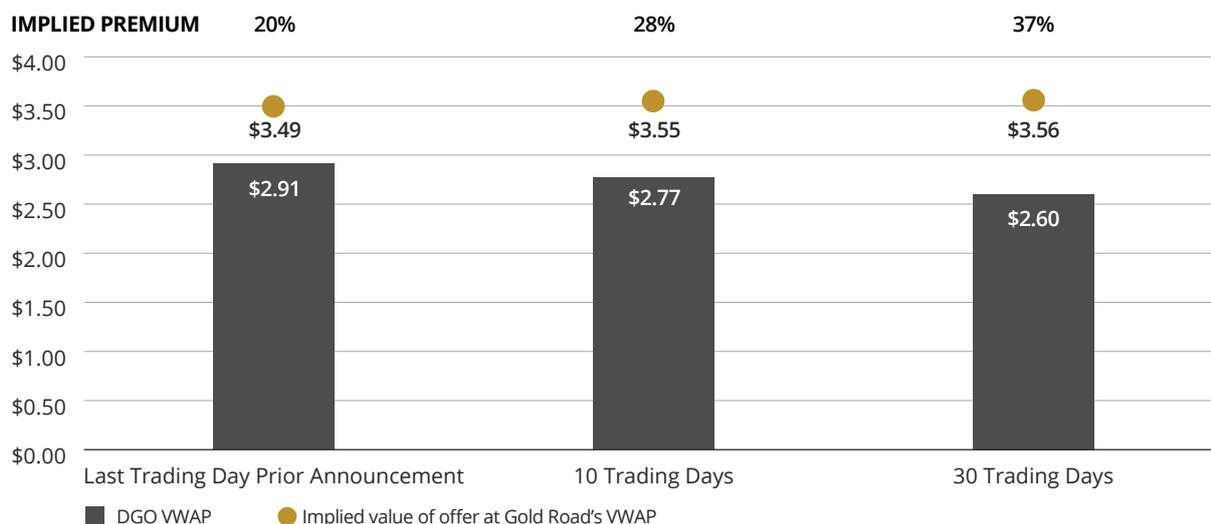


Figure 3: Implied premium based on Gold Road's offer relative to DGO's historical trading benchmarks on 1 April 2022, being the last trading day prior to the announcement date (Source: IRESS).

The following table sets out some examples of the consideration which you will receive if you accept Gold Road's offer for all of your DGO Shares, assuming that the value of a Gold Road Share is \$1.69 – being the same price it was at close of trading on 14 April 2022, as well as if the value of a Gold Road Share increased or decreased by 10%:

IF YOU ACCEPT GOLD ROAD'S OFFER FOR THIS MANY DGO SHARES	YOU WILL BE ISSUED THIS MANY GOLD ROAD SHARES	WHICH AT A MARKET PRICE OF \$1.52 PER SHARE WILL BE WORTH	WHICH AT A MARKET PRICE OF \$1.69 PER SHARE WILL BE WORTH	WHICH AT A MARKET PRICE OF \$1.86 PER SHARE WILL BE WORTH
5,000	10,800	\$16,416	\$18,252	\$20,088
10,000	21,600	\$32,832	\$36,504	\$40,176
50,000	108,000	\$164,160	\$182,520	\$200,880
100,000	216,000	\$328,320	\$365,040	\$401,760
250,000	540,000	\$820,800	\$912,600	\$1,004,400

The offer is made subject to the terms and conditions set out in the Gold Road bidder's statement.

See section 10 of the Gold Road bidder's statement for further details.

4.2 SOME DGO SHAREHOLDERS INELIGIBLE TO RECEIVE GOLD ROAD SHARES

Those shareholders with an address in the share register for DGO which is in a jurisdiction outside Australia, New Zealand, Singapore, United Kingdom or the United States (excluding shareholders who are not Accredited Investors) who accept Gold Road's offer will not receive Gold Road Shares (unless otherwise determined by Gold Road in its discretion).

The Gold Road Shares those shareholders would otherwise have been entitled to receive will instead be issued to a nominee which has been approved by ASIC. The nominee will be required to offer those Gold Road Shares for sale as soon as practicable at a price and on other terms and conditions determined by the nominee, and to remit the proceeds of sale to Gold Road. Gold Road's share registrar, Computershare Investor Services Pty Ltd ACN 078 279 277, will pay the net proceeds attributable to those shareholders in cash.

See section 10.11 of the Gold Road bidder's statement for further details.

4.3 OFFER PERIOD

Gold Road's offer opened for acceptance on 8 April 2022 and closes at 7:00 pm (Sydney time) on 9 May 2022 (assuming the offer is not withdrawn and the closing date is not extended).

Gold Road may extend the offer for up to 6 months (until 8 October 2022). Gold Road may also extend the offer for an additional 3 months (up to 8 January 2023) – but only if at the time of the extension it has obtained (together with its associates) a relevant interest in more than 50.1% of all DGO Shares on a fully diluted basis.

See section 10.3 of the Gold Road bidder's statement for further details.

4.4 ISSUE OF GOLD ROAD SHARES

If Gold Road's offer is implemented, Gold Road Shares will be issued to persons who have validly accepted the offer on the earlier of:

- (a) 1 month after all of the conditions of the offer have been freed or fulfilled (whichever is later); and
- (b) 21 days after the end of the offer period (i.e. 30 May 2022, assuming Gold Road's offer closes as scheduled on 9 May 2022).

See section 10.10 of the Gold Road bidder's statement for further details.

4.5 CONDITIONS

Gold Road's offer is subject to a number of conditions, including (but not limited to) the following:

- (a) At the end of the offer period, Gold Road has a relevant interest in at least 80% of all DGO Shares (on a fully diluted basis).
- (b) All relevant regulatory approvals required to permit the offer to complete are obtained.
- (c) There is no regulatory action taken in connection with the offer which restrains, prohibits, or impedes, or materially impacts on the making of offers under and completion of the offer, or which requires the divestiture by Gold Road of any shares in DGO or any of DGO's material assets.
- (d) No material adverse change occurring as a result of an event or disclosure or announcement by DGO, or other information concerning an event becoming public, where that results in:
 - (1) a material adverse effect on the business, assets (including the mining tenements but excluding the shares DGO holds in other listed entities), liabilities, financial or trading position, profitability or prospects of DGO; or
 - (2) a diminution in the value of the assets of DGO by at least \$30 million against what it would reasonably have been expected to have been but for the event.
- (e) There being no public announcement relating to:
 - (1) a change to the Hemi Mineral Resource announced by De Grey on ASX on 23 June 2021; or
 - (2) any fact, matter or circumstance which impacts on the reasonable prospects for eventual economic extraction of the Hemi Mineral Resource (including but not limited to metallurgical recovery, the proportion of refractory or semi-refractory ore within the Hemi Mineral Resource or access to part or all of the Hemi Mineral Resource);

4. SUMMARY OF GOLD ROAD'S OFFER, TAX CONSIDERATIONS AND COMPULSORY ACQUISITION CONT.

(each a **Hemi Resource Announcement**), and that Hemi Resource Announcement results in the Adjusted Post Hemi Resource Announcement De Grey VWAP falling to a level that is 90% or less than the De Grey VWAP for the 5 ASX trading days immediately prior to the date of that Hemi Resource Announcement.

- (f) DGO not restructuring its capital in any way, issuing additional securities, suffering an insolvency event, or making any material acquisitions, disposals, capital expenditure, or changes in the conduct of its business during the period the offer is open (subject to matters already disclosed to Gold Road).
- (g) There being no litigation against DGO commenced which could result in a judgment of \$2.5 million or more.
- (h) DGO not increasing its borrowings or other debt levels (subject to some exceptions related to permitted finance arrangements which are set out in section 9.1 of the Gold Road bidder's statement).
- (i) DGO not announcing any dividends or distributions to shareholders.
- (j) There being no breach of the bid implementation agreement entered into by DGO and Gold Road.

If any of those conditions are triggered, Gold Road may decide to withdraw its offer. Each condition of the offer may also be waived at Gold Road's sole discretion (other than the minimum acceptance condition – which may only be waived in the event of a superior proposal being received by DGO or where the bid implementation agreement entered into by DGO and Gold Road has been terminated).

Accordingly, if you accept Gold Road's offer, there is no guarantee it will acquire your DGO Shares and so you may not be issued any Gold Road Shares. If that occurs, you will remain a shareholder of DGO.

See section 10 of the Gold Road bidder's statement for further details, including a full description of all of the conditions of the offer.

4.6 HOW TO ACCEPT THE OFFER

FOR CHESS HOLDINGS

You may accept the offer by:

- (a) instructing your controlling participant (usually your broker) to initiate acceptance of the offer on your behalf in sufficient time for the offer to be accepted before the end of the offer period; or
- (b) completing and signing the acceptance form (which you should have received with the Gold Road bidder's statement) in accordance with the instructions on that form and within the Gold Road bidder's statement to instruct the controlling participant (on your behalf) to accept the offer.

FOR ISSUER SPONSORED HOLDINGS

Complete and sign the acceptance form (which you should have received with the Gold Road bidder's statement) in accordance with the instructions on that form and within the Gold Road bidder's statement.

FOR PROFESSIONAL INVESTORS

- (a) Gold Road has established an institutional acceptance facility (**Acceptance Facility**) in relation to the Offer which is open to professional investors (as defined in section 9 of the Corporations Act) that hold or beneficially own at least 150,000 DGO Shares (**Eligible Shareholders**). DGO Shareholders who are not Eligible Shareholders cannot participate in the Acceptance Facility.
- (b) The Acceptance Facility has been established to enable Eligible Shareholders who may be unable or unwilling to accept the Offer until the Offer becomes or is declared unconditional (for example, by reason of their investment mandates) to indicate their support for the Offer and their intention to accept the Offer before the Offer becomes or is declared unconditional.
- (c) The acceptance facility collection agent for the Acceptance Facility is Computershare Clearing Pty Limited (ACN 063 826 228) (**Facility Agent**), which can be reached by contacting the Facility Agent by email at custodians@computershare.com.au.
- (d) Before making a decision whether or not to participate in the Acceptance Facility, Eligible Shareholders are encouraged to consult with their financial or other professional adviser.

Further details are included in section 10.7 of the bidder's statement.

WHERE TO SEND YOUR ACCEPTANCE FORM

See section 10.6 of the Gold Road bidder's statement for further details.

4.7 LIMITED ABILITY TO WITHDRAW ACCEPTANCE

Once you accept the offer, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act. Such a right will arise if, after you have accepted the offer and the offer remains conditional, Gold Road varies its offer in a way which postpones, for more than 1 month, the time when Gold Road has to meet its obligations under the offer. If this occurs, Gold Road is required to send you a notice at the relevant time that explains your right to withdraw your acceptance of the offer.

See sections 8.3 and 10.9 of the Gold Road bidder's statement for further details.

4.8 OTHER RIGHTS OF GOLD ROAD SHAREHOLDERS

Under the constitution of Gold Road, a Gold Road Shareholder has broadly similar rights to the rights of a shareholder of DGO under the constitution of DGO in relation to:

- (a) dividend entitlements (e.g. in proportion to shareholding); and
- (b) being given notice of, and attending and voting at, meetings of shareholders.

See section 2.4 of the Gold Road bidder's statement for further details.

4.9 TAX CONSIDERATIONS

The taxation consequences for you if you accept Gold Road's offer depend on a number of factors, including your personal tax and financial circumstances.

See section 7 of the Gold Road bidder's statement for a summary of the Australian income tax implications of the offer. You should read the report carefully, however taxation laws are complex and there could be implications in addition to those generally described in the report. You should consult your own tax adviser for advice applicable to your individual needs and circumstances.

DGO is in the process of preparing and lodging a class ruling application with the ATO to confirm the availability of scrip-for-scrip roll-over relief for certain DGO shareholders in relation to the offer. The final class ruling, once available, will be published on www.ato.gov.au and on DGO's website at www.dgogold.com.au.

Obtaining the ATO class ruling is not a requirement for DGO shareholders adopting the tax treatment discussed in section 7 of the Gold Road bidder's statement, and the offer is not conditional on the ATO class ruling being issued.

In the event that there is a superior proposal for DGO, Gold Road may waive the minimum acceptance condition and acquire less than 80% of DGO's issued shares. In the circumstances where Gold Road ultimately acquires less than 80% of DGO's issued shares, scrip-for-scrip roll over relief will not be available to DGO shareholders who accept Gold Road's offer.

DGO does not accept any responsibility for the tax implications of you disposing of your DGO Shares or acquiring Gold Road Shares under the offer.

4.10 COMPULSORY ACQUISITION OF DGO SHARES

In certain limited circumstances, the Corporations Act entitles a person to acquire securities compulsorily in an entity which the person does not already own.

For example, if Gold Road (and its associates) acquire a relevant interest in 90% or more of the DGO Shares on issue and receive acceptances under the offer for at least 75% of the DGO Shares on issue, Gold Road will be entitled under the Corporations Act to proceed to acquire the other DGO Shares on issue compulsorily. Gold Road has stated in its bidder's statement that it intends to carry out a compulsory acquisition of those DGO Shares if entitled to do so (and then to procure the removal of DGO from ASX's official list).

Accordingly, Gold Road may become entitled to acquire your DGO Shares even if you do not accept Gold Road's offer. If that occurs, consideration for your DGO Shares will be provided to you later than would have been the case if you had accepted Gold Road's offer.

See section 6.2 of the Gold Road bidder's statement for further details.

4. SUMMARY OF GOLD ROAD'S OFFER, TAX CONSIDERATIONS AND COMPULSORY ACQUISITION CONT.

4.11 CONVERTIBLE OFFER

Gold Road is not making a separate takeover offer to holders of DGO Convertible Securities (**DGO Convertible Offer**). However, DGO Convertible Securityholders whose DGO Convertible Securities are exercised and converted into DGO Shares during the Offer Period will be able to accept the Offer in respect of the DGO Shares which they are issued.

Pursuant to the Bid Implementation Agreement, and conditional only on Gold Road's Offer being declared unconditional, DGO will make the DGO Convertible Offer to each remaining holder of DGO Convertible Securities in a form approved by Gold Road to cancel each of their DGO Convertible Securities for:

- (a) in the case of DGO Convertible Securities, the DGO Option Consideration; and
- (b) in the case of all other DGO Performance Rights holders, nil consideration.

Under the Bid Implementation Agreement, DGO and Gold Road must act co-operatively in connection with the DGO Convertible Offer which includes doing all things required to enable the cancellation of the DGO Convertible Securities in respect of completion of an offer that is accepted.

DGO Convertible Securityholders whose DGO Convertible Securities are exercised or converted into DGO Shares during the Offer Period will be able to accept the Offer in respect of the DGO Shares which they are issued.

The DGO Convertible Offer is conditional on the offer being declared unconditional and must be completed within 5 Business Days of the Offer becoming unconditional.

Gold Road has also announced its intention that, should it obtain a relevant interest in more than 90% of DGO Shares, it will not only seek to compulsorily acquire all DGO Shares and remove DGO from the official list of ASX, but it will also seek to compulsorily acquire all outstanding options over DGO Shares under part 6A.2 of the Corporations Act.

See section 9.10 and 6.2(a) of the Gold Road bidder's statement for further details.

5



FINANCIAL POSITION OF DGO AND SHARE PRICE COMPARED TO NET ASSET VALUE

5. FINANCIAL POSITION OF DGO AND SHARE PRICE COMPARED TO NET ASSET VALUE

DGO's last published audited or audit reviewed financial statements were for the 6 months ended 31 December 2021 which were released to ASX on 11 March 2022.

So far as is known to the directors of DGO at the date of this target's statement, the financial position of DGO has not materially changed since 31 December 2021 (the balance date for the company's last published audited or audit reviewed financial statements) to the date of this target's statement.

The net asset value of DGO's investment in De Grey is reported in DGO's accounts on an equity accounting basis. The carrying value is the historical cost of investment less DGO's percentage of post-acquisition losses incurred by De Grey. The net asset value of DGO's investment in Dacian and Yandal is reported in DGO's accounts at fair value, in effect at market value at the relevant reporting date.

However, the market value of these investments, based on a closing trading price of a share in each of De Grey, Dacian, Yandal, and SensOre as at 1 April 2022 (being the last trading day prior to the Gold Road offer being announced) is outlined below.

Accordingly, **and subject to the disclaimers below**, when the market value of these investments is used, DGO has a total net asset value of \$295 million.

	OWNERSHIP	COST BASE (A\$M)	NET ASSET VALUE (A\$M)
Listed Investments			
De Grey	14.4%	60	250.4
Dacian	6.8%	15	17.5
Yandal	20.1%	11	5.7
SensOre	0.8%	0.5	0.4
Total Listed Investments		86	274
Greenfield Exploration			
Yilgarn Exploration Ventures	40%	4.6	4.6
Exploration Projects	80% – 100%		23.2 ¹
Net Cash / (Debt)			(6.4)
Total Valuation			295
A\$ Per Share (diluted)²			\$3.50

1 CSA Global Pty Ltd mid-point valuation of DGO's exploration assets (ASX:DGO 12 May 2020). Note that this value was obtained in April 2020, and accordingly may have changed since the valuation date both through exploration results and tenement acquisitions, and also changes in the gold price and other underlying assumptions. A complete copy of the report can be accessed here <https://www.asx.com.au/asxpdf/20200512/pdf/44hs4rt9q7jtgb.pdf> at page 149.

2 Based on DGO's ordinary shares on issue, plus in-the-money options and adjustment for cash receipt on exercise of those options.

The estimated net asset value of the listed investments is based on the historical trading data of the shares in those companies as at 1 April 2022. Those values are subject to change, including as a result of market fluctuations, and the activities of those companies in which DGO has invested.

There is no guarantee that the eventual value realised for all, or part of the investment will reflect the current market value of the security. Any realisation of value will depend on a number of market related factors, including the liquidity and performance of the underlying stock and the percentage of total issued shares held.

Further, it is unlikely that were DGO to sell those investments that DGO would be able to realise the full estimated market value, as the sale of significant stakes in listed companies typically attract a discount due to the subsequent market overhang.

It is also important to note that the sale of some or all of DGO's listed investments would likely crystallise a tax liability – which should also be taken into account (and has not been reflected in the table above).

DGO'S SHARE PRICE COMPARED TO ITS NAV

DGO's current asset portfolio consists of investments in listed brownfield explorers as well as interests in unlisted prospective greenfield exploration projects. Historically, DGO has traded at a discount to the implied value of its assets (which are primarily listed, and have readily observable market prices).

The chart below demonstrates how the DGO market capitalisation has traded relative to its net asset value as outlined above. Over the 12 months to 1 April 2022 (being the last trading day prior to announcement of the Gold Road offer), DGO has traded at an average discount of 21% to this net asset value. A key focus for DGO has been assessing strategic alternatives to unlock this value that is not being appropriately reflected by the market. The Gold Road offer represents a significant premium to DGO's share price and represents an attractive opportunity for shareholders to realise the additional value in DGO's portfolio (whilst retaining exposure to these assets through an investment in Gold Road).

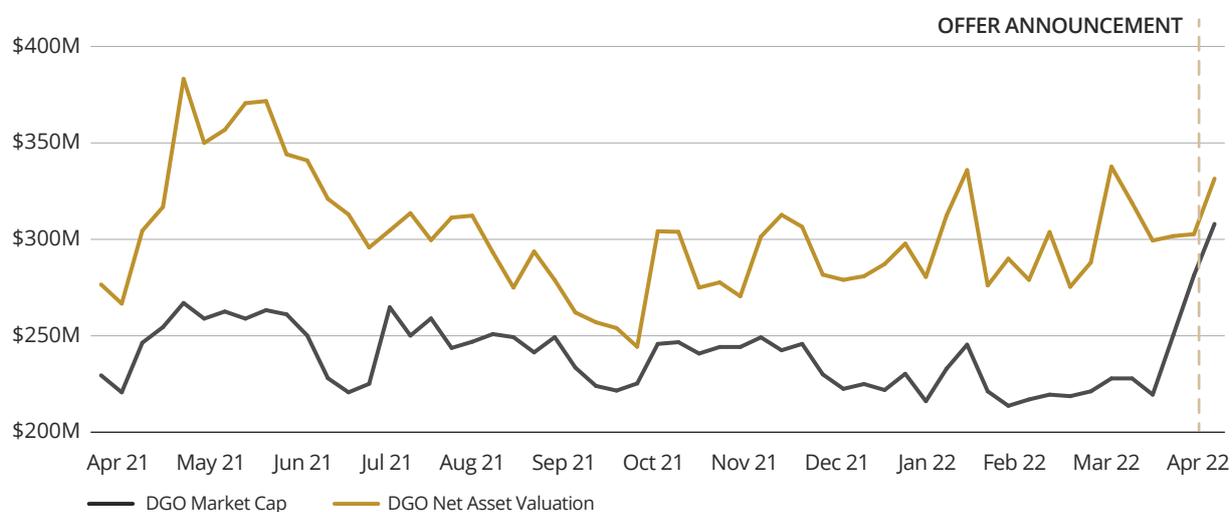


Figure 4: Based on end of week data, net asset value calculated as the summation of shares held in each company multiplied by market prices from IRESS, funds contributed to YEV at each date, exploration tenements at the 2020 published CSA Global Pty Ltd valuation (see above). Cash/(debt) is not included. (Source: IRESS, CapitalIQ).

6



DGO'S INTENTIONS IF OFFER DOES NOT PROCEED

6. DGO'S INTENTIONS IF OFFER DOES NOT PROCEED

DGO will continue to advance its strategy of building a portfolio of strategic investments in the Australian gold and copper exploration sector. Whilst holding projects owned directly by DGO together with stakes in ASX-listed companies with prospective gold exploration projects, the emphasis is on creating wealth for DGO shareholders by capitalising on the substantial difference between the relatively low cost of gold discovery and the significantly higher market valuations applied to growing gold resource inventories.

DGO has assessed a number of strategic alternatives to maximise shareholder value, including improving DGO's liquidity and exploring options to unlock the value in its portfolio that has historically not been recognised in its share price. If the offer did not proceed then DGO will continue to assess these alternatives, however there is no guarantee that an option to unlock this additional value or improve DGO's liquidity will be discovered.

7 —

BACKGROUND INFORMATION ABOUT DGO

7. BACKGROUND INFORMATION ABOUT DGO

7.1 DGO'S BUSINESS

DGO is a public company limited by shares, headquartered in Melbourne with offices in Perth and listed on ASX (ASX:DGO). DGO is subject to the ASX Listing Rules, including rules regarding continuous and periodic disclosure.

The principal activity of DGO is to provide participation in a discovery leveraged exposure to gold by allocating capital to major-company-scale discovery opportunities. This is achieved through investing in listed brownfield explorers and building strategic greenfield land positions, which satisfy key selection criteria. DGO's focus is on building a portfolio of Western Australian and South Australian brownfield gold, greenfield copper and gold discovery opportunities, through strategic equity investment, tenement acquisitions and joint ventures.

Further details of DGO's business is as follows:

BROWNFIELD DISCOVERY

(a) Investment in De Grey

At 14 April 2022, DGO held 203,577,703 quoted shares in De Grey Mining Limited (14.4% of issued capital) with a market value of approximately \$276 million based on the closing share price on the ASX of \$1.36. DGO's initial investment in De Grey in May 2018 was based on the potential to discover world-class resources within an underexplored landholding comparable in scale to the 17Moz Yandal Belt⁵. The discovery in February 2020 of the 6.8Moz Hemi resource (ASX:DEG 23 June 2021) endorsed DGO's investment thesis. In October 2021 De Grey announced the results of a scoping study for the 9Moz Mallina Gold Project. The study shows that a 10 year, 427,000 ounce per annum operation could be developed with a post-tax NPV5 of \$2 billion (ASX:DEG 5 October 2021). These results continue to demonstrate that the Mallina Gold Project is a Tier 1 asset. Significant potential remains for further world-class discoveries within the 150km of strike held by De Grey in the Mallina Province.

(b) Investment in Dacian

At 14 April 2022, DGO held 74,293,843 quoted shares in Dacian (6.8% of issued capital) with a market value of approximately \$22 million based on the closing share price on the ASX of \$0.30.

DGO's investment in Dacian was the result of a merger with NTM Gold Limited (**NTM**) in March 2021. DGO's October 2018 investment in NTM was based on the potential for a significant discovery on the Mertondale shear within 50km of 4 operating gold plants. The high grade Hub discovery and subsequent acquisition by Dacian validated the investment thesis.

Dacian's strategically located processing infrastructure and potential for significant resource increases at Mt Morgan's as evidenced by recent results from Jupiter (e.g. 202.6m @ 1.1g/t from 497.0m (ASX:DCN 18 January 2022) are the basis for DGO's continuing investment.

(c) Investment in Yandal

At 14 April 2022, DGO held 23,362,809 quoted shares in Yandal (20.1% of issued capital) with a market value of approximately \$6 million based on the closing share price on the ASX of \$0.24. DGO is Yandal's largest shareholder.

The basis for DGO's 2020 investment in Yandal was that its significant landholding within close proximity of world class deposits such as Kanowna Belle (20km along strike of Gordon's Dam) and Jundee (50km along strike of Flushing Meadows) had high discovery potential. Yandal's intersection in September 2021 of 42m @ 2g/t from 18m, including 10m @ 8.4g/t from 43m at Star of Gordon, highlights this potential (ASX:YRL 28 September 2021).

5 G Neil Phillips & J R Vearncombe 2011, 'Exploration of the Yandal gold province, Yilgarn Craton, Western Australia', Applied Earth Science, vol. 120, no. 1, pp. 44-59.

7. BACKGROUND INFORMATION ABOUT DGO CONT.

GREENFIELD DISCOVERY

(d) Investment in Yilgarn Exploration Ventures Pty Ltd

Yilgarn Exploration Ventures (**YEV**) is a joint venture company between SensOre (60%) and DGO (40%). YEV was formed to conduct exploration on high potential gold targets identified by SensOre's Discriminant Predictive Targeting (DPT[®]) technology in the Yilgarn region of Western Australia. SensOre's proprietary DPT[®] technology applied to its data cube of over 2500 layers of cleaned data, uses AI/machine learning to define advanced, high potential gold targets.

YEV is exploring 8 projects in the Yilgarn region of Western Australia:

- Balagundi, 20km east of Kalgoorlie;
- Tea Well, 7km southeast of Meekatharra;
- Desdemona North, 15km south of Leonora;
- Darlot North, 20km north of Darlot Gold mine;
- Lake Grace, 95km northeast of Katanning;
- Mt Magnet North, 20km north of Mt Magnet;
- Providence Bore, 75km west of Leonora; and
- Christmas Well, 15km northwest of Leonora.

(e) Pernatty, Stuart Shelf, SA

The Stuart Shelf contains BHP's world class Olympic Dam copper-gold-uranium mine, and a number of other major copper-gold deposits including Oz Minerals' Prominent Hill and Carrapateena operations. DGO's 5,571km² landholding on the Stuart Shelf is a significant position adjacent to BHP, FMG, and OZ Minerals. 3,743km² of DGO's landholding is held 100% and the remaining 1,828km² is held by Investigator Resources Limited (ASX:IVR) in which DGO is earning an 80% interest (ASX:DGO 21/09/2020). The Stuart Shelf hosts Zambian Copper Belt style sediment copper and Olympic Dam style iron oxide copper-gold (IOCG).

DGO has conducted 2 drill programs at Pernatty testing for the presence of Zambian style copper mineralisation under cover on the Stuart Shelf. The initial program proved the concept with results including 4m @ 0.8% CuEq (0.41% Cu and 0.04% Co) from 73m at Moseley. More recent drilling on wide spaced (+1km) lines defined a 15km long Transition Zone at Moseley with results including 4m @ 0.9% CuEq from 76m (0.57% Cu and 242ppm Co).

A review of the IOCG potential of Pernatty has also generated a number of targets within DGO's land position at Pernatty. A recent detailed gravity survey identified two targets with IOCG-type geophysical signatures where the depth to basement is predicted to be less than 400m. Due to the relatively shallow depth compared to other IOCG systems (e.g. Emmie Bluff Deeps is ~800m below surface; ASX:COD 6/04/2022), DGO will use reverse circulation (RC) drilling to test the targets.

DGO continues to progress land access approvals for a drilling program on its 100% owned tenements. The negotiated Native Title Mining Agreement with Kokatha Aboriginal Corporation was approved by the Kokatha Board and the common law holders on 10 April 2022.

Refer to DGO's ASX announcements on 17 December 2021 and 20 April 2022.

(f) Bryah, Murchison, WA

Bryah is located 95km southwest of Sandfire Resources' DeGrussa copper-gold mine (0.65Mt Cu & 0.74Moz Au, ASX:SFR 4/03/2011), 70km north of Meekatharra, and includes Judge's Find, an area of known gold nugget occurrences where surface mining for gold has occurred for some time. The source of this alluvial gold is unknown.

DGO completed a maiden diamond drilling program over the western margin of the Yerrida-Bryah Basin in 2021. Drilling encountered extensive hydrothermal alteration and defined a previously unrecognised mafic volcanic stratigraphy within the basal Juderina Formation adjacent to the Archean basement. Multi-element assays identified 3 distinct horizons (M1, M2, and M3) with high potential for hosting VHMS mineralisation, immediately northwest of Judges' Find gold nugget field. In addition, laser ICPMS analyses of pyrite from the M3 horizon identified the same Pb isotope ratio (207Pb/206Pb) seen in pyrite from the DeGrussa VHMS deposit.

Judge's Find is an area of significant historical and contemporary gold nugget occurrences. Field investigations carried out by DGO in 2021 identified silcrete float as the primary source of nuggets in the area. Auriferous-silcrete horizons are well-documented as being developed above major VHMS systems, such as the Scuddles orebody at the Golden Grove Mine.

In February 2022, DGO completed a drill program targeting the intersection of the M1, M2 and M3 horizons with previously untested airborne electromagnetic (AEM) anomalies and interpreted volcanic vent centres. Significant alteration including Ag, Pb, Zn and Cu anomalism was intersected in all three horizons. The best intersections from the program include 2m @ 0.5% Cu and 6g/t Ag from 119m 450m northeast of a gossan and within the M3 horizon. The mineralisation occurred as visible disseminated fine-grained chalcopyrite in strongly silicified shale, at the contact with a highly calc-silicate altered meta-dolomite. This intersection demonstrates the potential for a major base and precious metal mineralising system to be present at Bryah.

Refer to DGO's ASX announcement on 20 April 2022.

(g) Yerrida, Murchison, WA

Yerrida is located in the Yerrida Basin, 75km south of Sandfire Resources' DeGrussa copper-gold mine (0.65Mt Cu & 0.74Moz Au, ASX:SFR 4/03/2011) and 60km northeast of Meekatharra, Western Australia. DGO's 4,574km² landholding is a substantial position second only to Sandfire Resources in the Yerrida-Bryah Basin. The Yerrida Basin is prospective for both DeGrussa style copper-gold mineralisation and stratiform sediment-hosted copper deposits analogous to the world-class Zambian Copper Belt.

DGO's drilling in 2021 identified an intensely altered, strata-bound horizon with chlorite-carbonate-barite-sphalerite-galena-quartz mineralogy and trace pyrite, pyrrhotite and chalcopyrite at the contact between the Killara mafic and Johnston Cairn sedimentary formation. This horizon (HS) has the signature geochemistry showing potential to host VHMS mineralization. Present within this sequence are zones of Pb-Zn-Ag(-Ba) mineralisation up to 1.25% Zn, 1.5% Pb, 8.5 g/t Ag and 31% Ba, interpreted by DGO's specialist consultant, Dr Ross Large, as indicative of exhalative "white smoker" bodies distal to a larger VHMS system.

HS extends for +25km and is complexly folded and faulted beneath a transported cover as it approaches the basin margin at Mistletoe Well based on a detailed drone magnetic survey. Air core drilling commenced at Mistletoe Well in March 2022. Thick zones of alteration have been intersected over +600m of strike comprising intense silicification, sericite and/or chlorite, with disseminated euhedral pyrite based on initial logging.

Hand held pXRF analysis has shown highly anomalous base metals associated with gossanous material within the saprolite. This style of alteration is consistent with the footwall of many VHMS systems.

Refer to DGO's ASX announcement on 20 April 2022.

(h) Mallina, Pilbara, WA

DGO holds 281km² of prospective tenements adjoining De Grey's Mallina Gold Project. The Mallina Basin hosts substantial structurally controlled gold resources including the intrusion related gold at Hemi, 75km east-northeast of DGO's tenure.

DGO has been working with the native title holders and claimants to progress drilling activities at Mallina. Detailed analysis by DGO of geology, magnetics, and soil geochemistry has identified that Mallina has a similar geological setting to that of Hemi. Drilling of targets is anticipated to commence this quarter, subject to finalising arrangements with native title parties, including completing heritage surveys, and availability of drilling contractors. DGO Gold continues to engage positively with its Native Title partners.

Refer to DGO's ASX announcement on 20 April 2022.

(i) Lake Randall, Eastern Goldfields, W.A

DGO holds 230km² of untested, prospective terrain under shallow lake and transported sediment cover 50km east of Kambalda and 7km south of Silverlake Resources' Mt Belches Mining Centre. The Lake Randall target was generated as a result of a comprehensive review for sediment hosted gold mineralisation in the Eastern Goldfields of Western Australia.

A ground gravity survey in late 2019 identified fourteen targets with potential to host granite-associated Granny Smith style, and banded iron formation-associated Mt Belches-style, gold mineralisation beneath the lake sediments.

7. BACKGROUND INFORMATION ABOUT DGO CONT.

Recent exploration by Lefroy Exploration (ASX:LEX) intersected 60m at 5.22g/t Au and 0.38% Cu from 112m to end of hole at Burns (ASX:LEX 23 February 2021), 15km west of DGO's Lake Randall. Mineralisation is associated with a large felsic intrusion which does not outcrop.

These results led to DGO completing an 18-hole air core drilling program testing intrusive-associated Granny Smith style targets at Lake Randall. The results of this program are awaited.

Refer to DGO's ASX announcement on 28 January 2021.

(j) Deleta, Eastern Goldfields, W.A

DGO holds 102km² of tenements over the Deleta Greenstone Belt (DGB), 180km north of Laverton. The DGB is interpreted to be extensively faulted and sheared, alternating mafic, with interbedded chert/BIF, and ultramafic rocks beneath Cainozoic sheetwash, sand dunes and clay pans. There is no known gold production from the DGB and minimal exploration has been conducted by previous explorers.

DGO Gold has completed the geological and structural interpretation based on the available aeromagnetic data and soil geochemistry to identify 10 gold targets. DGO is progressing heritage approvals in preparation for additional soil sampling and drilling programs to evaluate the under-explored Deleta targets.

(k) Black Flag, Eastern Goldfields, W.A

DGO's Black Flag 35km northwest of Kalgoorlie covers approximately 31km² of the highly prospective Mt Pleasant-Ora Banda Greenstone Belt. The tenements cover rocks of the Black Flag Group between the fold axis of the south east plunging regional Goongarrie-Mt Pleasant Anticline and the north-south trending Abattoir Shear Zone.

DGO has completed three phases of broad spaced drilling and a detailed review of previous exploration data. The drilling identified an extensive sheared alteration zone undercover with pervasive silica±chlorite±carbonate±sericite alteration and gold mineralisation associated with disseminated sulphide, pyritic stringers and quartz veining within the Black Flag Group.

Recent structural analysis of drill core and review of historical and DGO drilling results indicate a gold trend approximately perpendicular to the NE/NNE linkage faults and sub-parallel to the prevailing NNW-trending structural corridor and stratigraphic trend within the project area. Gold mineralisation hosted in arrays of SW-dipping, en-echelon trans-tensional veins along the NE/NNE trending corridor and in dilation zones formed between the cross faults are targets for further drilling. The targets are consistent with the style of mineralisation seen at other Black Flag Group-hosted orebodies (e.g. Binduli, Janet Ivy) and greenstone hosted deposits in the area (Paddington and Mt Pleasant).

7.2 TRADING OF DGO SHARES

As at 1 April 2022, being the last trading day prior to announcement of the Gold Road offer, the market capitalisation of DGO was approximately \$250 million and there were 83,477,112 DGO Shares on issue.

The last recorded sale price of DGO Shares on the ASX:

- (a) before Gold Road's offer was announced was \$3.00 on 1 April 2022;
- (b) before Gold Road lodged its Gold Road bidder's statement with ASIC was \$3.46 on 5 April 2022; and
- (c) on 14 April 2022 (being shortly before the date of this target's statement) was \$3.69.

In the 4 months prior to 1 April 2022 (being the last trading day prior to the Gold Road offer announcement):

- (a) the highest recorded sale price of DGO Shares on ASX was \$3.04 on 19 January 2022; and
- (b) the lowest recorded sale price of DGO Shares on ASX was \$2.50 on 8 March 2022.

The average daily trading volume for DGO Shares over the 3 months ended 1 April 2022 was approximately 41,000 shares per day.

The below chart shows the performance of DGO Shares on ASX during the 6-month period up to and including 14 April 2022.



Figure 5: DGO's share price over the 6 months to 14 April 2022 (Source: FactSet).

7.3 DIVIDENDS PAID ON DGO SHARES

No dividends have ever been paid on DGO Shares.

8 — RISKS

8. RISKS

8.1 RISKS OF INVESTING IN GOLD ROAD

There are risks associated with accepting Gold Road's offer. Some of the specific risks Gold Road has identified as being applicable to becoming a shareholder in Gold Road are set out below:

- (a) **Laws, regulations, rules, approvals, licences and permits:** Gold Road's operations (and should the offer be successful, and DGO become a subsidiary of Gold Road, the operations of the combined group (**Combined Group**)) will be subject to various Federal, State and local laws and plans, including those relating to mining, prospecting, development permit and licence requirements, industrial relations, environment, land use, royalties, water, native title and cultural heritage, mine safety and occupational health. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, production or development.

Approvals, licences and permits required to comply with such rules and regulations are subject to the discretion of the applicable government officials. No assurance can be given that Gold Road will be successful in obtaining any or all of the various approvals, licences and permits or maintaining such authorisations in full force and effect without modification or revocation. Gold Road has announced that as at the date of the bidder's statement, Gold Road holds all the titles and approvals it currently needs for Gruyere.

- (b) **Land access arrangements:** Mineral exploration, development and mining generally require consultation and agreement with landholders or other third parties in relation to access arrangements regarding underlying land. Gold Road (and the Combined Group) may be subject to restrictions associated with such land access arrangements, and may be required to pay compensation or adhere to other attached conditions. There is the further risk that landholders or other third parties may refuse access to the relevant land, which may negatively impact Gold Road and the Combined Group's capacity to further explore or develop any projects, the subject of such land.
- (c) **Title risk:** The *Native Title Act 1993* (Cth) recognises and protects the rights and interest in Australia of Aboriginal and Torres Strait Islander people in land and waters according to their traditional laws and customs. Native title may impact the Combined Group's operations and future plans. Native title is not generally extinguished by the grant of exploration and mining tenements, as they are not generally considered to be a grant of exclusive possession. However, a valid exploration or mining tenement prevails over native title to the extent of any inconsistency for the duration of the title.

There may be areas in relation to tenements which the Combined Group has an existing interest in, or will acquire an interest in the future, over which common law Native Title rights exist, or may be found to exist, which may preclude or delay exploration, development or production activities. The Gruyere Joint Venture tenements are currently covered by a Native Title Agreement. Gold Road's 100% owned exploration tenements are subject to industry standard heritage agreements and the extent and timing of programs is subject to compliance with these agreements. If a decision is made to mine on the 100% owned Yamarna exploration tenements, a Native Title Agreement will likely be required, and there is no certainty that a Native Title Agreement will be reached.

The Combined Group will also need to comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of mining and exploration operations.

- (d) **Exploration and development risk:** The exploration for and development of mineral deposits is speculative and involves significant risks. Whether a mineral deposit will be commercially viable depends on a number of factors, including: the particular attributes of the deposit (such as size, grade and proximity to infrastructure), metal prices, metallurgical recovery, capital construction and operating costs, and government regulation including regulations relating to prices, taxes, royalties, land tenure, land use, exporting of minerals and environmental protection. There is no certainty that the expenditures made by Gold Road towards the search for and evaluation of mineral deposits, will result in discoveries of commercial quantities of ore.
- (e) **Future Mining Studies:** Studies undertaken on the potential to advance projects to a mining operation or continue as a mining operation have not all been independently verified by Gold Road and there is no certainty of a future or continuing mining operation. Gold Road's ability, or the ability of its strategic investment companies, to develop its exploration projects to mining projects in the future may be delayed or prevented as a result of factors including weather conditions, mechanical difficulties or a shortage of technical expertise or equipment. There may be difficulties with obtaining government and/or third-party approvals, operational difficulties encountered with construction, extraction and production activities, unexpected shortages or increase in the price of consumables (including water and energy resources such as grid power, diesel, gas and other fossil fuels), labour disruptions, plant and equipment, information technology systems, cost overruns or lack of access to required levels of funding.

8. RISKS CONT.

Gold Road's future operations, as well as future and existing operations of its strategic investment companies, may be adversely affected by higher than anticipated treatment costs, worse than anticipated metallurgical conditions, unfavourable geotechnical or hydrological conditions, fluctuations in metal prices or lack of availability of plant and equipment. The occurrence of any of these circumstances could result in Gold Road, or its strategic investment companies, not realising its operational or development plans or in such plans costing more than expected or taking longer to realise than expected.

- (f) **Operational risks:** The Combined Group's assets and mining operations, as any others, will be subject to uncertainty with respect to (among other things): ore tonnes, mine grade, ground conditions, geology metallurgical recovery or unanticipated metallurgical issues (which may affect extraction costs), in fill resource drilling, mill performance, the level of experience of the workforce, operational environment, funding for development, regulatory changes, accidents and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment, or the health and safety of its workforce, storms, floods, bushfires or other natural disasters. Mining Operations could also suffer from poor design or poor reliability of equipment, impacts to supply chain, and transport of plant equipment and the workforce to and from site.

The occurrence of any of these circumstances could result in the Combined Group not realising its operational or development plans, or plans costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on Gold Road's financial and operational performance.

As Gruyere is the only current operating asset which Gold Road has a direct and significant interest in, any operational risks which materialise at Gruyere will have a greater effect on the Combined Group than a diversified company with two or more operations (noting that as at the date of this target's statement, DGO does not have a direct interest in an operating asset).

- (g) **Commodity price volatility:** Gold Road's future profitability depends upon the world market price of gold. If the market price for gold falls below Gold Road's future production costs and remains at such levels for any sustained period of time, it may not be economically feasible to commence or continue production. Production from Gold Road's mineral properties will be dependent upon the price of gold being adequate to make these properties economic.

Gold Road currently has certain gold price hedging arrangements in place and may in the future be required or choose to enter into further gold price hedging arrangements. Although gold price hedging activities may protect Gold Road in certain instances, they may also limit the price that can be realised on the proportion of recovered metal that is subject to any hedges, if the market price for gold exceeds the hedge contract price.

- (h) **Mineral Resource and Ore Reserve estimates:** Mineral Resource and Ore Reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Combined Group's operations.
- (i) **Joint venture risk:** Joint venture arrangements form part of Gold Road's growth strategies. There can be no assurance that these joint venture arrangements will be successful. Projects held and run through joint ventures may impose a number of restrictions on Gold Road's ability to sell its interest in any assets held through such a structure and may require prior approval of other joint venture partners or may be subject to pre-emptive rights.

Subject to the relevant joint venture agreements, Gold Road may be unable to control the actions of its joint venture partners and therefore cannot guarantee that the joint venture arrangements will be operated or managed in accordance with Gold Road's preferred direction or strategy. There is therefore a risk of financial failure, negligence or default by a participant or manager in any joint venture to which Gold Road is or may become a party.

Gold Road's interests may not always be the same as that of its joint venture partners and disagreements may arise. Disagreements between joint venturers or a failure of a joint venture partner to adequately manage a project poses a further risk of financial loss or legal or other disputes with the other participants in such a joint venture. In addition, Gold Road is not the operating and/or majority party in all of its joint venture arrangements (in particular the Gruyere Joint Venture) and therefore has less control over decision making and less visibility over operational risks associated with those particular joint ventures. In these circumstances, Gold Road is reliant on third party managers or its joint venture partner(s) to manage and communicate risk factors to Gold Road.

- (j) **Key personnel and contractors:** A number of key personnel are important to attaining the business goals of Gold Road and the Combined Group. One or more of these key employees could leave their employment, and this may adversely affect the ability of Gold Road and the Combined Group to conduct their business and, accordingly, affect the financial performance of Gold Road and the price of Gold Road Shares.

Recruiting and retaining qualified personnel are important to the success of the Combined Group. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons can be strong, depending on market conditions.

Any disputes with employees (through personal injuries, occupational health and safety, industrial matters or otherwise), change in labour regulations, or other developments in the area may cause labour disputes, work stoppages or other disruptions in production that could adversely impact the Combined Group.

The Combined Group may use external contractors or service providers for many of its activities, and as such the failure of any current or proposed contractors, subcontractors or other service providers to perform their contractual obligations may negatively impact the business of the Combined Group. Gold Road cannot guarantee that such parties will fulfil their contractual obligations and there is no guarantee that Gold Road would be successful in enforcing any of its contractual rights through legal action. Further, the insolvency or managerial failure by any such contractors or other service providers may pose a significant risk to Gold Road's operating and financial performance and financial position.

- (k) **Royalties:** Each gold mining project operated by Gold Road will be subject to Western Australian royalties. If royalties rise, the profitability and commercial viability of Gold Road's projects may be negatively impacted. In addition, assets held by Gold Road may be or become the subject of third party royalty claims (for example legacy royalties). If a third party royalty is determined to be valid, Gold Road's liability under that royalty may or may not be substantial and may or may not affect its financial position, its financial results or its operations.
- (l) **Competition risk:** The industry in which the Combined Group is involved is subject to domestic and global competition. Although Gold Road considers that it undertakes all reasonable due diligence in its business decisions and operations, Gold Road has no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Combined Group's projects and business.
- (m) **Regulatory risk:** Gold Road must meet regulatory requirements that are subject to continual review, including inspection by regulatory authorities. Failure by Gold Road to continuously comply with regulatory requirements (including, without limitation, in relation to mining, prospecting, rehabilitation, permitting and licencing requirements, industrial relations, environment, waste disposal, land use, royalties, native title, land access, mine safety and occupational health) or failure to take satisfactory corrective action in response to adverse inspection could result in enforcement actions. Gold Road operates in a regulated environment with the potential for significant penalties for non-compliance with applicable laws and regulations. Gold Road's future growth prospects are reliant on its ability to market its services and any regulatory change, event or enforcement action which would restrict those activities could have a material impact on Gold Road's growth and future financial performance. Amendments to current law and regulations governing operations or more stringent implementation of laws and regulations could have an adverse impact on Gold Road, including increases in expenses, capital expenditure and costs. The impact of future regulatory and legislative change upon the business of Gold Road cannot be predicted.

Approvals, licences and permits required to comply with such laws may, in some instances, be subject to the discretion of government officials and, in some cases, the local community. No assurance can be given that Gold Road will be successful in obtaining or maintaining any or all of the various approvals, licences and permits. To the extent such approvals are required and not retained or obtained in a timely manner or at all, Gold Road may be curtailed or prohibited from continuing or proceeding with mining, development and/or exploration activities. There can be no assurance that the costs involved in retaining or obtaining such approvals will not exceed those estimated by Gold Road.

Mining operations can be subject to public and political opposition. Opposition may include legal challenges to exploration and development permits, political and public advocacy, electoral strategies, media and public outreach campaigns and protest activity, all which may delay or halt development or expansion. For example, native title claims on any existing or future tenements held by Gold Road, or its strategic investment companies, may potentially impact Gold Road's operations and future plans.

8. RISKS CONT.

- (n) **Environmental risk:** The operations and activities of the Combined Group will be subject to the environmental laws and regulations of Australia. As with most exploration projects and mining operations, the Combined Group's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Gold Road attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations.

Gold Road is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Combined Group's cost of doing business or affect its operations in any area. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Combined Group to incur significant expenses and undertake significant investments which could have material adverse effect on the Combined Group's business, financial condition and performance.

- (o) **Community and social:** Gold Road's relationship with the communities in which it operates is important to ensure the future success of its existing operations and the construction and development of its projects. While Gold Road believes its relationships with the communities in which it operates are strong, there is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. A failure by Gold Road to adequately respond to changes in environmental laws (including those relating to climate change) or comply with regulations governing access may adversely affect Gold Road's relationship with key stakeholders, community relations and its social licence to operate. More detail is available in Gold Road's Sustainability Report which can be accessed on Gold Road's website.
- (p) **Litigation:** The Combined Group could be exposed to possible litigation risks including environmental claims, occupational health and safety claims and employee claims. Further, the Combined Group may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Combined Group's operations, financial performance and financial position.
- (q) **Insurance:** Gold Road faces various risks in connection with its business including blowouts, explosions, fires, damages or lost equipment and damage or loss from inclement weather or natural disasters. Any of these hazards could result in personal injury or death, damage to or destruction of equipment and facilities, suspension of operations, environmental damage and damage to the property of others. Gold Road intends to insure its operations in accordance with industry practice. However, in certain circumstances, Gold Road's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on Gold Road's business, financial condition and results.
- Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.
- (r) **Future financing requirements:** Gold Road may require further financing support in the future to support additional capital expenditure or to meet future objectives. Despite Gold Road's strong capital raising track record, there is no certainty that it will be successful in obtaining the financing required as and when needed, on favourable terms or at all. Failure to obtain future financing on a timely basis may compromise Gold Road's ability to commence new contracts, perform existing contracts or may prevent it from achieving other objectives.
- (s) **Production guidance:** Gold Road has from time to time provided production guidance. This guidance is based on assumptions and forecasts which may subsequently prove to be incorrect, resulting in different actual results. While Gold Road considers that this guidance is reasonable, actual future production may vary from the guidance for various reasons, many of which cannot be foreseen and are beyond the control of Gold Road. These factors may cause the production guidance not to be achieved or to be achieved later than expected, or to be achieved at a higher cost than anticipated.
- (t) **Climate change risks:** Climate change is a risk to the Combined Group (and particularly Gold Road given its mature operations) related to operations in the mining industry. The climate change risks particularly attributable to Gold Road include the emergence of new or expanded regulations associated with the transitioning to a lower carbon economy and market changes related to climate change mitigation.
- The Combined Group may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage.
- Climate change may cause certain physical and environmental risks that cannot be predicated by the Combined Group, including events such as increased severity of weather patterns and incidence of extreme weather events and longer term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry within which the Combined Group operates.
- (u) **Market price of Gold Road shares:** The market price of Gold Road shares may fluctuate over time as a result of a number of factors including the financial performance and prospects of Gold Road, prevailing market conditions,

general investor sentiment in those markets, inflation, interest rates, exchange rates, commodity prices, changes to government regulation, policy or legislation and the liquidity and volume of shares being bought or sold at any point in time. Accordingly, there can be no guarantee that there will be an active or liquid market in shares traded on ASX and there is no guarantee that the Gold Road Shares issued to DGO Shareholders pursuant to the Offer will trade at or above the issue price. It should also be noted that the historic share price performance of Gold Road shares does not necessarily provide any guidance as to the future share price performance.

- (v) **Economic risk:** The operating and financial performance of the Combined Group will be influenced by a variety of general economic and business conditions, including levels of consumer spending, oil prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies.

Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on Gold Road's operating and financial performance and financial position.

- (w) **Equity dilution:** Gold Road may elect to issue Gold Road Shares or other securities in Gold Road in the future. While Gold Road will be subject to the constraints of the Listing Rules regarding the percentage of capital that it is able to issue within a 12 month period (other than where exceptions apply), the increase in the number of securities issued and the possible sale of these securities may have the effect of depressing the price of Gold Road securities already on issue. In addition, Gold Road shareholders at the time may be diluted as a result of the issue of such securities.
- (x) **COVID-19:** The global economic outlook is still facing uncertainty due to the ongoing COVID-19 pandemic, which has been having, and is likely to continue to have, a significant impact on global capital markets, the gold price, foreign exchange rates and supply chains. To date, COVID-19 has not had any material impact on Gold Road's (or, as far as Gold Road is aware, DGO's) operations, however, any infections on sites could result in the Combined Group's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on the Combined Group's operations as well as adverse implications on Gold Road's future cash flows, profitability and financial condition.
- (y) **Risk of conflict:** Conflict events including, but not limited to, significant riots or acts of terrorism, invasion, hostilities (whether war be declared or not), or war may adversely affect the operating and financial performance of the Combined Group. Escalation of the current conflict in Ukraine may increase market volatility generally and/or volatility in global commodity prices generally.
- (z) **Changes in Australian government policy, laws and regulations generally:** Amendments to current laws, regulations and permits governing operations and activities of mining companies, or a more stringent implementation of them, could have a material adverse impact on the viability and profitability of the Combined Group, and consequent returns to investors. The activities of the Combined Group will be subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards, occupational health and safety and other matters.
- (aa) **Changes in tax rules or their interpretation:** Changes in tax law (including value added or indirect taxes and stamp duties), or changes in the way tax laws are interpreted, may impact the Combined Group's tax liabilities or the tax treatment of an Gold Road shareholder's investment. In particular, both the level and basis of taxation may change. In addition, an investment in Gold Road Shares involves tax considerations which may differ for each Gold Road shareholder. Each DGO Shareholder is encouraged to seek professional tax advice in connection with the Offer and how they may be discretely impacted.
- (bb) **Dividends:** Any future determination as to the payment of dividends by the Combined Group will be at the discretion of the Gold Road Directors and will depend on the financial condition of the Combined Group, future capital requirements and general business and other factors considered relevant by the Gold Road Directors at the time. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Combined Group.

8. RISKS CONT.

(cc) **Cyber Security and IT:** Gold Road relies on IT infrastructure and systems and the efficient and uninterrupted operation of core technologies. Gold Road's core technologies and other systems and operations could be exposed to damage or interruption from system failures, computer viruses, cyber-attacks, power or telecommunication provider's failure or human error. These events may cause one or more of Gold Road's core technologies to become unavailable. Any interruptions to these operations would impact Gold Road's ability to operate and could result in business interruption, loss of customers and revenue, damaged reputation and weakening of competitive position and could therefore adversely affect Gold Road's operating and financial performance.

(dd) **Bribery and corruption:** Gold Road's operations are subject to various anti-corruption laws and regulations which prohibit a company and its employees or intermediaries from bribing or making improper payments to government officials or other persons to obtain or retain business or gain some other business advantage. Gold Road maintains anti-bribery policies, anti-corruption training programs, codes of conduct, procedures and other safeguards designed to prevent the occurrence of fraud, bribery and corruption. Instances of fraud, bribery and corruption, and violations of laws and regulations could have a material adverse effect on the Gold Road's reputation, business, results of operations, financial condition and the price of shares of Gold Road.

Please note that this list is not exhaustive, and you should carefully review section 8 of the Gold Road bidder's statement which contains key details of the risks associated with Gold Road which Gold Road has identified before deciding whether to accept the offer.

If you decide not to accept the offer and remain a DGO Shareholder (and assuming your DGO Shares are not compulsorily acquired), you should carefully consider Gold Road's current intentions in relation to DGO as a result of Gold Road's offer, as set out in section 6 of the Gold Road bidder's statement.

8.2 GOLD ROAD'S OFFER IS CONDITIONAL

Gold Road's offer is subject to a number of conditions, a number of which are outside DGO's control. While Gold Road may free the offer of conditions (e.g. if they are not able to be satisfied), there is no guarantee Gold Road will do so.

If you accept the offer while it is subject to a condition, you will give up the ability to deal with your DGO Shares (e.g. to sell them on ASX), unless you first exercise any right of withdrawal of your acceptance.

8.3 FOREGONE INCREASES IN VALUE OF DGO SHARES

If you accept Gold Road's offer and your DGO Shares are sold to Gold Road, you will forego any potential increase in DGO's share price that may occur.

8.4 INABILITY TO OBTAIN ROLLOVER RELIEF

There is a risk the offer is made unconditional while Gold Road has not acquired a relevant interest in 80% of DGO Shares. If that occurs, and you have accepted the offer then there is a risk that you may not receive capital gains tax rollover relief, in which circumstance you may be required to pay tax on the disposal of your DGO Shares.

8.5 MINORITY SHAREHOLDERS

If you decide not to accept the offer and remain a DGO shareholder (and assuming your DGO Shares are not compulsorily acquired), the outcome of Gold Road's offer may be that it controls DGO and you are a minority shareholder in DGO.

If this occurs, the liquidity of your DGO Shares may be reduced. Further, ASX may also de-list DGO, which would mean you would not be able to sell your DGO Shares on market.

You should carefully consider Gold Road's current intentions depending on the extent to which Gold Road acquires DGO Shares as a result of its offer, which are set out in section 6 and section 8.3(d) of the Gold Road bidder's statement.

8.6 RISK ASSOCIATED WITH HOLDING DGO SHARES

If you decide not to accept the Offer and retain your DGO Shares, you will continue to be exposed to the risks associated with holding DGO Shares. Holding a DGO Share provides an economic interest in the ongoing exploration and investment activities of DGO. DGO's business is exposed to a range of risks, which in addition to generally applicable risks, include more specific risks associated with DGO's activities summarised below.

(a) **Future share price:** There is a risk that the DGO Share price may fall if the offer is not successful. The future share price of DGO Shares is dependent not only on DGO's exploration and investment activities, but also on external market and other factors.

- (b) **Exploration risk:** DGO's future value will be materially dependent on the outcome of DGO's exploration activities. Mineral exploration is speculative, capital intensive and involves a significant risk. There is no certainty that future exploration will lead to commercial scale discovery. Risks associated with land access, including application for and renewal of land tenure, negotiation of native title agreements, add to the uncertainty of exploration outcomes. Geological and geotechnical risks are inherent in exploration activities.
- (c) **Tenement access risk:** There is a possibility that exploration licences DGO requires to access tenements are not renewed, including where DGO elects not to continue to fund exploration in a particular tenement for whatever reason, as well as reasons outside DGO's control (such as a particular government department failing to renew an exploration licence when it comes up for regular periodic renewal). Such risks are inherent in exploration activities.
- (d) **Value of listed investments:** A number of DGO's key assets are investments in other ASX listed mining and exploration companies (being De Grey Mining, Yandal Resources, Dacian Gold and SensOre) as well as an unlisted joint venture with SensOre. Accordingly, the value of these investments is subject to normal market fluctuations in the share price of those entities, as well as any announcements or activities those entities undertake. There is no guarantee that the eventual value realised for all, or part of the investment will reflect the current market value of the security. Any realisation of value will depend on a number of market related factors, including lithe liquidity and performance of the underlying stock and the percentage of total issued shares held.

Further, De Grey and Yandal in particular are exploration-focussed entities with no cash flow, which rely on raising capital to fund their exploration activities. Accordingly, there is a risk that DGO will be required to contribute capital to those entities in the future in order to avoid their investment being diluted should those entities decide to raise capital. In particular, De Grey's Mallina Gold Project is expected to require additional funding for ongoing exploration and development phases to bring the project into production.

- (e) **Funding:** If the offer is not successful, DGO may need to sell assets or raise equity to fund its ongoing activities.
- (f) **Workplace health and safety risk:** Exploration is a hazardous activity subject to increasing occupational health and safety responsibility and liability. Operating with heavy machinery, in often remote locations, adds to the potential for significant loss and liability for DGO.
- (g) **Environmental risk:** DGO's exploration activities are subject to environmental regulation which may restrain activity and add significant cost.
- (h) **Reliance on key personnel:** DGO is reliant on a small number of key employees and directors. DGO may not be able to attract and retain the necessary personnel to further explore and develop its greenfield exploration assets. The loss of key personnel could have a material impact on the business.

(i) **De Grey specific risks:**

The value of DGO's holding in De Grey may be impacted by the following:

- (1) The public announcement of De Grey's mineral resource update and pre-feasibility study, which De Grey has indicated will be completed in H1 2022 and H2 2022, respectively. The contents of the mineral resource update and pre-feasibility study are not known and may have a positive or negative impact on the market price of De Grey shares;
- (2) De Grey's Mallina Gold Project will likely require consultation and agreement with landholders and access to key third party infrastructure such as gas pipelines, power infrastructure and roads. By their nature the ability to access, or potential cost to access this infrastructure, is not guaranteed; and
- (3) Development of De Grey's Mallina Gold Project will require the grant of mining tenements with lease applications requiring negotiation with various parties including pastoral lease holders, traditional owners and government agencies. While access issues are faced by many mining companies and are a common aspect of mining project development, the ability to negotiate satisfactory commercial arrangements with landowners, pastoral lease holders, occupiers and native title groups is important. In addition to mining lease(s), the Mallina Gold Project will require tenure for the substantial infrastructure to support a mining operation, potentially including gas pipelines, power lines, borefields and access roads. A Native Title agreement is yet to be negotiated for the Mallina Gold Project.

A number of these risks, specifically relating to DGO's investments, will continue to apply should Gold Road obtain a significant interest in or control of DGO. Specifically, the inherent risks associated with DGO's investments will remain regardless of Gold Road obtaining an interest in DGO Shares – however the exposure to those risks for Gold Road shareholders will be in proportion to the value of those assets as compared to the overall asset portfolio of Gold Road.

9 — OTHER INFORMATION

9. OTHER INFORMATION

9.1 RECOMMENDATIONS OF THE DIRECTORS OF DGO

The directors of DGO at the date of this statement are:

- (a) Eduard Eshuys – Executive Chairman
- (b) Jeffrey Bruce Parncutt AO – Executive Director
- (c) Ross Hutton – Non-Executive Director
- (d) Katina Law – Non-Executive Director

Each director recommends that shareholders accept Gold Road's offer (in the absence of any superior proposal) in respect of all of their DGO Shares for the reasons set out in this statement.

9.2 INTENTIONS OF DIRECTORS

Each director intends to accept Gold Road's offer in respect of the DGO Shares they hold or control 21 days after the commencement of the Gold Road offer, being 29 April 2022 (in the absence of a superior proposal). Further each director intends to accept the DGO Convertible Offer for each DGO Convertible Security they hold or control, or to exercise their DGO Convertible Securities and accept the offer for the DGO Shares that they are issued on exercise.

9.3 DIRECTORS' RELEVANT INTERESTS IN SECURITIES OF DGO

At the date of this statement, the directors of DGO have the following relevant interests in DGO Shares:

THIS DIRECTOR...	...HAS A RELEVANT INTEREST IN THIS NUMBER OF DGO SHARES...	...AND A RELEVANT INTEREST IN THIS NUMBER OF SECURITIES CONVERTIBLE INTO DGO SHARES...
Eduard Eshuys	4,322,312	500,000 Series C Performance Rights ⁶ 500,000 Series D Performance Rights ⁷
Jeffrey Bruce Parncutt AO	8,088,404	500,000 Series C Performance Rights 500,000 Series D Performance Rights
Ross Hutton	769,426	10,000 options exercisable at \$4.50 on or before 31 July 2022
Katina Law	100,000	Nil

9.4 DIRECTORS' DEALINGS IN SECURITIES OF DGO

No director of DGO has acquired or disposed of a relevant interest in DGO Shares in the 4 month period ending on the day immediately before the date of this target's statement.

9.5 DIRECTORS' RELEVANT INTERESTS IN SECURITIES OF GOLD ROAD

At the date of this target's statement, no director of DGO has a relevant interest in any securities issued by Gold Road.

9.6 DIRECTORS' DEALINGS IN SECURITIES OF GOLD ROAD

No director of DGO has acquired or disposed of a relevant interest in any securities issued by Gold Road in the 4 month period ending on the day immediately before the date of this target's statement.

6 The terms of the Series C Performance Rights are set out in Appendix C to the DGO notice of EGM published on ASX on 12 May 2020.

7 The terms of the Series D Performance Rights are set out in Appendix B to the DGO notice of AGM published on ASX on 29 October 2020.

9. OTHER INFORMATION CONT.

9.7 DIRECTORS' PAYMENTS AND BENEFITS

As a result of Gold Road's offer, no benefit (other than a benefit permitted by section 200F or 200G of the Corporations Act) has been or will be given to a person in connection with the retirement of a person from a board or managerial office in DGO or a related body corporate.

9.8 NO AGREEMENT WITH ANY DIRECTOR CONDITIONAL ON OUTCOME OF GOLD ROAD'S OFFER

There is no agreement made between any director of DGO and any other person in connection with or conditional on the outcome of Gold Road's offer.

9.9 DIRECTORS' INTERESTS IN CONTRACTS WITH GOLD ROAD

No director of DGO has an interest in any contract entered into by Gold Road.

9.10 CONSENTS

- (a) Greenhill has consented to being named as financial adviser to DGO in this target's statement in the form and context in which it is named, and has not withdrawn its consent before lodgement of this target's statement with ASIC.
- (b) Piper Alderman has consented to being named as lawyers to DGO in this target's statement in the form and context in which it is named, and has not withdrawn its consent before lodgement of this target's statement with ASIC.
- (c) CSA Global Pty Ltd has consented to the statements in section 5 attributed to it being included in the target's statement in the form and context in which they are included, and has not withdrawn its consent before lodgement of this statement with ASIC.

9.11 ADDITIONAL TERMS OF BID IMPLEMENTATION AGREEMENT (INCLUDING REIMBURSEMENT FEE)

A summary of the bid implementation agreement entered into by DGO and Gold Road is included at section 9.1 of the Gold Road bidder's statement, and a complete copy of the agreement was released to ASX on 4 April 2022.

The terms of the agreement include an obligation on DGO to pay a reimbursement fee of up to \$2,900,000 to Gold Road (to compensate Gold Road for the costs of making the offer) in certain circumstances. These include where any DGO director changes their recommendation in respect of Gold Road's offer (including in the event of a superior proposal).

9.12 COPIES OF DOCUMENTS

This target's statement contains statements which are made, or based on statements made, in documents lodged with ASIC or given to ASX by Gold Road including the Gold Road bidder's statement. Pursuant to section 638(5) of the Corporations Act (as modified by ASIC class order [CO 13/521] and ASIC Corporations (Consents to Statements) Instrument 2016/72), any DGO Shareholder may obtain a copy of any of those documents from DGO during the offer period free of charge (and within 2 business days of making a request) by contacting DGO's share registrar, Link Market Services, by telephone on 1800 218 694 (for callers in Australia) or +61 1800 218 694 (for callers outside Australia).

9.13 EXTENT OF INFORMATION INCLUDED

This target's statement is required to include all the information that holders of DGO Shares and their professional advisers would reasonably require to make an informed assessment of whether to accept Gold Road's offer, but:

- (a) only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this target's statement; and
- (b) only if the information is known to any of the directors of DGO.

The directors are of the opinion that the information shareholders and their professional advisers would reasonably require to make an informed assessment of whether to accept Gold Road's offer is:

- (a) the information contained in Gold Road's bidder's statement dated 7 April 2022 (which you should have received);
- (b) the information contained in Gold Road's annual report for the year ended 31 December 2021 (which was released to ASX on 28 March 2022 and is available from www.asx.com.au);
- (c) the information contained in DGO's half-yearly report for the 6 months ended 31 December 2021 (which was released to ASX on 11 March 2022 and is available from www.asx.com.au);
- (d) the information contained in Gold Road's releases to ASX prior to the date of this statement (available from www.asx.com.au);
- (e) the information contained in DGO's releases to ASX prior to the date of this statement (available from www.asx.com.au); and
- (f) the information contained in this target's statement.

In deciding what information should be included in this target's statement, the directors have had regard to:

- (a) the nature of the DGO Shares;
- (b) the matters that holders of DGO Shares may reasonably be expected to know;
- (c) the fact that certain matters may reasonably be expected to be known to the professional advisers of holders of DGO Shares; and
- (d) the time available to DGO to prepare this target's statement.

10 — GLOSSARY

10. GLOSSARY

10.1 DEFINITIONS

In this target's statement, unless the context otherwise requires:

Adjusted Post Hemi Resource Announcement De Grey VWAP means the De Grey VWAP for the 5 ASX trading days immediately following the date of the Hemi Resource Announcement multiplied by the simple average of the Gold Index for the 5 ASX trading days immediately following the date of the Hemi Resource Announcement divided by the simple average of the Gold Index for the 5 ASX trading days immediately prior to the date of the Hemi Resource Announcement.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited.

Board means the board of directors of DGO.

Convertible Securityholder means a holder of a DGO Convertible Security.

Corporations Act means the *Corporations Act 2001* (Cth).

Dacian means Dacian Gold Limited ABN 61 154 262 978.

De Grey means De Grey Mining Limited ABN 65 094 206 292.

De Grey VWAP means the 5 day volume weighted average price of De Grey ordinary shares on the ASX.

DGO means DGO Gold Limited ABN 96 124 562 849.

DGO Convertible Security means an option or performance right which entitled the holder to acquire a DGO Share subject to certain conditions.

DGO Share means a fully paid ordinary share in DGO.

Gold Index means the index calculated by taking the simple average of each of the Gold Index Constituent Factors on any given ASX trading day.

Gold Index Constituents means St Barbara Ltd, Regis Resources Ltd, Silver Lake Resources Ltd, Westgold Resources Ltd and Ramelius Resources Ltd.

Gold Index Constituent Factors means the closing prices of each of the Gold Index Constituents on any given ASX trading day divided by the closing prices of the same Gold Index Constituents on 30 March 2020.

Gold Road means Gold Road Resources Limited ABN 13 109 289 527.

Gold Road bidder's statement means the bidder's statement by Gold Road in relation to this offer dated 7 April 2022.

Gold Road Share means a fully paid ordinary share in Gold Road.

Hemi means the gold mineralisation deposit at the Mallina Gold Project, which currently comprises the Aquila, Brolga, Crow, Diucon, Eagle and Falcon zones of mineralisation.

JORC Code means the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Hemi Resource Announcement has the meaning in section 4.5(e) of this target's statement.

Mallina Gold Project means the Mallina Gold Project owned by De Grey and comprising a package of approximately 1,500km² of landholding located approximately 60km south of Project Hedland in the northern Pilbara region of Western Australia.

Mineral Resource has the meaning in the JORC Code.

SensOre means SensOre Ltd. ABN 16 637 198 531.

Yandal means Yandal Resources Limited ABN 86 108 753 608.

10. GLOSSARY CONT.

10.2 INTERPRETATION

In this target's statement headings and bold typing are included for convenience only and do not affect interpretation and, unless the context otherwise requires:

- (a) a reference to a word includes the singular and the plural of the word and vice versa;
- (b) a reference to a gender includes any gender;
- (c) if a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- (d) a term which refers to a person includes a company, a partnership, an association, a corporation, a body corporate, a joint venture, a sovereign state, a government or a government department or agency;
- (e) a reference to a document includes a reference to that document as amended, novated, supplemented, varied or replaced;
- (f) a reference to a section, annexure, schedule or other part is a reference to an item of that type in this target's statement;
- (g) a reference to a statute or regulation or a provision of a statute or regulation is a reference to that statute, regulation or provision as amended or a statute, regulation or provision replacing it, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws made or issued under that statute;
- (h) a reference to writing includes email and facsimile transmission;
- (i) a reference to a time is a reference to Sydney time;
- (j) a monetary reference is a reference to Australian currency; and
- (k) a word or term defined in the Corporations Act has the same meaning in this target's statement.

APPROVAL OF STATEMENT

This target's statement has been approved by a resolution passed unanimously by the directors of DGO.

Signed for and on behalf of **DGO Gold Limited**



Eduard Eshuys
Executive Chairman

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