



DGO Gold Limited

ABN 96 124 562 849

ASX Announcement
4 April 2022



GOLD ROAD MAKES RECOMMENDED TAKEOVER OFFER FOR DGO GOLD LIMITED

- Gold Road makes a unanimously recommended off-market takeover offer for DGO Gold.
- DGO owns a portfolio of prospective exploration and mining assets which includes:
 - a ~14.4% shareholding in ASX listed De Grey Mining Ltd (the owner of the 9 million ounce Mallina Gold Project in Western Australia);
 - a ~6.8% shareholding in ASX listed Dacian Gold Ltd (the owner of the Mt Morgans gold mine);
 - a ~20.1% shareholding in ASX listed Yandal Resources Ltd (an exploration company focused on the Yandal Greenstone belt); and
 - an attractive portfolio of exploration tenements in the Pilbara, Yilgarn, Bryah and Stuart Shelf Provinces.
- **All scrip offer of 2.16 Gold Road shares** for every DGO share, implying an offer price of **\$3.55 per share¹**, and an equity value of approximately **A\$308 million** (diluted basis)².
- The Gold Road offer represents an attractive and significant implied premium for DGO shareholders at various volume weighted average share prices (VWAPs):
 - 20% over the last trading day VWAP of \$2.91 for DGO Shares, at an implied offer price of \$3.49 based Gold Road's last trading day VWAP;
 - 28% over the 10 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 Gold Road's 30 day VWAP³
- The offer represents a compelling opportunity for DGO to unlock value in its portfolio, whilst providing shareholders with diversification and ongoing exposure to DGO's assets through a shareholding in a larger, more liquid, ASX 200 gold producer.
- DGO Directors **unanimously recommend DGO shareholders** accept the offer in the absence of a superior offer, and **intend to accept the offer for all shares they own or control** (representing ~16% of DGO's shares on issue) 21 days after the offer opens, in the absence of a superior offer.
- The offer is subject to an 80% minimum acceptance by DGO shareholders, no disposal of any marketable securities and other standard conditions. **GOR intends to waive all remaining conditions** within 6 business days after the 80% acceptance condition is met⁴. At this time **the offer will become unconditional**.

ASX Code GOR

ABN 13 109 289 527

COMPANY DIRECTORS
 Tim Netscher
Chairman
 Duncan Gibbs
Managing Director & CEO
 Brian Levett
Non-Executive Director
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Non-Executive Director
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¹ Based on the 10 day VWAP of Gold Road shares on the ASX as of 1 April 2022. The implied value of the Offer will change with fluctuations in the GOR share price.

² Calculated as \$3.55 multiplied by diluted shareholding of 86,748,194 shares. Excludes out of the money options and performance rights.

³ All based on the trading price of DGO shares on the ASX Closing Price for the relevant periods ended on 1 April 2022, the last trading day prior to the announcement of the Offer.

⁴ Subject to no subsisting breach of any other conditions to the Offer.

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Gold Road Managing Director and CEO Duncan Gibbs commented: *“The acquisition of DGO aligns with Gold Road’s strategy to invest in high quality gold projects in tier one jurisdictions. In particular, Gold Road views the substantial shareholding in the owner of the high quality Hemi Gold Discovery, combined with our 50% ownership of the Gruyere Gold mine, as an exciting opportunity to participate in two of the most significant gold discoveries in Western Australia this century”.*

DGO Gold Executive Chairman Eduard Eshuys commented: *“I am proud of the high-quality portfolio of assets DGO Gold has accumulated. DGO has consistently traded at a discount to the value of its assets, and this offer not only recognises and unlocks that value, but provides DGO shareholders with ongoing exposure to these assets and the Gold Road portfolio, as part of a more liquid investment in a cash flow generating ASX200 Gold producer.”*

The Gold Road Offer

Gold Road Resources Limited (**Gold Road**) (ASX:GOR) and DGO Gold Limited (**DGO**) (ASX:DGO) are pleased to announce they have entered into a Bid Implementation Agreement (**BIA**) for a recommended conditional off-market takeover offer pursuant to which Gold Road will offer to acquire all the issued and outstanding ordinary shares of DGO (each a **DGO Share** and together the **DGO Shares**) for 2.16 Gold Road shares for every DGO Share (the **Offer**).

Gold Road’s Offer provides DGO shareholders with a compelling opportunity to realise value for their DGO Shares whilst retaining an ongoing exposure to DGO’s underlying assets through an interest in Gold Road. The all-scrip offer of **2.16 Gold Road shares** for every DGO Share represents attractive and significant implied premia to VWAPs for DGO and Gold Road (particularly relevant given DGO’s relatively limited trading liquidity):

- 20% over DGO’s last trading day VWAP of \$2.91, at an implied offer price based on Gold Road’s last trading day VWAP (\$3.49);
- 28% over DGO’s 10 day VWAP of \$2.77, at an implied offer price based on Gold Road’s 10 day VWAP (\$3.55); and
- 37% over DGO’s 30 day VWAP of \$2.60, at an implied offer price based on Gold Road’s 30 day VWAP (\$3.56)⁵.

The Offer extends to all DGO Shares currently on issue, and those issued during the Offer period as a result of the exercise of currently issued options or performance rights. Separate offers are being made for those DGO convertible securities, on terms that are consistent with the Offer.

DGO Board Recommendations

The DGO Board of Directors unanimously recommend that DGO shareholders accept the Offer and have agreed to accept the Offer in respect of all DGO Shares they own or control, in both instances in the absence of a superior offer. DGO Directors own or control ~16% of DGO’s issued shares. This intention extends to any new DGO Shares issued upon exercise of DGO convertible securities owned or controlled by them (which they intend to accept the separate offers being made for those convertible securities or immediately exercise and accept the Offer should those DGO convertible securities vest in accordance with their terms).

Overview of DGO Gold

DGO owns a portfolio of strategic investments in ASX listed companies De Grey Mining Ltd (~14.4%), Dacian Gold Ltd (~6.8%) and Yandal Resources Ltd (~20.1%). A summary of each strategic investment is given below.

- **De Grey Mining Ltd (ASX:DEG)** owns 100% of the Mallina Gold project in Western Australia. To date, De Grey has defined 9.0 million ounces of gold at Mallina. In October 2021, De Grey published a scoping study that outlined a 10 year mining operation producing an average of 427kozpa at an average AISC of A\$1,244 per ounce.⁶

⁵ All based on the trading price of DGO shares on the ASX Closing Price for the relevant periods ended on 1 April 2022.

⁶ DEG ASX announcement dated 5 October 2021

- **Dacian Gold Limited (ASX:DCN)** owns (100%) and operates the Mt Morgans Gold Operation in Western Australia. Mt Morgans hosts a 2.5 million ounce Mineral Resource and a 0.4 million ounce Ore Reserve, and forecasts 100-110koz of production in FY2022 at an average AISC of A\$1,750-1,850 per ounce⁷.
- **Yandal Resources Ltd (ASX:YRL)** explores several prospects in the Yandal Greenstone in Western Australia.

DGO also holds a number of greenfield exploration projects in its own right, including the Mallina Project located adjacent to De Grey's Mallina Gold Project, the Yerrida Project located in the Yerrida and Bryah Basins of Western Australia and the Pernatty Project, a large tenement package located in the prospective Stuart Shelf region of South Australia.

Gold Road's Strategic Rationale

The Offer aligns with Gold Road's strategy to grow and diversify its growth pipeline with high quality opportunities in tier one jurisdictions. In particular, the ~14.4% shareholding in De Grey mining provides Gold Road with a strategic interest in the Hemi discovery, Mt Morgans Gold mine and a prospective package of exploration tenements in Australia.

This aligns well with Gold Road's 50% ownership in the Gruyere Gold Mine, another significant greenfields gold discovery that was made by Gold Road in 2013. This strategic acquisition will complement and enhance Gold Road's existing exploration exposure. Gold Road has the demonstrated capability and resources to advance DGO's growth assets, creating value for shareholders. This is demonstrated by the discovery of the Gruyere deposit, subsequent resource growth and definition and successful mine construction, commissioning and ramp-up. The Gruyere Project was delivered, fit for purpose and without a lost time injury, with full community support and full environmental compliance.

The transaction will not impact Gold Road's strong balance sheet or its ability to continue funding growth and returns for its shareholders.

Key Benefits of the Offer for DGO Shareholders

- **Attractive and significant premium** – The Offer represents an attractive and significant premium to recent trading levels of DGO Shares.
- **Gold Road's Offer is subject to minimal conditions**– Gold Road's Offer is conditional on an 80% minimum acceptance condition, no disposal of any marketable securities, a limited number of other standard conditions and no material adverse changes occurring at DGO or De Grey Mining Ltd (a complete list of conditions is included in the BIA). Subject to no prior breach of any other conditions, Gold Road intends to waive all other conditions within 6 business days after the 80% acceptance is achieved and at this time the offer will become unconditional.
- **Unlock value of underlying portfolio** – DGO's share price has historically traded at a discount to the underlying market value of its listed investments. The Offer not only unlocks that value, but given it is scrip consideration, provides DGO shareholders with ongoing exposure to the DGO portfolio (including the ~14.4% interest in De Grey) and Gold Road's high quality Gruyere Operation and Yamarna exploration tenure.
- **Exposure to a high quality, liquid, ASX200 gold producer** - Gold Road is an ASX200 listed company with a market capitalisation of approximately A\$1.4 billion with considerably higher liquidity than DGO, trading on average 4.9 million shares per day⁸. Gold Road has a 50% interest in one of Australia's largest producing gold mines that is expected to generate substantial cash flow to fund future growth. Gold Road's 2022 attributable production guidance is 150,000 – 170,000 ounces of gold at an attributable All-In Sustaining Cost (AISC) of A\$1,270 - \$1,470 per ounce⁹. Gold Road's dividend policy offers shareholders an opportunity to benefit from future shareholder returns.

⁷ DCN ASX announcement dated 9 March 2022

⁸ Based on the 3 month average daily volume as at 1 April 2022

⁹ Refer to ASX announcement dated 31 January 2022

- **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 2022.¹⁰ 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. With \$131.5 million¹¹ in cash and no drawn debt, Gold Road is well positioned to fund any future capital requirements without the need to dilute shareholder's equity.
- **Potential opportunity to benefit from Capital Gains Tax (CGT) scrip for scrip rollover relief** - DGO shareholders may benefit from CGT scrip for scrip rollover relief if Gold Road is able to acquire more than 80% of the issued shares of DGO.

Bid Implementation Agreement

Under a BIA dated 3 April 2022, Gold Road and DGO have given undertakings to each other to facilitate the Offer. The offer is subject to certain conditions, the full list of which is set out in the BIA, including:

- 80% minimum acceptance by DGO shareholders;
- no divestment of DGO's shares in De Grey Mining Ltd (and other marketable securities except in certain circumstances);
- DGO's tenements are maintained in their current form;
- no material disposals, cancellation, or new commitments by DGO;
- no material adverse changes occurring, including a material adverse change in De Grey Mining Ltd's Hemi Mineral Resource; and
- other customary conditions for a transaction of this type.

Gold Road intends to waive all other conditions within 6 business days after the 80% acceptance is achieved and at this time the offer will become unconditional.

The BIA contains customary deal protection mechanisms including "no shop, no talk" and "no due diligence" restrictions, as well as notification and matching rights in the event of a competing proposal. A market-standard break fee may also be payable by DGO to Gold Road in certain circumstances, as set out in the BIA.

A copy of the BIA is attached to this announcement. The Offer will extend to all DGO shares, including those issued as a result of the exercise of options or performance rights during the Offer period. Separate offers are being made for those DGO convertible securities, on terms that are consistent with the Offer.

Timetable and Next Steps

Detailed information relating to the Offer will be set out in the Bidder's Statement and Target's Statement. The Target's Statement is expected to be released to the ASX and dispatched to DGO shareholders later in April 2022, with the Bidder's Statement to be released to the ASX on or around 7 April 2022 and dispatched on or around 8 April 2022.

DGO shareholders may accept the Offer by following the instructions in the Bidder's Statement.

Advisers

Gold Road's financial adviser to the offer is RBC Capital Markets and its legal adviser is Corrs Chambers Westgarth.

DGO's financial adviser to the offer is Greenhill & Co. and its legal adviser is Piper Alderman.

This release was authorised by the respective Board of Directors of Gold Road and DGO Gold.

¹⁰ The draw down on the debt facility with Bell Potter is \$6.5M as at 31 March 2022

¹¹ Refer to ASX announcement dated 28 March 2022

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Disclaimer

Summary information

This joint announcement has been prepared by Gold Road and DGO Gold and includes information regarding the conditional takeover offer by Gold Road to acquire all of the shares on issue in DGO Gold (the **Transaction**). The information in this joint announcement concerning DGO Gold has been prepared by DGO Gold and information concerning Gold Road by Gold Road. Neither party make any representation or warranty, express or implied, as to the accuracy or completeness of the information prepared by the other. This announcement should also be read in conjunction with Gold Road and DGO Gold's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au and also available on Gold Road's website at www.goldroad.com.au and on DGO Gold's website at www.dgogold.com.au.

No Offer or Recommendation

This joint announcement it is not a bidder's statement or disclosure document under Australian law or under any other law. It is for information purposes only and is not an invitation nor an offer of Gold Road securities. It does not provide or constitute legal, financial or investment advice, nor is it a recommendation to acquire Gold Road or DGO Gold shares. This joint announcement does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in Gold Road by accepting the Offer nor does it contain all the information which would be required in a bidder's statement prepared in accordance with the requirements of the Corporations Act.

No Investment Advice

This joint announcement has been prepared without taking into account the investment objectives, financial situation, taxation considerations or particular needs of any person. Before making an investment decision, prospective investors should consider the appropriateness of the information contained in, or referred to in, this joint announcement having regard to their own investment objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction.

US Restrictions

This joint announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This joint announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction. Any securities described in this joint announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Future and Past Performance

To the extent this joint announcement contains certain "forward-looking statements" and comments about future events (including projections, guidance on future earnings and estimates) these statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Certain statements in this joint announcement are forward looking statements. Forward looking statements can generally be identified by the use of words such as "anticipate", "estimate", "expect", "project", "intend", "plan", "believe", "target", "may", "assume" and words of similar import. These forward-looking statements speak only as at the date of this joint announcement. These statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performance or achievements expressed or implied by such forward looking statements. Indications of, and guidance on, future earnings and financial position and performance, including forecast financial information for the combined Gold Road and DGO Gold merged group, are forward-looking statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and, accordingly, not to put undue reliance on such statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions related to future business, economic, market, political, social and other conditions that, while considered reasonable by Gold Road and DGO Gold as at the date of this joint announcement, are inherently subject to significant uncertainties and contingencies. Many known and unknown factors could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Gold Road and DGO Gold disclaims any intent or obligation to update any forward looking information, whether as a result of new information, future events or otherwise, except to the extent required by law.

Disclaimer

No representation or warranty, express or implied, is made by Gold Road, DGO Gold or any of their related bodies corporate, or respective officers, directors, employees, agents or advisers (together the **Limited Parties**), as to the accuracy, reliability, completeness or fairness of the information, opinions and conclusions contained in this joint announcement. To the maximum extent permitted by law, the Limited Parties expressly disclaim any and all liability, including, without limitation, any liability arising out of fault or negligence, for any direct, indirect, consequential or contingent loss, damage, expenses or costs arising from the use of information contained in this joint announcement.

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Execution Version
4 April 2022

Gold Road Resources Limited

DGO Gold Limited

Bid Implementation Agreement

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Date 4 April 2022

Parties

Gold Road Resources Limited ABN 13 109 289 527 of Level 2, 26 Colin St, West Perth, WA 6005 (**GOR**)

DGO Gold Limited ABN 96 124 562 849 of Level 9, 63 Exhibition St Melbourne, VIC 3000 (**DGO**)

Background

- A GOR is proposing to make a Takeover Bid for all DGO Shares and the DGO Directors are proposing to recommend the Takeover Bid in the absence of a Superior Proposal.
- B The parties have agreed to implement the Takeover Bid on the terms and conditions set out in this document.
-

Agreed terms

1 Definitions

1.1 Definitions

In this document these terms have the following meanings:

Acquirer	Has the meaning given in clause 7.2(c)(ii) .
Adjusted Post Hemi Resource Announcement De Grey VWAP	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.
Agreed Bid Terms	The terms and conditions set out in schedule 2 .
Alternative Financing Proposal	Has the meaning given in clause 4.16(a)(v) .
Announcement Date	The date on which the Takeover Bid is publicly announced pursuant to clause 3 below.

ASIC	The Australian Securities and Investments Commission.
Associate	Has the meaning given in section 12 of the Corporations Act and Associated has a corresponding meaning.
ASX	ASX Limited ABN 98 008 624 691.
Bell Potter	Bell Potter Capital Limited ABN 54 085 797 735.
Bell Potter Options	The unlisted options in DGO to acquire a DGO Share required to be issued by DGO to Bell Potter pursuant to the terms of the Bell Potter Finance Facility.
Bell Potter Finance Facility	The loan facility agreement for up to \$15.0 million between Bell Potter Securities Limited and DGO dated 13 July 2021.
Bid Conditions	The conditions to the Takeover Bid set out in section 3 of the Agreed Bid Terms.
Bidder's Statement	The bidder's statement to be prepared by GOR in relation to the Takeover Bid in compliance with Part 6.5 of the Corporations Act.
Business Day	A day on which banks are open for business in Perth Western Australia and Melbourne, Victoria, other than a Saturday, Sunday or public holiday in Perth Western Australia or Melbourne, Victoria.
Claim	<p>Any claim, demand, legal proceedings or cause of action including any claim, demand, legal proceedings or cause of action:</p> <ul style="list-style-type: none">(a) based in contract (including breach of any warranty);(b) based in tort (including misrepresentation or negligence);(c) under common law or equity; or(d) under statute (including the Australian Consumer Law (being schedule 2 of the <i>Competition and Consumer Act 2010</i> (Cth) (CCA)) or Part VI of the CCA, or like provisions in any state or territory legislation), <p>in any way relating to this document, the transactions contemplated by it, the Takeover Bid or the Offer and includes a claim, demand, legal proceedings or cause of action arising under an indemnity in this document.</p>
CGT	Means capital gains tax.
Competing Proposal	Any proposal, offer, agreement or transaction by a party that, if entered into or completed, would mean:

- (a) a Third Party (either alone or together with any Associate) would directly or indirectly:
- (i) acquire a relevant interest, or an economic interest under a cash settled equity swap or similar derivative or right to acquire either a legal, beneficial or economic interest, in more than 20% of DGO Shares on issue;
 - (ii) acquire or obtain an interest (including an economic interest) in all or the majority of the business conducted by, or assets or property of, the DGO Group, including the Marketable Securities;
 - (iii) acquire Control of DGO or any DGO Group Member; or
 - (iv) a person may otherwise directly or indirectly acquire or merge with DGO or any DGO Group Member; or
- (b) that the Takeover Bid could not be implemented or implementation of the Takeover Bid would be materially adversely affected,

in each case whether by way of takeover bid, capital reduction, sale of assets, sale of securities, strategic alliance, dual listed company structure, joint venture or partnership, or other transaction or arrangement with a similar outcome.

For the avoidance of doubt, each successive material modification or variation of any proposal, agreement, arrangement or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.

Confidentiality Agreement	The confidentiality agreement between GOR and DGO dated 23 February 2022.
Control	Has the meaning given in section 50AA of the Corporations Act.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Dacian	Dacian Gold Limited ABN 61 154 262 978.
Deal	In relation to the Marketable Securities, means to sell, assign, transfer, grant an Encumbrance over, exercise or otherwise dispose of, or agree or offer to do the same, in relation to that Marketable Security or any legal, beneficial or economic interest in that Marketable Security.
Debt	Any present or future actual or contingent debt or other monetary liability in respect of money borrowed or raised

or any financial accommodation, including in respect of any:

- (a) bill, bond, debenture, note or similar financial instrument (whether or not negotiable);
- (b) indemnity obligation to the issuer of a guarantee, indemnity, bank guarantee, bond, letter of credit or similar instrument;
- (c) lease or hire purchase entered into primarily as a method of raising finance or financing the acquisition of the asset leased or hired (including any sale and lease back transaction);
- (d) obligation to deliver goods or other property or provide services paid for in advance by any financier or in relation to another financing transaction;
- (e) redeemable shares where the holder has the right (conditional or not) to require redemption;
- (f) receivables sold (other than to the extent they are sold on a non-recourse basis); or
- (g) Guarantee of other Debt described above.

De Grey	De Grey Mining Limited ABN 65 094 206 292.
De Grey VWAP	The 5 day volume weighted average price of De Grey ordinary shares on the ASX.
DGO Board	The board of directors of DGO.
DGO Convertible Offer	Has the meaning given in clause 4.12(a) .
DGO Convertible Security	A DGO Option and a DGO Performance Right.
DGO Convertible Security Cancellation Deed	Has the meaning given in clause 4.12(a) .
DGO Convertible Securityholder	Each person who is registered as the holder of a DGO Convertible Security.
DGO Convertible Security Consideration	The GOR Share consideration for each DGO Option held by the Optionholder, details of which are set out in schedule 4 .
DGO Director	Any director on the DGO Board.
DGO Financing Requirement	Has the meaning given in clause 4.16(a)(i) .

DGO Group	<ul style="list-style-type: none"> (a) DGO; (b) each entity that is a Subsidiary of DGO; and (c) any entity that, directly or indirectly through one or more intermediaries, is Controlled by, DGO from time to time, <p>and a reference to a DGO Group Member is to any of them.</p>
DGO Material Adverse Change	Any event referred to in paragraph 3.4 of schedule 2 .
DGO Option	An unlisted option issued by DGO to acquire a DGO Share, details of which are set out in schedule 4 and the Bell Potter Options.
DGO Performance Right	A performance right issued by DGO to acquire a DGO Share, details of which are set out in schedule 4 .
DGO Prescribed Occurrence	Any event referred to in paragraph 3.5 of schedule 2 .
DGO Register	The Registers of members of DGO maintained in accordance with the Corporations Act and Register has the same meaning.
DGO Share	A fully paid ordinary share in DGO.
DGO Shareholder	Each person who is registered as the holder of a DGO Share in the DGO Register.
Disclosed	Means fairly disclosed: <ul style="list-style-type: none"> (a) prior to the entry into this document in the Disclosure Materials; (b) no later than two Business Days prior to the date of this document: <ul style="list-style-type: none"> (i) by way of announcement to the ASX; or (ii) in any publicly available record of ASIC.
Disclosure Materials	In respect of: <ul style="list-style-type: none"> (a) DGO disclosure materials, the online data room established by DGO and materials provided to GOR and its Representatives by Q&A which is accessed via Dropbox external fileshare and information provided to GOR and its Representatives by way of e-mail to a senior executive or director of GOR; and (b) GOR disclosure materials, the materials provided to DGO and its Representatives by Q&A by way of e-mail to a senior executive or director of DGO,

	the relevant indexes of which has been initialled by, or on behalf of, the parties for identification.
Encumbrance	A security for payment of money, performance of an obligation or protection against default, including a 'security interest' (as defined in the <i>Personal Property Securities Act 2009</i> (Cth)), bill of sale, mortgage, charge, lien, pledge, trust, power, title retention arrangement, right of set-off, profit a prendre, assignment of income, garnishee order, monetary claim or flawed deposit arrangement.
Exclusivity Period	The period from the date of this document until: <ul style="list-style-type: none"> (a) the date of termination of this document; or (b) the end of the Offer Period, whichever is earliest.
Financing Notice	Has the meaning given in clause 4.16 .
Gold Index	Is calculated by taking the simple average of each of the Gold Index Constituent Factors on any given ASX trading day.
Gold Index Constituents	Are St Barbara Ltd, Regis Resources Ltd, Silver Lake Resources Ltd, Westgold Resources Ltd and Ramelius Resources Ltd.
Gold Index Constituent Factors	Are 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.
GOR Counterproposal	Has the meaning given in clause 6.4(a)(v) .
GOR Financing Proposal	Has the meaning given in clause 4.16(b) .
GOR Group	<ul style="list-style-type: none"> (a) GOR; (b) each entity that is a Subsidiary of GOR; and (c) any entity that, directly or indirectly through one or more intermediaries, is Controlled by, GOR from time to time, and a reference to a GOR Group Member is to any of them.
GOR Share	A fully paid ordinary share in GOR.
Government Agency	Any foreign or Australian government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal,

	agency or entity or any minister of the Crown in right of the Commonwealth of Australia or any State, any other federal, state, provincial, or local government, and including any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, and the ASX or any other stock exchange.
Guarantee	<p>A guarantee, indemnity, letter of credit, legally binding letter of comfort or other obligation of any kind:</p> <p>(a) to provide funds (whether by the advance or payment of money, the purchase of or subscription for shares or other securities, the purchase of assets or services, or otherwise) for the payment or discharge of;</p> <p>(b) to indemnify any person against the consequences of default in the payment of; or</p> <p>(c) to be responsible for,</p> <p>an obligation or monetary liability of another person or the assumption of any responsibility or obligation in respect of the solvency or financial condition of another person.</p>
Hemi	The gold mineralisation deposit at the Mallina Gold Project, which currently comprises the Aquila, Brolga, Crow, Diucon, Eagle and Falcon zones of mineralisation.
Hemi Resource Announcement	Has the meaning given in paragraph 3.4(b) of schedule 2 .
Initial Maximum Offer Period	Has the meaning given in clause 5.2(b) .
Insolvency Event	<p>Means in relation to any entity:</p> <p>(a) the entity resolving that it be wound up or a court making an order for the winding up or dissolution of the entity;</p> <p>(b) a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other insolvency official being appointed to the entity or in relation to the whole, or a substantial part, of its assets;</p> <p>(c) the entity executing a deed of company arrangement;</p> <p>(d) the entity ceases, or threatens to cease to, carry on substantially all the business conducted by it as at the date of this document;</p>

- (e) the entity is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act (or if appropriate, legislation of its place of incorporation) or is otherwise presumed to be insolvent under the Corporations Act unless the entity has, or has access to, committed financial support from its parent entity such that it is able to pay its debts; or
- (f) the entity being deregistered as a company or otherwise dissolved.

JORC Code	The Australian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves (2012 Edition).
Listing Rules	The official listing rules of the ASX.
Loss	Any liability, loss, damage, costs (including legal costs on a full indemnity basis), charge, expense, outgoing or payment.
Mallina Gold Project	The Mallina Gold Project owned by De Grey and comprising a package of approximately 1,500km ² of landholding located approximately 60km south of Project Hedland in the northern Pilbara region of Western Australia.
Marketable Securities	203,577,703 De Grey ordinary shares, 23,362,809 Yandal ordinary shares and 1,665,630 Yandal unlisted options exercisable at \$0.65 and expiring on 31 December 2022 and 74,293,843 Dacian ordinary shares.
Mineral Resources	Has the meaning given in the JORC Code.
Mining Tenements	The tenements which are identified in schedule 5 and any tenement applied for or granted in renewal or extension of, or in substitution for, any such tenement.
Offer	Each offer to acquire DGO Shares made in accordance with the Takeover Bid.
Offer Period	The period that the Offer is open for acceptance.
Officer	Has the meaning given in section 9 of the Corporations Act.
Permitted Indebtedness	Any financial indebtedness, including any Debt, under a facility agreement or credit approved term sheet (as such agreement or term sheet may be amended to reflect the terms of any consent provided by the relevant financiers) existing as at the date of document (which includes the Bell Potter Finance Facility) provided that the facility agreement, credit approved term sheet, any applicable

	consent and any amendments or proposed amendments to an agreement or term sheet were Disclosed.
Record Date	The date set by GOR pursuant to section 633(2) of the Corporations Act.
Register	DGO's Register of DGO Shareholders and Registry is the entity responsible for maintaining the Register.
Reimbursement Fee	\$2,900,000.
Related Person	In respect of DGO: <ul style="list-style-type: none"> (a) each DGO Group Member; and (b) each Representative of any DGO Group Member.
relevant interest	Has the meaning given in sections 608 and 609 of the Corporations Act.
Representative	In relation to a party, its directors, employees, Officers, agents and advisers.
Right	All accretions, rights or benefits of whatever kind attaching or arising from DGO Shares directly or indirectly at or after the date of this document (including, all dividends and distributions and all rights to receive them or rights to receive or subscribe for securities, notes, bonds, options or other securities declared, paid or issued by DGO Group Members).
Security Interest	Has the meaning given in section 51A of the Corporations Act.
Subsidiary	Has the meaning given in the Corporations Act.
Superior Proposal	A bona fide Competing Proposal: <ul style="list-style-type: none"> (a) of the kind referred to in any of the paragraphs of the definition of Competing Proposal; and (b) not resulting from a breach by DGO of any of its obligations under clause 6 of this document (it being understood that any actions by Related Persons of DGO not permitted by clause 6 will be deemed to be a breach by DGO for these purposes), <p>that in the unanimous determination of the DGO Board, acting in good faith, and after receiving written advice from their external legal adviser and financial advisers, determine:</p> <ul style="list-style-type: none"> (c) is reasonably capable of being completed substantially in accordance with its terms; and

- (d) would, if completed substantially in accordance with its terms, be reasonably likely to be more favourable to DGO Shareholders (as a whole) than the Takeover Bid (as completed),

in each case taking into account all terms and conditions and other aspects of:

- (e) the Competing Proposal (including any timing considerations, any conditions precedent, whether the Competing Proposal remains subject to due diligence and/or finance, regulatory conditions and associated material delays, the identity of the proponent or other matters affecting the probability of the Competing Proposal being completed and being completed in a timely manner); and
- (f) the Takeover Bid (including an assessment of any tax benefits to DGO Shareholders flowing from the availability of CGT roll-over relief).

Takeover Bid	A takeover bid by GOR that satisfies the requirements in clause 2 .
Takeovers Panel	The Takeovers Panel constituted under the <i>Australian Securities and Investments Commission Act 2001</i> (Cth).
Target's Statement	The target's statement to be prepared by DGO in relation to the Takeover Bid in compliance with Part 6.5 of the Corporations Act.
Tax	Means any tax, levy, impost, charge or duty (including stamp duty) imposed by a Government Agency.
Third Party	A person other than: <ul style="list-style-type: none"> (a) GOR; (b) any other GOR Group Member; or (c) any Associate of any GOR Group Member.
Third Party Consents	The consents, approvals, waivers or acknowledgements required from Third Parties in any way linked to the change in control of DGO resulting from the Takeover Bid.
Timetable	The timetable set out in schedule 3 or as otherwise agreed between the parties in writing.
Yandal	Yandal Resources Limited ABN 86 108 753 608.

1.2 Interpretation

In this document:

- (a) Headings and bold type are for convenience only and do not affect the interpretation of document.
- (b) The singular includes the plural and the plural includes the singular.
- (c) Other parts of speech and grammatical forms of a word or phrase defined in document have a corresponding meaning.
- (d) An expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual.
- (e) A reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, document.
- (f) A reference to any thing (including any right) includes a part of that thing, but nothing in this **clause 1.2(f)** implies that performance of part of an obligation constitutes performance of the obligation.
- (g) A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.
- (h) A reference to a document includes all amendments or supplements to, or replacements or novations of, that document.
- (i) A reference to a party being '**aware**' or having knowledge of a matter includes knowledge that the party's directors and senior executives are aware of or ought reasonably be aware of after making due and proper enquiries.
- (j) A matter, fact or circumstance is '**fairly disclosed**' if and only if sufficient information has been disclosed in writing and with sufficient specificity so that a sophisticated recipient of the relevant information who is experienced in transactions of the nature of the Takeover Bid and familiar with the nature of the business sector in which DGO operates would reasonably be expected to be aware of the nature, import and significance of the fact, matter or circumstance disclosed or recorded.
- (k) A reference to 'agreed form' means a form agreed to by the parties in writing prior to the date of this document.
- (l) A reference to a party to a document includes that party's successors and permitted assignees.
- (m) A reference to an agreement other than this document includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing.
- (n) A reference to '\$' or 'dollars' is to Australian currency unless denominated otherwise.

- (o) A reference to any time is a reference to the time in Perth, Western Australia.

1.3 Interpretation of inclusive expressions

Specifying anything in this document after the words 'including', 'includes', 'for example' or similar expression does not limit what else is included unless there is express wording to the contrary.

1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.5 Agreement components

This document includes any schedule and annexure.

2 The Takeover Bid

2.1 Making the Takeover Bid

GOR agrees to:

- (a) make offers pursuant to an off-market takeover bid under Chapter 6 of the Corporations Act to acquire all DGO Shares (including any DGO Shares that are issued during the Offer Period as a result of the exercise of DGO Convertible Securities) on terms and conditions no less favourable to DGO Shareholders than the Agreed Bid Terms; and
- (b) without limiting this **clause 2.1**, publicly announce a proposal to make offers under the Takeover Bid in accordance with **clause 3**.

2.2 Directors' recommendation and acceptance

- (a) DGO represents and warrants that:
 - (i) the DGO Board has met and considered the possibility of GOR agreeing to make the Takeover Bid; and
 - (ii) all of the DGO Directors have informed DGO that, if GOR complies with **clause 2.1**, they will:
 - (A) unanimously recommend to DGO Shareholders that they accept the Offer to be made to them under the Takeover Bid;
 - (B) accept, or procure the acceptance of, the Offer in respect of any DGO Shares that they own or control as soon as practicable, on the day that is 21 days after the Offer has opened;
 - (C) in respect of the DGO Convertible Securities they hold, either:
 - (1) accept the DGO Convertible Offer in respect of those DGO Convertible Securities; or

- (2) promptly exercise the DGO Convertible Securities they hold should those DGO Convertible Securities vest in accordance with their terms, and accept, or procure the acceptance of, the Offer in respect of any DGO Shares that are issued on the exercise of any DGO Convertible Securities that they own or control as soon as practicable on exercise of those DGO Convertible Securities,

but no earlier than the day which is 21 days after the Offer has opened,

in each case in the absence of a Superior Proposal.

- (b) Subject to GOR complying with **clause 2.1**, DGO agrees to procure that during the Exclusivity Period the DGO Directors:
- (i) publicly state the recommendation in **clause 2.2(a)(ii)(A)** in all material public announcements in relation to the Takeover Bid; and
 - (ii) do not withdraw, revise, revoke or qualify the recommendation in **clause 2.2(a)(ii)(A)**, or make any public statement inconsistent with such recommendation,

each in the absence of a Superior Proposal.

3 Public announcement of Takeover Bid

Immediately after the execution and exchange of this document, GOR and DGO must issue a joint public announcement concerning the Takeover Bid in the form set out in **Annexure A**, or as otherwise agreed between the parties.

4 Facilitating the Offer

4.1 General obligations to implement Takeover Bid

During the Exclusivity Period, in the absence of a Superior Proposal, DGO and GOR must each:

- (a) use all reasonable endeavours and commit necessary resources (including management and corporate relations and external advisers); and
- (b) procure that its Representatives work in good faith and in a timely and co-operative fashion with the other party (including by attending meetings and by providing the necessary records and information reasonably required),

to implement the Takeover Bid in accordance with the Timetable and the terms of this document. However, DGO will not be in breach of this **clause 4.1**, if DGO or any of its Related Persons takes any action, or fails to take any action, to the extent permitted under this document.

4.2 Bidder's Statement and Target's Statement

- (a) GOR will give DGO a reasonable opportunity to review an advanced draft of the Bidder's Statement at least 3 Business Days before GOR proposes to lodge the Bidder's Statement with ASIC, and will consult in good faith with DGO with respect to any comments DGO may have.
- (b) DGO will give GOR a reasonable opportunity to review an advanced draft of the Target's Statement at least 3 Business Days before DGO proposes to lodge the Target's Statement with ASIC, and will consult in good faith with GOR in relation to any comments GOR may have.
- (c) DGO must provide any assistance and information reasonably requested by GOR to enable GOR to prepare and finalise the Bidder's Statement.
- (d) GOR must provide any assistance and information reasonably requested by DGO to enable DGO to prepare and finalise the Target's Statement.

4.3 Dispatch of Offers

- (a) DGO agrees that the Offers and accompanying documents to be sent by GOR under item 6 of section 633(1) of the Corporations Act may be sent on a date nominated by GOR that is earlier than the date prescribed by item 6 of section 633(1) of the Corporations Act, in order to enable the Offers to be sent by GOR as contemplated by the Timetable, provided that the date nominated is no earlier than the date contemplated by the Timetable.
- (b) DGO agrees to use its best endeavours to ensure that the Target's Statement is dispatched to DGO Shareholders by no later than the date contemplated by the Timetable, and in any case must do so by the date prescribed by item 12 of section 633(1) of the Corporations Act.

4.4 Promoting the Takeover Bid

During the Exclusivity Period, in the absence of a Superior Proposal, DGO will use its best endeavours to procure the DGO Board to support the Takeover Bid and participate in efforts reasonably required by GOR to promote the merits of the Takeover Bid, including meeting with key DGO Shareholders, analysts, management, customers and press if requested to do so by GOR.

4.5 Access to DGO

During the Exclusivity Period, DGO must:

- (a) provide GOR and its Representatives as soon as is reasonably practicable with any documents, records, and other information (subject to any existing confidentiality obligations owed to Third Parties or applicable privacy laws) reasonably requested by them; and
- (b) provide GOR and its Representatives with reasonable access within normal business hours to DGO's senior management (provided that this access does not impose an unreasonable burden on DGO),

for the purposes of:

- (c) further understanding DGO's financial and operational position;

- (d) implementing the Takeover Bid;
- (e) preparing for and carrying on the business of DGO following implementation of the Takeover Bid including the integration of DGO with GOR and the other members of the GOR Group; and
- (f) any other purpose agreed in writing between the parties,

provided that:

- (g) nothing in this **clause 4.5** will require DGO to provide, or procure the provision of, information concerning:
 - (i) DGO Directors' and DGO management's consideration of the Takeover Bid; or
 - (ii) any actual, proposed or potential Competing Proposal (including DGO Directors' and DGO management's consideration of any actual, proposed or potential Competing Proposal) except as required by **clause 6.2**,
- (h) providing or procuring the provision of information or access to GOR or its Representatives pursuant to this **clause 4.5** does not result in unreasonable disruptions to, or interference with, the DGO Group's business;
- (i) GOR must:
 - (i) provide DGO with reasonable notice of any request for information or access; and
 - (ii) comply with the reasonable requirements of DGO in relation to any access granted; and
- (j) DGO may provide the requested information or access to GOR at a place other than DGO's business premises.

4.6 Registry and DGO Shareholder information

DGO must promptly after the date of this document and, as reasonably requested from time to time by GOR during the Exclusivity Period:

- (a) provide to GOR all information about the Register including a copy of the Register and details regarding the holders of DGO Convertible Securities in an electronic form requested by GOR promptly after a request by GOR to do so (including any request made by GOR under section 641 of the Corporations Act) to assist GOR to implement the Takeover Bid including by GOR or its Representatives soliciting acceptances under the Takeover Bid;
- (b) provide all necessary directions to the Registry to provide any information contained in the Register that GOR reasonably requests, including any sub-Register, and, where requested by GOR, DGO must procure the information to be provided to GOR in electronic form on the day that DGO receives a copy from its Registry each time a copy is obtained; and

- (c) provide to GOR all information in relation to beneficial ownership of DGO Shares that DGO has received under section 672A of the Corporations Act, and separately undertake beneficial securityholder analysis at the request and cost of GOR, and promptly exercise its powers under section 672A of the Corporations Act if requested to so do by, and at the cost of, GOR, acting reasonably.

4.7 Third Party Consents

To the extent that any Third Party Consents have not already been obtained on terms acceptable to GOR (acting reasonably), then DGO must during the Exclusivity Period and at GOR's reasonable request:

- (a) apply, in conjunction with GOR, to the counterparties from which these Third Party Consents are required;
- (b) use, and must procure that each relevant Related Person of DGO uses, in conjunction with GOR, reasonable endeavours to obtain the Third Party Consents as expeditiously as possible; and
- (c) work, and must procure that each relevant Related Person of DGO works, co-operatively with GOR in seeking to obtain those Third Party Consents.

4.8 Conduct of company

During the Exclusivity Period:

- (a) DGO must, and must procure that each DGO Group Member:
 - (i) subject to **clause 4.8(a)(ii)** below, conducts its business in the usual and ordinary course and on a basis consistent with past practice or as may be required in order to satisfy a specific requirement of a Government Agency;
 - (ii) following the date of this document, does not incur or accrue liabilities or expenditure which exceed \$1.5 million per month in aggregate for DGO and all DGO Group Members, provided that:
 - (A) the costs and expenses associated with the Takeover Bid and the Offers, up to a maximum of \$3.75 million, is not included in the monthly expenditure limit for the purposes of this restriction; and
 - (B) the monthly limit will increase from \$1.5 million to \$2.5 million from the date that is 3 months following the date that the Offer Period commences;
 - (iii) promptly provides to GOR, upon reasonable request, reports on the financial affairs and operations of the DGO Group, and consults with GOR on any matters that may have a material adverse impact on the integration of the businesses of GOR and the DGO Group following implementation of the Takeover Bid; and
 - (iv) uses all reasonable endeavours to preserve the value of the DGO Group's business and assets (including the Mining Tenements)

and DGO's relationships with customers, suppliers, licensors and others with whom the DGO Group has business dealings. For the avoidance of doubt this includes:

- (A) paying any annual rental fees and mining rehabilitation levies payable in relation to each Mining Tenement, as and when they become due;
 - (B) preparing and lodging any applications for extension of term (and renewals) for Mining Tenements that are due to expire before the end of the Exclusivity Period, or within 60 days of the end of the Exclusivity Period;
 - (C) complying with all of the conditions of the Mining Tenements and ensuring (to the extent it is within the reasonable control of the DGO Group) that the Mining Tenements are not amended, varied, terminated or withdrawn, cancelled or surrendered in whole or in part;
 - (D) ensuring that each DGO Group Member (as applicable) remains at all times the legal and beneficial holder of their assets (including the Mining Tenements and the Marketable Securities); and
 - (E) promptly providing GOR with a copy of all material notices received by DGO from any Government Agency or Third Party in relation to the Mining Tenements;
- (b) DGO must not, and must procure that each DGO Group Member does not:
- (i) in the case of DGO and other than in respect of DGO Shares issued as a result of the exercise of DGO Convertible Securities, issue any securities;
 - (ii) in the case of a DGO Group Member (other than DGO), issue any securities;
 - (iii) in the case of DGO, announce, determine as payable, declare or pay any dividend or distribution;
 - (iv) in the case of a DGO Group Member (other than DGO), announce, determine as payable, declare or pay any dividend or distribution, other than to DGO or to another DGO Group Member that is directly or indirectly wholly-owned by DGO;
 - (v) issue or grant any incentives, option, performance rights or other incentive instruments that are convertible into DGO Shares;
 - (vi) increase the remuneration of or pay any bonus (including under any existing or proposed employee performance bonus policy or retention bonus policy), or issue or agree to issue any securities or options to, or otherwise vary the employment agreements with, any of its Officers or employees, other than:

- (A) paying any bonuses in the ordinary course after the date of this document to the extent provided for in an existing employment contract in place as at the date of this document which have been Disclosed; and
- (B) increases in remuneration to apply for the financial year commencing 1 July 2022 (and subsequent financial years if applicable) up to a limit which has been Disclosed and made after good faith consultation with GOR;
- (vii) pay any director or executive a termination payment, other than as provided for in an existing employment contract or other agreement in place and provided that a copy has been Disclosed;
- (viii) take any action which DGO is aware would, or is aware would reasonably be expected to give rise to, a DGO Prescribed Occurrence or DGO Material Adverse Change;
- (ix) borrow or agree to borrow any money from any person other than Bell Potter pursuant to the Bell Potter Finance Facility or as permitted under **clause 4.16**;
- (x) enter into any lines of business or other activities in which it is not engaged as at the date of this document; or
- (xi) agree to do any of the matters set out above.

However, nothing in this **clause 4.8** restricts the ability of any DGO Group Member to take any action:

- (c) to reasonably and prudently respond to an emergency or disaster (including a situation giving rise to a risk of personal injury or damage to property);
- (d) which is required or permitted by this document;
- (e) which has been agreed to in writing by GOR (which agreement must not be unreasonably withheld or delayed); or
- (f) which is required by any legal or contractual obligations arising before, and which have been Disclosed prior to the date of this document;
- (g) which is required by any applicable law or by a Government Agency (including an action taken to avoid breach of a requirement of any applicable law or by a Government Agency).

4.9 Bid Conditions

- (a) Each party agrees not to do, or omit to do, anything which it is aware would, or would reasonably be expected to, result in any of the Bid Conditions being breached.
- (b) Each party must keep the other promptly and reasonably informed of the steps it has taken and its progress towards satisfaction of the Bid Conditions, and promptly notify the other if it becomes aware that any Bid Condition has been fulfilled or breached.

- (c) If any event occurs or becomes apparent which would cause any of the Bid Conditions to be breached or cause satisfaction of them to be unreasonably delayed, each party must, to the extent that the party is actually aware of such information, immediately notify the other party of that event.
- (d) A reference in this **clause 4.9** to a Bid Condition being breached includes a reference to the Bid Condition not being, or not being capable of being, satisfied.
- (e) Subject to the Corporations Act, GOR alone is entitled to the benefit of the Bid Conditions, or to rely on any non-fulfilment of any of them.
- (f) Each Bid Condition is a separate, several and distinct condition. No Bid Condition will be taken to limit the meaning or effect of any other Bid Condition.

4.10 Appointment of directors

- (a) As soon as practicable after GOR has paid the consideration payable under the Offer for, and becomes the Registered holder of, at least 50.1% of all DGO Shares (on a fully diluted basis), if requested in writing to do so by GOR, DGO must use its best endeavours to assist GOR with respect to:
 - (i) the resignation and appointment of directors to the DGO Board and to the boards of each DGO Group Member designated by GOR (subject to those persons having provided a consent to act as directors), such that a majority of the directors of the DGO Board and the boards of each DGO Group Member are directors nominated by GOR in writing; and
 - (ii) the resignation of the existing DGO nominee directors on the board of De Grey if requested by GOR, and appointment of the directors nominated by GOR (subject to those persons having provided a consent to act as a director).
- (b) As soon as practicable after the Offer Period has ended and GOR has paid the consideration payable under the Offer to DGO Shareholders who accepted the Offer, and for so long as GOR and its Associates together have relevant interests in more than 90% of all of DGO Shares (on a fully diluted basis), DGO must use all reasonable endeavours to assist GOR with respect to:
 - (i) the resignation of each director of the DGO Board designated by GOR in writing and each director of any DGO Group Member designated by GOR in writing; and
 - (ii) the appointment to the DGO Board, and to the boards of each DGO Group Member, of such persons as nominated by GOR in writing, subject to those persons having provided a consent to act as a director of the relevant company or companies.

4.11 Independent Expert not required

- (a) DGO acknowledges that an expert's report for the Target Statement is not required under section 640 of the Corporations Act or otherwise.
- (b) GOR acknowledges that DGO has determined that it is not proposing to commission an expert's report under section 640 of the Corporations Act or otherwise in connection with the Offer.

4.12 Treatment of DGO Convertible Securities

- (a) Within 5 Business Days of the date of this document, DGO must make an offer to acquire all of the DGO Convertible Securities from each DGO Convertible Securityholder in the form agreed by GOR and DGO (**DGO Convertible Security Cancellation Deed**) for the DGO Convertible Security Consideration (the **DGO Convertible Offer**).
- (b) The DGO Convertible Offer will be conditional on the Takeover Bid being declared unconditional and must be completed within 5 Business Days of the Takeover Bid becoming unconditional.
- (c) During the Exclusivity Period, DGO and GOR must act co-operatively and do all things required to give effect to the DGO Convertible Offer as required by the terms of the DGO Convertible Security Cancellation Deed.
- (d) If the DGO Convertible Offer is accepted and the Takeover Bid is declared unconditional, DGO agrees to:
 - (i) take all steps required to give effect to the transfer or cancellation of each DGO Convertible Security held by each DGO Convertible Securityholder who has accepted the DGO Convertible Offer, in accordance with the terms of the DGO Convertible Offer; and
 - (ii) update the register of DGO Convertible Securityholders to reflect the transfer or cancellation of each DGO Convertible Security held by each DGO Convertible Securityholder who has accepted the DGO Convertible Offer.

4.13 No waiver

Nothing in this **clause 4** requires DGO to provide, or procure the provision of, information if to do so would or would be reasonably likely to result in a waiver of legal professional privilege or to breach any obligation of confidentiality owed to any Third Party.

4.14 No direction

Nothing in this **clause 4** gives GOR any rights as to the decision making of any DGO Group Member or its business.

4.15 No responsibility for documents prepared by others

The co-operation between DGO and GOR and the sharing of any information between them as contemplated in this **clause 4** does not result in either of them having any responsibility for a document prepared and issued by the other party, other than to the extent a party specifically agrees in writing.

4.16 Interim financing

- (a) Subject to **clause 4.16(e)**, if at any time during the Exclusivity Period:
- (i) the DGO Board acting in good faith forms the view that DGO requires additional financing (**DGO Financing Requirement**);
 - (ii) an amount becomes repayable within the next 30 days or further security or support is required to be provided under the Bell Potter Finance Facility; or
 - (iii) there is any change to the existing terms of the Bell Potter Finance Facility to those Disclosed (including to the facility limit of \$15 million or to the repayment terms of or security for indebtedness advanced as at the date of this document),

DGO must provide GOR written notice of that requirement or event (**Financing Notice**) within 6 Business Days, which notice must include details of:

- (iv) the financing requirement; and
 - (v) all terms and conditions of any proposal that the DGO Board has with respect to meeting the financing requirement by:
 - (A) debt finance, which may only be from one or a group of the top 25 DGO Shareholders as at the date of this document or a commercial lending institution (but may not include a person who has made a Competing Proposal or has not undertaken in the terms and conditions not to solicit or support a Competing Proposal during the Exclusivity Period. For the avoidance of doubt, this will not prevent the DGO Shareholder from accepting a Superior Proposal that has been made by a person that is not related or Associated with the DGO Shareholder); or
 - (B) the sale of Marketable Securities to the extent permitted by this document,

(Alternative Financing Proposal).
- (b) GOR will have 6 Business Days from the date of the Financing Notice to provide to DGO a binding offer of finance in response to the Financing Notice (**GOR Financing Proposal**), that:
- (i) is capable of acceptance by DGO;
 - (ii) meets the finance requirement of DGO set out in the Financing Notice; and
 - (iii) is on terms no less favourable to DGO than the Bell Potter Finance Facility based on the terms Disclosed,
- (c) If the GOR Financing Proposal is considered by the DGO Board, acting reasonably and in good faith, to be on terms no less favourable to DGO than the Alternative Financing Proposal, then, subject to **clauses 4.16(d)**

and **4.16(e)**, DGO may only meet the DGO Funding Requirement by way of accepting the GOR Financing Proposal (including where applicable to repay the amounts payable under the Bell Potter Finance Facility).

- (d) Subject to **clause 4.16(e)**, if:
- (i) GOR has declined to provide a GOR Financing Proposal; or
 - (ii) GOR has not responded with a GOR Financing Proposal that meets the requirements in **clause 4.16(b) (i) to (iii)**, within the time period specified in **clause 4.16(b)**; or
 - (iii) the GOR Financing Proposal is considered by the DGO Board, acting reasonably and in good faith, to be on terms less favourable to DGO than an Alternative Financing Proposal,

then DGO may undertake an Alternative Financing Proposal provided the Alternative Financing Proposal may only involve the sale of Marketable Securities (other than De Grey shares) where there are no other Alternative Financing Proposals or GOR Financing Proposal available. An Alternative Financing Proposal may not involve the sale of any De Grey shares.

- (e) After the date that is 3 months following the date the Offer Period commences, DGO may satisfy the funding requirement under a Financing Notice by the sale of Marketable Securities (other than De Grey shares) provided that the price at which those Marketable Securities are disposed is at a price that is no more than a 5% discount to the 5 day volume weighted average price of those Marketable Securities on ASX to the day immediately prior to the date of disposal.

5 Takeover Bid – variation and waiver

5.1 Variation

GOR may vary the terms and conditions of the Takeover Bid in any manner which is permitted by the Corporations Act provided that the varied terms and conditions are not substantially less favourable to DGO Shareholders than the terms set out in this document (including the Agreed Bid Terms).

5.2 Waiver of Bid Conditions and extension

Subject to the Corporations Act, GOR may in its sole discretion declare the Takeover Bid to be free from any Bid Condition or extend the Offer Period at any time, provided that GOR must not:

- (a) declare the Takeover Bid to be free of the minimum acceptance condition set out in item 3.1 of the Agreed Bid Terms other than:
 - (i) in the event of a Superior Proposal; or
 - (ii) in the event of termination of this document; or
- (b) extend the Offer Period beyond a date that is 6 months from the opening of the Offer (**Initial Maximum Offer Period**) unless prior to the end of

the Initial Maximum Offer Period GOR and its Associates together have relevant interests in more than 50.1% of DGO Shares (on a fully diluted basis), in which case GOR may extend the Offer Period to a date that is no more than 9 months from the opening of the Offer.

6 Exclusivity

6.1 No shop and no talk

During the Exclusivity Period, DGO must not, and must ensure that each of its Related Persons do not, directly or indirectly:

- (a) **(no shop)** solicit, invite, encourage or initiate any inquiry, expression of interest, offer proposal, negotiation or discussion by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, a Competing Proposal or communicate to any person an intention to do anything referred to in this **clause 6.1(a)**; or
- (b) **(no talk)** subject to **clause 6.3**:
 - (i) facilitate, participate in or continue any negotiations or discussions with respect to any inquiry, expression of interest, offer or proposal by any person to make, or which would reasonably be expected to encourage or lead to the making of, a Competing Proposal or participate in or continue any negotiations or discussions with respect to any Competing Proposal;
 - (ii) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding a Competing Proposal;
 - (iii) disclose or otherwise provide or make available any non-public information about the business or affairs of the DGO Group to a Third Party (other than a Government Agency that has the right to obtain that information and has sought it) in connection with, with a view to obtaining, or which would reasonably be expected to encourage or lead to the formulation, receipt or announcement of, a Competing Proposal (including providing such information for the purposes of the conduct of due diligence investigations in respect of the DGO Group) whether by that Third Party or another person; or
 - (iv) communicate to any person an intention to do anything referred to in the preceding paragraphs of this **clause 6.1(b)**.

6.2 Notification of approaches

- (a) During the Exclusivity Period, DGO must immediately notify GOR in writing if DGO or any of its Related Persons becomes aware of any:
 - (i) written approach or written attempt to initiate any negotiations or discussions in respect of any inquiry, expression of interest, offer,

proposal or discussion in relation to an actual, proposed or potential Competing Proposal;

- (ii) written proposal made to DGO or any of its Related Persons in connection with, or in respect of any exploration or completion of, an actual, proposed or potential Competing Proposal; or
- (iii) provision by DGO or any of its Related Persons of any non-public information concerning the business or operations of DGO or the DGO Group to any Third Party (other than a Government Agency) in connection with an actual, proposed or potential Competing Proposal,

whether direct or indirect, solicited or unsolicited, and in writing or otherwise.

- (b) A notification given under **clause 6.2(a)** must, subject to **clause 6.3** include:
 - (i) the identity of the relevant person making or proposing the relevant Competing Proposal; and
 - (ii) all material terms and conditions of the Competing Proposal (including the implied offer price per DGO Share).

6.3 Fiduciary exception

- (a) **Clause 6.1(b)**; and
- (b) **Clause 6.2** and **6.6** (but only to the extent it requires disclosure of information referred to in **clause 6.2(b)**),

do not prohibit DGO or any of its Related Persons:

- (c) responding to or undertaking another act referred to in **clause 6.1(b)**; or
- (d) failing to disclose any information referred to in **clause 6.2(b)** or **6.6**,

in relation to a Competing Proposal if, in the opinion of the DGO Board, formed in good faith after receiving written advice from its external legal adviser and financial advisers, the Competing Proposal is or may reasonably be expected to lead to a Superior Proposal and compliance with those provisions would constitute, or would be reasonably likely to constitute, a breach of any of the fiduciary or statutory duties of the directors of DGO, provided that the Competing Proposal was not directly or indirectly brought about by, or facilitated by, a breach of this **clause 6**.

6.4 Matching right

- (a) Without limiting any other clause in this document, during the Exclusivity Period, DGO:
 - (i) must not, and must procure that each DGO Group Member does not, announce an intention to or enter into any legally binding agreement (whether or not in writing) pursuant to which one or more of a Third Party, DGO or any DGO Group Member proposes

or propose to undertake or give effect to a Competing Proposal;
and

- (ii) must use its best endeavours to procure that none of its directors change their recommendation in favour of the Takeover Bid, publicly recommend a Competing Proposal (or recommend against the Takeover Bid) or make any public statement to the effect that they may do so at a future point (provided that a statement that no action should be taken by DGO Shareholders pending the assessment of a Competing Proposal by the DGO Board and its advisers shall not contravene this clause),

unless:

- (iii) the DGO Board, acting in good faith and in order to satisfy what the DGO Directors consider to be their statutory or fiduciary duties (having received written legal advice from their external legal adviser), determine that the Competing Proposal would be or would be reasonably likely to be a Superior Proposal;
 - (iv) DGO has provided GOR with:
 - (A) the identity of the relevant person making or proposing the relevant Competing Proposal; and
 - (B) all terms and conditions of the Competing Proposal (including the implied offer price per DGO Share);
 - (v) DGO has given GOR at least 5 Business Days after the date of the provision of the information referred to in **clause 6.4(a)(iv)** to consider the Competing Proposal and to propose amendments to the Takeover Bid to DGO, or announce or provide to DGO a new proposal (**GOR Counterproposal**); and
 - (vi) GOR has not announced or otherwise formally proposed to DGO a GOR Counterproposal by the expiry of the 5 Business Day period in **clause 6.4(a)(v)**, or if GOR has announced or otherwise formally proposed to DGO a GOR Counterproposal by the expiry of the 5 Business Day period in **clause 6.4(a)(v)**, DGO has complied with the requirements of **clause 6.4(b)** in response to that GOR Counterproposal.
- (b) If GOR proposes to DGO, or announces, a GOR Counterproposal by the expiry of the 5 Business Day period in **clause 6.4(a)(v)**, DGO must procure that the DGO Board considers the GOR Counterproposal and if the DGO Board, acting reasonably and in good faith, determines that the GOR Counterproposal would provide an equivalent or superior outcome for DGO Shareholders as a whole (other than those Associated with GOR) compared with the Competing Proposal, taking into account all of the terms and conditions of the GOR Counterproposal, then:
- (i) the Takeover Bid (and Agreed Terms) will be deemed to have been amended to reflect the terms of the GOR Counterproposal;

- (ii) GOR must immediately announce the GOR Counterproposal; and
 - (iii) DGO must use its best endeavours to procure that each of the directors of DGO continues to recommend the Takeover Bid (as modified by the GOR Counterproposal) to DGO Shareholders.
- (c) For the avoidance of doubt, **clauses 6.4(a)** and **6.4(b)** have repeat application so that if any further or amended Competing Proposal is made after GOR has made a GOR Counterproposal, DGO must again comply with the requirements of **clauses 6.4(a)** and **6.4(b)** in respect of that further or amended Competing Proposal.

6.5 No discussions

DGO represents and warrants that, as at the date of this document:

- (a) no DGO Group Member is participating in any discussions or negotiations relating to any actual, proposed or potential Competing Proposal; and
- (b) no person proposing any Competing Proposal to DGO's knowledge has access to DGO's confidential information.

6.6 Provision of information

During the Exclusivity Period, DGO must as soon as possible (and, in any event, within 2 Business Days) give GOR:

- (a) in the case of written materials, a copy of; and
- (b) in any other case, a written statement of,

any non-public information about the business or affairs of DGO or the DGO Group disclosed or otherwise provided by DGO or any of its Related Persons to any Third Party in connection with a Competing Proposal that has not previously been provided to GOR. For the avoidance of doubt:

- (a) nothing in this **clause 6.6** requires disclosure of DGO Directors' and DGO management's consideration of the Competing Proposal; and
- (b) any such provision of information is subject to **clause 6.3**.

6.7 Legal advice

DGO represents and warrants to GOR that:

- (a) prior to entering into this document it has received legal advice on this document and the operation of this **clause 6**; and
- (b) it and the DGO Board consider this **clause 6** to be fair and reasonable and appropriate to agree in order to secure the significant benefits to it and DGO Shareholders resulting from the transactions contemplated hereby.

6.8 Compliance with law

- (a) If it is finally determined by a court, or the Takeovers Panel, that the agreement by the parties under this **clause 6** or any part of it:

- (i) constituted, or constitutes, or would constitute, a breach of the fiduciary or statutory duties of the DGO Board;
 - (ii) constituted, or constitutes, or would constitute, 'unacceptable circumstances' within the meaning of the Corporations Act; or
 - (iii) was, or is, or would be, unlawful for any other reason,
- then, to that extent (and only to that extent) DGO will not be obliged to comply with that provision of **clause 6**.
- (b) The parties must not make or cause or permit to be made, any application to a court or the Takeovers Panel for or in relation to a determination referred to in this **clause 6.8**.

7 Reimbursement Fee

7.1 Background to Reimbursement Fee

- (a) DGO acknowledges that, if GOR enters into this document and the Takeover Bid is subsequently not implemented, GOR will incur significant costs, including those set out in **clause 7.4**.
- (b) In these circumstances, GOR has requested that provision be made for the payments outlined in **clause 7.2**, without which GOR would not have entered into this document or otherwise agreed to implement the Takeover Bid.
- (c) The DGO Board believes, having taken advice from their external legal adviser and financial advisers, that the implementation of the Takeover Bid will provide benefits to DGO and that it is appropriate for DGO to agree to the payments referred to in **clause 7.2** in order to secure the Takeover Bid.

7.2 Reimbursement Fee triggers

Subject to this **clause 7**, DGO must pay the Reimbursement Fee to GOR if:

- (a) during the Exclusivity Period, any DGO Director:
 - (i) fails to recommend that DGO Shareholders accept the Takeover Bid in the manner described in **clause 2.2(a)(ii)(A)**;
 - (ii) withdraws, adversely revises or adversely qualifies their recommendation that DGO Shareholders accept the Takeover Bid; or
 - (iii) recommends that DGO Shareholders accept or vote in favour of, or otherwise supports or endorses (including support by way of accepting or voting, or by way of stating an intention to accept or vote, in respect of any DGO Shares that they own or control), a Competing Proposal of any kind that is announced (whether or not such proposal is stated to be subject to any pre-conditions),

unless DGO has terminated this document pursuant to:

- For personal use only
- (iv) **clause 8.1(b)(i)**;
 - (v) **clause 8.1(b)(ii)**;
 - (vi) **clause 8.1(b)(v)(B)**; or
 - (vii) **clause 8.1(b)(iv)** .
- (b) DGO terminates this document under **clause 8.1(b)(iv)**:
- (i) during the Exclusivity Period where a Competing Proposal (other than a proposal under paragraph (b) of the definition of Competing Proposal) has been received by DGO prior to that right to terminate arising and that Competing Proposal:
 - (A) completes within 12 months of the date GOR is notified of the Competing Proposal; or
 - (B) is recommended by the Board of DGO within 6 months after the date of this document; or
 - (ii) and a Competing Proposal (other than a proposal under paragraph (b) of the definition of Competing Proposal) is announced by DGO or a Third Party (whether or not such proposal is stated to be subject to any pre-conditions) during the period following termination under **clause 8.1(b)(iv)** and ending 6 months after the date of this document and that Competing Proposal completes within 12 months of the date of such announcement the Competing Proposal completes.
- (c) during the Exclusivity Period;
- (i) a Competing Proposal (other than a proposal under paragraph (b) of the definition of Competing Proposal) is announced by DGO or a Third Party (whether or not such proposal is stated to be subject to any pre-conditions); or
 - (ii) a person (**Acquirer**) acquires a relevant interest, or an economic interest under a cash settled equity swap or similar derivative or right to acquire either a legal, beneficial or economic interest, in more than 10% of DGO Shares on issue and during the period ending 6 months after the date of this document, a Competing Proposal (other than a proposal under paragraph (b) of the definition of Competing Proposal) is announced by the Acquirer or any of its Associates,
- and, within 12 months of the date of such announcement the Competing Proposal completes, unless prior to that time DGO terminates this document pursuant to:
- (iii) **clause 8.1(b)(i)**; or
 - (iv) **clause 8.1(b)(ii)**
- (d) GOR has validly terminated this deed pursuant to:
- (i) **clause 8.1(a)(i)**; or

- (ii) **clause 8.1(a)(ii).**

7.3 Payment of Reimbursement Fee

- (a) A demand by GOR for payment of the Reimbursement Fee under **clause 7.2** must:
 - (i) be in writing;
 - (ii) be made after the occurrence of the event in that clause giving rise to the right to payment;
 - (iii) state the circumstances which give rise to the demand; and
 - (iv) nominate an account in the name of GOR into which DGO is to pay the Reimbursement Fee.
- (b) DGO must pay the Reimbursement Fee into the account nominated by GOR, without set-off or withholding, within 5 Business Days after receiving a demand for payment where GOR is entitled under **clause 7.2** to the Reimbursement Fee.

7.4 Basis of Reimbursement Fee

The Reimbursement Fee has been calculated to reimburse GOR for costs including the following:

- (a) fees for legal, financial and other professional advice in planning and implementing the Takeover Bid (excluding success fees);
- (b) reasonable opportunity costs incurred in engaging in the Takeover Bid or in not engaging in other alternative acquisitions or strategic initiatives;
- (c) costs of management and directors' time in planning and implementing the Takeover Bid; and
- (d) out of pocket expenses incurred by GOR and GOR's employees, advisers and agents in planning and implementing the Takeover Bid,

and the parties agree that:

- (e) the costs actually incurred by GOR will be of such a nature that they cannot all be accurately ascertained; and
- (f) the Reimbursement Fee is a genuine and reasonable pre-estimate of those costs,

and DGO represents and warrants that it has received written legal advice from its legal adviser in relation to the operation of this **clause 7**.

7.5 Compliance with law

- (a) This **clause 7** does not impose an obligation on DGO to pay the Reimbursement Fee to the extent (and only to the extent) that the obligation to pay the Reimbursement Fee:
 - (i) is declared by the Takeovers Panel to constitute 'unacceptable circumstances'; or
 - (ii) is determined to be unenforceable or unlawful by a court,

and GOR will refund to DGO, within 5 Business Days any amount in excess of its obligation under this **clause 7** that has already been paid when that declaration or determination is made. For the avoidance of doubt, any part of the Reimbursement Fee that would not constitute unacceptable circumstances or that is not unenforceable or unlawful (as applicable) must be paid.

- (b) The parties must not make or cause or permit to be made, any application to the Takeovers Panel or a court for or in relation to a declaration or determination referred to in **clause 7.5(a)**.

7.6 Fees payable only once

Where the Reimbursement Fee becomes payable to GOR under **clause 7.2** and is actually paid to GOR, GOR cannot make any claim against DGO for payment of any subsequent Reimbursement Fee (that is, the Reimbursement Fee is payable only once under or in connection with this document).

7.7 Refund

Despite anything to the contrary in this document, the Reimbursement Fee will not be payable to GOR if GOR becomes the holder of more than 50% of the DGO Shares as a result of the Takeover Bid, notwithstanding the occurrence of any event in **clause 7.2**, and if the Reimbursement Fee has already been paid by DGO, it must be returned to DGO.

8 Termination

8.1 Termination rights

- (a) GOR may terminate this document by written notice to DGO if at any time after the date on which the Offer is announced under **clause 3** and before the end of the Offer Period:
 - (i) any of the circumstances referred to in **clause 7.2(a)** occurs in respect of any DGO Director;
 - (ii) DGO is in material breach of this document (including a material breach of a representation or warranty given by DGO under **clause 9**) and to the extent that the breach is capable of remedy, that breach is not remedied by DGO within 5 Business Days of it receiving notice from GOR of the details of the breach and GOR's intention to terminate;
 - (iii) a court or Government Agency has issued an order, decree or ruling, or taken other action, that permanently restrains or prohibits the Takeover Bid, and the action is final and cannot be appealed or reviewed or GOR, acting reasonably, believes that there is no realistic prospect of a successful appeal or review; or
 - (iv) GOR withdraws the Takeover Bid or the Takeover Bid lapses for any reason, including non-satisfaction of a condition to the Takeover Bid.

- (b) DGO may terminate this document by written notice to GOR if at any time after the date on which the Offer is announced under **clause 3** and before the end of the Offer Period:
- (i) GOR is in material breach of this document (including a material breach of a representation or warranty given by DGO under **clause 9**) and to the extent that the breach is capable of remedy, that breach is not remedied by GOR within 5 Business Days of it receiving notice from DGO of the details of the breach and DGO's intention to terminate;
 - (ii) a court or Government Agency has issued an order, decree or ruling, or taken other action, that permanently restrains or prohibits the Takeover Bid, and the action is final and cannot be appealed or reviewed or DGO, acting reasonably, believes that there is no realistic prospect of a successful appeal or review;
 - (iii) the completion of a Competing Proposal contemplated by **clause** Error! Reference source not found. and payment of any Reimbursement Fee required to be paid under **clause 7**;
 - (iv) following the Announcement Date, but prior to the date that is no more than 3 months from the Announcement Date, DGO Shareholders (other than holders who are members of the DGO Board or holders who are owned or controlled by members of the DGO Board) who in aggregate hold more than 50% of the DGO Shares on issue deliver written unqualified truth in takeovers statements in accordance with *ASIC Regulatory Guide 25* to DGO and GOR that they will not accept the Offer in its current form, acknowledge that the statements are binding on them and authorise GOR to disclose those statements to ASX; or
 - (v) GOR:
 - (A) withdraws the Takeover Bid; or
 - (B) the Takeover Bid lapses for any reason, including non-satisfaction of a condition to the Takeover Bid.

8.2 Effect of termination

If this document is terminated by a party under this **clause 8**:

- (a) each party will be released from its obligations under this document, except its respective obligations under **clauses 7, 10, 12 and 14**;
- (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this document; and
- (c) in all other respects, all future obligations of the parties under this document will immediately terminate and be of no further force or effect, including any further obligations in respect of the Takeover Bid.

9 Warranties

9.1 Mutual warranties

Each party represents and warrants to the other that, as at the date of this document and until the end of the Offer Period (except where a warranty is given as of a particular date, in which case the warranty is given as of that particular date):

- (a) **(validly existing)**: it is validly incorporated, organised and subsisting under the laws of the place of its incorporation;
- (b) **(power)**: it has full power and capacity to enter into and perform its obligations under this document;
- (c) **(authority)**: this document has been duly executed and all necessary authorisations for the execution, delivery and performance by it of this document in accordance with its terms have been obtained;
- (d) **(binding)**: this document is a legal, valid and binding agreement, enforceable against the relevant party in accordance with its terms;
- (e) **(no default)**: it is not bound by any agreement that would prevent or restrict it from entering into and performing its obligations under this document or the transaction contemplated by it;
- (f) **(no Insolvency Event)**: no Insolvency Event has occurred in relation to any group members; and
- (g) **(regulatory action)** as at the date of this document, no regulatory action of any nature has been taken that would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this document.

9.2 DGO warranties

In addition to the warranties set out in **clause 9.1**, DGO represents and warrants that, as at the date of this document and until the end of the Exclusivity Period (except where a warranty is given as of a particular date, in which case DGO gives that warranty as of that particular date):

- (a) **(capital structure)**: the information contained in **schedule 4** is a complete and accurate description of DGO's capital structure as at the date of this document, and there are no other securities on issue, or that might be issued as a result of the exercise of any options, convertible securities or other rights or in accordance with any letter of award or grant under any employee incentive plan or otherwise other than the Bell Potter Options;
- (b) **(corporate structure)**: DGO has Disclosed full details of any company, partnership, trust, joint venture or other enterprise in which DGO or another DGO Group Member owns or otherwise holds an interest;
- (c) **(continuous disclosure)**: DGO is not in breach of its continuous disclosure obligations under the Listing Rules and the Corporations Act

and, as at the date of this document, is not relying on Listing Rule 3.1A to withhold any information from disclosure other than as Disclosed;

- (d) **(Target statement disclosures):** DGO is not in breach of its disclosure obligations under section 638 of the Corporations Act;
- (e) **(financial statements):** other than as Disclosed to GOR:
- (i) DGO's financial statements as disclosed to ASX have been prepared in accordance with the accounting standards on a basis consistent with past practice;
 - (ii) up to the date of this document and since the date of its last accounts disclosed to ASX:
 - (A) there has been no material event, change, effect or development which would require DGO to restate its financial statements as disclosed to ASX; and
 - (B) there has not been any material adverse change in the financial condition, assets, liabilities, results of operations, profitability or prospects of the DGO Group and the DGO Group has carried on business in the ordinary and usual course consistent with its usual business practices;
- (f) **(litigation and disputes)** there is no litigation, action, arbitration, mediation, claim, investigation or other proceeding:
- (i) currently on foot; or
 - (ii) so far as DGO Directors and DGO's other Officers are aware after due enquiry, announced, commenced or threatened or likely to be instigated,
- by or against a DGO Group Member which may reasonably result in a judgement of \$2.5 million or more against the DGO Group Member;
- (g) **(compliance)** as far as DGO is aware as at the date of this document, no DGO Group Member is in breach in a material respect of any law or regulation applying to them or any order of any Government Agency having jurisdiction over it;
- (h) **(licences and permits)** as far as DGO is aware as at the date of this document, each of the DGO Group Members holds all material licences, authorisations or permits necessary for it to conduct the business of the DGO Group as it is presently being conducted as at the date of this document;
- (i) **(DGO assets)** as far as DGO is aware as at the date of this document, each member the DGO Group owns or has the right to use all of the assets which are material for the conduct of the DGO business as it is presently being conducted as at the date of this document;
 - (j) **(Marketable Securities)** DGO is the sole registered and beneficial owner of the Marketable Securities listed in the definition of 'Marketable

Securities' free from any Encumbrances (other than in connection with the security arrangements existing as at the date of this document in connection with the Permitted Indebtedness and a disposal permitted by **clause 4.16**);

(k) **(Mining Tenements):**

- (i) the DGO Group Member identified in **schedule 5** is the sole registered and beneficial owner of, and as far as DGO is aware after due enquiry, has good and valid title to, the interests in the Mining Tenements set out in **schedule 5**;
- (ii) as far as DGO is aware after due enquiry, the Mining Tenements are in good standing, are valid and subsisting in accordance with their terms and are not liable to cancellation, forfeiture or revocation;
- (iii) other than as indicated in **schedule 5**, as far as DGO is aware as there is no Encumbrance (of whatsoever nature), option, right of pre-emption, right of first or last refusal or other third party right over any of the Mining Tenements or any metals or minerals which may be derived therefrom (including, without limitation, any rights to accept any offer or proposal which will, if accepted, result in an agreement); and
- (iv) other than as indicated in **schedule 5**, there is no production or profit sharing, royalty, carried interest or similar agreement or arrangement affecting the Mining Tenements or any metals or minerals which may be derived therefrom,

which if breached may reasonably be expected to result in loss or liability of \$2.5 million or more against a DGO Group Member;

- (l) **(environmental)** as far as DGO is aware at the date of this document after due enquiry each DGO Group Member complies in all material respects with any conditions, limitations, obligations, prohibitions and requirements contained in any environmental laws affecting or impacting its business in any way whatsoever and DGO is not aware as at the date of this document of any facts or circumstances which may lead to any material breach of any environmental laws;
- (m) **(material contracts)** in respect of each contract to which a DGO Group Member is a party at the date of this document and is material to the operation of the business of the DGO Group as it is presently being conducted as at the date of this document (**Material Contracts**):
 - (i) DGO has included in the Disclosure Materials full copies of each Material Contract;
 - (ii) as at the date of this document, DGO has not received written notice from the counterparty to the Material Contract of a purported breach or default by a DGO Group Member of that Material Contract or notice of termination of that Material Contract;

- (iii) as at the date of this document, no DGO Group Member has reason to believe it is in default under any Material Contract nor has anything occurred which is or would with the giving of notice or lapse of time constitute an event of default, prepayment event, challenge the validity of a progress or variation claim or give another party thereto a termination right or right to accelerate any right or obligation under the Material Contract;
- (n) **(employment)**: so far as DGO is aware after due enquiry as at the date of this document, no DGO Group Member is in breach of any applicable employment laws which if breached may reasonably be expected to result in loss or liability of \$2.5 million or more against a DGO Group Member;
- (o) **(incentives disclosed)** the Disclosure Materials fairly discloses all:
- (i) arrangements for the award of any payments, bonus, incentives or severance pay to senior management of the DGO Group;
 - (ii) fees payable to all third party advisers in connection with the Takeover Bid; and
 - (iii) other agreements or arrangements entered into by any DGO Group Member pursuant to which consideration becomes payable to any person in connection with the Takeover Bid,
- as at the date of this document;
- (p) **(Tax)**: DGO is not in breach of any laws that relate to the obligation to pay Tax which if breached may reasonably be expected to result in loss or liability of \$2.5 million or more against a DGO Group Member;
- (q) **(Disclosure Materials)**: so far as DGO is aware at the date of this document:
- (i) the Disclosure Materials provided to GOR in connection with DGO and the Takeover Bid have been prepared in good faith; and
 - (ii) DGO has not deliberately withheld from the Disclosure Materials any information about the DGO Group and its business that is material to GOR in making an informed assessment of the Takeover Bid; and
- (r) **(Bid Conditions)**: so far as DGO Directors and DGO's other Officers are aware as at the date of this document, there are no circumstances that have, will, or would reasonably be expected to result, in any of the Bid Conditions not being satisfied.

9.3 GOR warranties

In addition to the warranties set out in **clause 9.1**, GOR represents and warrants that, as at the date of this document and until the end of the Offer Period (except where a warranty is given as of a particular date, in which case DGO gives that warranty as of that particular date):

- For personal use only
- (a) **(GOR Share consideration)** the GOR Shares to be issued in connection with the Takeover Bid will be duly authorised and validly issued or transferred, fully paid and free of all Security Interests and third party rights and will rank equally with all other GOR Shares then on issue;
 - (b) **(no approvals required)**: GOR does not require the approval of its shareholders or the approval or consent of any other Government Agency to enter into or perform any of its obligations under this document;
 - (c) **(continuous disclosure)**: GOR is not in breach of its continuous disclosure obligations under the Listing Rules and the Corporations Act and as at the date of this document is not relying on Listing Rule 3.1A to withhold any information from disclosure other than as fairly disclosed to DGO prior to the date of this document;
 - (d) **(due diligence documents)**: so far as GOR is aware at the date of this document:
 - (i) the Disclosure Materials provided to DGO in connection with GOR and the Takeover Bid have been prepared in good faith; and
 - (ii) GOR has not deliberately withheld from the Disclosure Materials any information about the GOR Group and its business that would be material to DGO in making an informed assessment of the value of the GOR Shares; and
 - (e) **(Bid Conditions)**: so far as GOR Directors and GOR's other Officers are aware as at the date of this document, there are no circumstances that have, will, or would reasonably be expected to result, in any of the Bid Conditions not being satisfied.

9.4 Indemnities for breach of warranties

- (a) DGO indemnifies GOR against all Loss suffered or incurred by GOR or a GOR Group Member arising from or in connection with a breach of the warranties given by DGO set out in **clauses 9.1 and 9.2**.
- (b) GOR indemnifies DGO against all Loss suffered or incurred by DGO or a DGO Group Member arising from or in connection with a breach of the warranties given by GOR set out in **clauses 9.1 and 9.3**.

9.5 Reliance on representations and warranties

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this document, except for representations or inducements expressly set out in this document.
- (b) Each party acknowledges and confirms that it does not enter into this document in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this document.

- (c) Each party acknowledges and confirms that **clauses 9.5(a)** and **9.5(b)** do not prejudice any rights a party may have in relation to information which has been filed by the other party with ASIC or the ASX.

9.6 Notification

Each party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance that constitutes a breach of any of the representations and warranties given by it under this **clause 9**.

9.7 Disclosure

Each party acknowledges that the representations and warranties given under this **clause 9** are given subject to and qualified by, and a party is not entitled to claim that any fact, matter or circumstance causes any of the representations and warranties given by the other to be breached if and to the extent that the fact, matter or circumstance has been Disclosed.

9.8 De minimus

A party is not liable for any Claim in respect of the representations and warranties given by the party under this **clause 9** unless:

- (a) the amount payable in respect of the Claim (or a series of like Claims arising from the same or substantially similar facts) exceeds \$10,000; and
- (b) the aggregate amount payable in respect of all Claims which may be recovered under **clause 9.8(a)** is not less than \$50,000,

in which case, the party is liable for all of the Claims which may be recovered under **clause 9.8(a)** and not just the amount by which its Claim exceeds the relevant threshold.

9.9 Consequential Loss

A party will not be liable to the other for any Claim under or in connection with this document to the extent the Claim is in respect of Loss that is special, indirect or consequential loss or damage.

9.10 Cap on liability

Notwithstanding any of the other provisions of this document, the maximum aggregate amount which a party will be liable for in respect of all Claims under or in connection with this document, is the Reimbursement Amount.

10 Confidentiality

10.1 Confidentiality Agreement

Each party acknowledges and agrees that it continues to be bound by the obligations in the Confidentiality Agreement, including in respect of all information received by it from the other party before or after the date of this document (including any information provided pursuant to this document), but that information may be used and disclosed to the extent permitted by the Confidentiality Agreement.

10.2 Survival of obligations

The rights and obligations of the parties under the Confidentiality Agreement survive termination of this document.

11 Duty, costs and expenses

11.1 Stamp duty

GOR:

- (a) must pay all stamp duties and any fines and penalties with respect to stamp duty in respect of this document or the Takeover Bid or the steps to be taken under this document or the Takeover Bid; and
- (b) indemnifies DGO against any liability arising from its failure to comply with **clause 11.1(a)**.

11.2 Costs and expenses

Except as otherwise provided in this document, each party must pay its own costs and expenses in connection with the negotiation, preparation, execution, delivery and performance of this document and the proposed, attempted or actual implementation of this document and the Takeover Bid.

12 GST

12.1 Interpretation

In this **clause 12**, a word or expression defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) has the meaning given to it in that Act.

12.2 GST gross up

- (a) Subject to **clause 12.2(b)**, if a party makes a supply under or in connection with this document in respect of which GST is payable, the consideration for the supply but for the application of this **clause 12.2 (GST exclusive consideration)** is increased by an amount equal to the GST exclusive consideration multiplied by the rate of GST prevailing at the time the supply is made.
- (b) **Clause 12.2(a)** does not apply to any consideration that is expressed in this document to be inclusive of GST.

12.3 Reimbursements and indemnifications

If a party must reimburse or indemnify another party for a Loss, the amount to be reimbursed or indemnified is first reduced by any input tax credit the other party is entitled to for the Loss, and then increased in accordance with **clause 12.2**.

12.4 Tax invoice

A party need not make a payment for a taxable supply made under or in connection with this document until it receives a tax invoice for the supply to which the payment relates.

13 Notices

13.1 Form of Notice

A notice or other communication to a party under this document (**Notice**) must be:

- (a) in writing and in English; and
- (b) addressed to that party in accordance with the details nominated in **schedule 1** (or any alternative details nominated to the sending party by Notice).

13.2 How Notice must be given and when Notice is received

- (a) A Notice must be given by one of the methods set out in the table below.
- (b) A Notice is regarded as given and received at the time set out in the table below.

However, if this means the Notice would be regarded as given and received outside the period between 9.00 am and 5.00 pm (addressee's time) on a Business Day (**business hours period**), then the Notice will instead be regarded as given and received at the start of the following business hours period.

Method of giving Notice	When Notice is regarded as given and received
By hand to the nominated address	When delivered to the nominated address
By pre-paid post to the nominated address	At 9.00 am (addressee's time) on the second Business Day after the date of posting
By email to the nominated email address	When the email (including any attachment) comes to the attention of the recipient party or a person acting on its behalf.

13.3 Notice must not be given by electronic communication

A Notice must not be given by electronic means of communication (other than email as permitted in **clause 13.2**).

14 General

14.1 Governing law and jurisdiction

- (a) This document is governed by the law in force in Western Australia.

- (b) Each party irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this document. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

14.2 Invalidity and enforceability

- (a) If any provision of this document is invalid under the law of any jurisdiction the provision is enforceable in that jurisdiction to the extent that it is not invalid, whether it is in severable terms or not.
- (b) **Clause 14.2(a)** does not apply where enforcement of the provision of this document in accordance with **clause 14.2(a)** would materially affect the nature or effect of the parties' obligations under this document.

14.3 Waivers and variation

- (a) A provision of, or a right, discretion or authority created under, this document may not be:
- (i) waived except in writing signed by the party granting the waiver; and
 - (ii) varied except in writing signed by the parties.
- (b) A failure or delay in exercise, or partial exercise, of a power, right, authority, discretion or remedy arising from a breach of, or default under this document does not result in a waiver of that right, power, authority, discretion or remedy.

14.4 Assignment of rights

- (a) Rights arising out of or under this document are not assignable by a party without the prior written consent of the other party.
- (b) A breach of **clause 14.4(a)** by a party entitles the other parties to terminate this document.
- (c) **Clause 14.4(b)** does not affect the construction of any other part of this document.

14.5 Further assurances

Each party must do all things and execute all further documents necessary to give full effect to this document.

14.6 Counterparts

This document may be executed in any number of counterparts.

14.7 Severability

Any provision in this document that is invalid or unenforceable in any jurisdiction is to be read down for the purpose of that jurisdiction, if possible, so as to be valid and enforceable, and otherwise shall be severed to the extent of the invalidity or unenforceability, without affecting the remaining provisions of

this document or affecting the validity or enforceability of that provision in any other jurisdiction.

14.8 Attorneys

Each of the attorneys executing this document (if any) states that the attorney has no notice of the revocation of the power of attorney appointing that attorney.

14.9 Time of the essence

Time is of the essence of this document.

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Schedule 1

Notice details

GOR	Gold Road Resources Limited
Address	Level 2, 26 Colin St, West Perth, WA 6005
Attention	Company Secretary
Email	hayden.bartrop@goldroad.com.au
With a copy for information purposes only to	Oliver Carrick, Partner, Corrs Chambers Westgarth oliver.carrick@corrs.com.au

DGO	DGO Gold Limited
Address	Level 9, 63 Exhibition St, Melbourne, VIC 3000
Attention	Markus Ziemer
Email	mziemer@dgogold.com.au
With a copy for information purposes only to	Alasdair McLean, Principal, Piper Alderman amclean@piperalderman.com.au

Schedule 2

Agreed Bid Terms

1 Consideration

The consideration under the Offer is 2.16 GOR Shares for each DGO Share.

The Offer made in respect of DGO Shares will extend to DGO Shares that are issued during the Offer Period as a result of the exercise of DGO Convertible Securities that are on issue as at the Record Date.

2 Offer Period

The initial Offer Period will last for at least one month, subject to GOR's right to extend the period in accordance with the Corporations Act.

3 Bid Conditions

The completion of this Offer and any contract that results from an acceptance of this Offer, are subject to the fulfilment of the conditions set out below:

3.1 Minimum acceptance

At the end of the Offer Period, GOR has a relevant interest in at least 80% of all DGO Shares (on a fully diluted basis).

3.2 Regulatory approvals

Before the end of the Offer Period, any approvals, consents, waivers, exemptions or declarations that are required by law, or by any Government Agency to permit:

- (a) the Offer to be lawfully made to and accepted by DGO Shareholders;
and
- (b) the Takeover Bid to be completed,

are granted, given, made or obtained on an unconditional basis and remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

3.3 No regulatory action

During the Offer Period:

- (a) there is not in effect any preliminary or final decision, order or decree issued by any Government Agency;
- (b) no action or investigation is announced, commenced or threatened by any Government Agency; and
- (c) no application is made to any Government Agency (other than by GOR or any Associate of GOR),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, or action or investigation by, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Offer and the completion of the Takeover Bid or which requires the divestiture by GOR of any DGO Shares or any material assets of the DGO Group or any Subsidiary of DGO.

3.4 No material adverse change

- (a) Subject to **paragraph 3.4(b)**, between the Announcement Date and the end of the Offer Period (each inclusive), none of the following occurs:
 - (i) an event, change, condition, matter or thing occurs or will or is reasonably likely to occur;
 - (ii) information is disclosed or announced by DGO concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur; or
 - (iii) information concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur becomes known to GOR (whether or not becoming public),

(each of **paragraph 3.4(a)(i), (ii) and (iii)** being a **Specified Event**) which, whether individually or when aggregated with all such events, changes, conditions, matters or things of a like kind that have occurred, will occur or are reasonably likely to occur, has had or would be considered reasonably likely to have:
 - (iv) a material adverse effect on the business, assets (including the Mining Tenements, but excluding the Marketable Securities), liabilities, financial or trading position, profitability or prospects of the DGO Group, taken as a whole; or
 - (v) a diminution in the value of the assets of the DGO Group, taken as a whole, by at least \$30 million against what it would reasonably have been expected to have been but for such Specified Event.
- (b) Between the Announcement Date and the end of the Offer Period (each inclusive), there is no public announcement, or announcements relating to:

- (i) a change to the Hemi Mineral Resource announced by De Grey to the ASX on 23 June 2021; or
- (ii) 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 Mineral Resource or access to part or all of the Hemi Mineral Resource); and

(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.

- (c) **Paragraph 3.4(a)** will not apply to events, changes, conditions, matters, circumstances or things or any information about any events, changes, conditions, matters, circumstances or things that:
 - (i) that has been Disclosed by DGO;
 - (ii) are required to be done or procured by DGO to be done pursuant to this document or the Offer or the transactions contemplated by either; or
 - (iii) GOR has previously approved in writing.

3.5 No Prescribed Occurrences

Between the Announcement Date and the date which is 3 Business Days after the end of the Offer Period (each inclusive), none of the following happen:

- (a) DGO converting all or any of its shares (as applicable) into a larger or smaller number of shares;
- (b) DGO or any other DGO Group Member resolving to reduce its capital in any way;
- (c) DGO or any other DGO Group Member:
 - (i) entering into a buyback agreement; or
 - (ii) resolving to approve the terms of a buyback agreement;
- (d) DGO or any other DGO Group Member issuing securities (including DGO Shares), or granting an option over securities or a performance right convertible into securities, or agreeing to make such an issue or grant such an option or performance right, other than:
 - (i) the issue of new DGO Shares on the exercise of a DGO Option; and
 - (ii) the issue of new DGO Shares on the exercise of a DGO Performance Right;

- (e) DGO or any other DGO Group Member issuing, or agreeing to issue, convertible notes;
- (f) DGO or any other DGO Group Member disposing or agreeing to dispose, of the whole, or a substantial part, of the business or property of the DGO Group as a whole;
- (g) DGO or any other DGO Group Member granting, or agreeing to grant, a Security Interest in the whole, or a substantial part, of the business or property of the DGO Group as a whole;
- (h) DGO resolving that it be wound up or any other DGO Group Member resolving to be wound up;
- (i) the appointment of a liquidator or provisional liquidator of DGO or any other DGO Group Member;
- (j) the making of an order by a court for the winding up of DGO or any other DGO Group Member; or
- (k) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of DGO or any other DGO Group Member,

provided that a prescribed occurrence will not include a matter:

- (l) that has been Disclosed by DGO;
- (m) required or permitted to be done or procured by DGO to be done pursuant to this document or the Offer or the transactions contemplated by either;
- (n) required by law or by an order of a court of Government Agency; or
- (o) GOR has previously approved in writing.

3.6 No material acquisitions, disposals, capital expenditure or changes in the conduct of business

Between the Announcement Date and the end of the Offer Period (each inclusive), neither DGO nor any other DGO Group Member:

- (a) acquires or disposes of, or enters into or announces any agreement for the acquisition or disposal of, any asset or business, or enters into any corporate transaction, which would or would be likely to involve a material change in:
 - (i) the manner in which DGO or the DGO Group as a whole, conducts its business; or
 - (ii) the nature (including balance sheet classification), extent or value of the assets or liabilities of DGO or the DGO Group as a whole;
- (b) without limiting the generality **paragraph 3.6(a)**, enters into or agrees to enter into or announces any transaction which would, or would be likely to, involve DGO or any other DGO Group Member:

- (i) Dealing in any of the Marketable Securities;
- (ii) acquiring or disposing of, or agreeing to acquire or dispose of, one or more trusts, companies or businesses (or any interest therein) other than an acquisition or disposal of one or more trusts in connection with the acquisition or disposal of an indirect interest in the underlying assets held by those trusts and where the value of the gross assets held directly or indirectly by those trusts is in aggregate less than \$1 million;
- (iii) acquiring or disposing of, or agreeing to acquire or dispose of, any assets (including any real property, units in trusts or shares in companies) which have an aggregate value in excess of \$1 million; or
- (iv) entering into any contract or commitment that is not in the ordinary course of business, other than a contract or commitment in relation to a Competing Proposal where permitted under **clause 6** or a contract or commitment entered into reasonably and prudently to respond to an emergency or disaster (including a situation giving rise to a risk of personal injury or damage to property),

except for such acquisitions, disposals, agreements, waivers or compromises:

- (c) that have been Disclosed by DGO that the DGO Group intends to carry out between the date of this document and the end of the Offer Period;
- (d) required or permitted to be done or procured by DGO to be done pursuant to this document or the Offer or the transactions contemplated by either (including, for clarity, transactions permitted under **clause 4.16**);
- (e) required by law or by an order of a court of Government Agency; or
- (f) GOR has previously approved in writing.

3.7 No litigation on foot or pending

Between the Announcement Date and the end of the Offer Period (each inclusive), no litigation against any DGO Group Member which may reasonably result in a judgement of \$2.5 million or more against the DGO Group Member is commenced, is threatened to be commenced, is announced, or is made known to GOR (whether or not becoming public) or DGO, other than that which has been Disclosed by DGO.

3.8 Financing

During the Offer Period, no DGO Group Member:

- (a) incurs, increases or guarantees any financial indebtedness of any kind (including any Debt), other than incurring or increasing any financial indebtedness owed to DGO or to a DGO Group Member that is directly or indirectly wholly-owned by DGO; or

- (b) provides any financial accommodation to any entity other than DGO or to a DGO Group Member that is directly or indirectly wholly-owned by DGO,

except for such financial accommodation or financial indebtedness:

- (c) that has been Disclosed by DGO ;
- (d) permitted under **clause 4.16**;
- (e) required by law or by an order of a court of Government Agency; or
- (f) GOR has previously approved in writing.

3.9 No distributions

Between the Announcement Date and the end of the Offer Period (each inclusive), DGO does not announce, make, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).

3.10 No material breach of the Bid Implementation Deed

Between the Announcement Date and the end of the Offer Period (each inclusive), GOR does not become entitled to terminate the Bid Implementation Deed under **clause 8** as a result of a material breach of the obligations of DGO (including the breach of any of the representations and warranties given by DGO) under this document.

Schedule 3

Timetable

Event	Date
Execution of this document	Monday, 4 April 2022
Release of Initial Joint Announcement	
Advanced draft of bidder's statement provided to DGO for review	Sunday, 3 April 2022
Advanced draft of Target's Statement provided by DGO to GOR for review	By no later than 19 April 2022
Comments on advanced draft of Bidder's Statement provided by DGO to GOR	Wednesday, 6 April 2022
Comments on advanced draft of Target's Statement provided by GOR to DGO	By no later than Thursday, 21 April 2022
Bidder's Statement lodged with ASIC and sent to DGO and the ASX	By no earlier than Thursday, 7 April 2022
Offer period commences	By no earlier than Friday, 8 April 2022
Target's Statement lodged with ASIC and sent to GOR and the ASX	By no later than Friday, 22 April 2022
Offer Period ends (unless extended)	Monday, 9 May 2022

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Schedule 4

DGO's capital structure as at the date of this document

Security	Exercise Price \$	Expiry Date	Total number	Total holders	DGO Convertible Security Consideration
DGO Shares on issue	N/A	N/A	83,477,112	N/A	N/A
Performance Rights – Series C	\$Nil	30 July 2023	1,000,000	2	Nil
Performance Rights – Series D	\$Nil	1 December 2023	1,000,000	2	Nil
Performance Rights – Series E	\$Nil	2 February 2023	405,000	4	Nil
	Totals	Performance Rights	2,405,000	6	
Unlisted Options	\$2.50	30 June 2022	3,271,082	3	0.7045 GOR Shares per Option
Unlisted Options	\$4.50	31 July 2022	505,000	14	0.0600 GOR Shares per Option
Unlisted Options	\$5.37	13 July 2023	150,000	1	0.1779 GOR Shares per Option
Unlisted Options	\$5.37	31 December 2023	45,000	1	0.2581 GOR Shares per Option
Unlisted Options	\$5.37	31 March 2024	97,500	1	0.2991 GOR Shares per Option
	Totals	Unlisted Options	4,068,582	18	

Schedule 5

DGO Mining Tenements

Project	Location	Tenement Number	Registered and beneficial holder % interest	Encumbrances or other interests
Lake Randall	WA	E15/1573 ¹	30	Romardo Gold (WA) Pty Ltd – 70%
		E25/584	100	
Black Flag	WA	E24/197	100	
		P24/4986-4992	100	
Mallina	WA	E47/3327-3329	100	
		E47/4315, 4316	100	
Maddina	WA	E45/5940 ² , E46/1397 ²	100	
		E47/4557 – 4564 ²	100	
		E45/5962, 6025 – 6028 ²	100	
		E46/1401, 1402, 1405 ²	100	
		E47/4577, 4578 ²	100	
		E46/1425 ²	100	
Tom Price	WA	E47/3898, 3900 ²	100	
Bryah	WA	E51/1590 ³	80	TasEx Geological Services Pty Ltd – 20%
		E51/1729	100	
		E51/2045 ²	100	

Project	Location	Tenement Number	Registered and beneficial holder % interest	Encumbrances or other interests
		M51/555	100	Milestone payments. See agreement with Philip Di Nunzio
		P51/3180	100	
Yerrida	WA	G51/28, L51/84	100	
		GWL163077(6)	100	
		E51/1725, 1726, 1730	100	
		E51/1748-1753, 1833	100	
		E51/1897, 1920, 1921	100	
		E51/1952, 2023	100	
		E51/2016 ³	0	TasEx Geological Services Pty Ltd – 100%
		E51/2040 – 2043	100	
		E53/2163 – 2166	100	
		E51/2060 ²	100	
Deleta	WA	E53/2182	100	
		E38/3343, 3344, 3547	100	
Pernatty Lagoon	SA	EL 6145, 6302, 6030, 6436	100	
		EL 6303, 6473, 6474, 6507	100	
		EL 6583, 6636, 6686	100	
		EL 6643, 6642, 6641 ⁵	0	Gawler Resources Pty Ltd – 100%

Project	Location	Tenement Number	Registered and beneficial holder % interest	Encumbrances or other interests
		EL 6640, 6402 ²	0	Gawler Resources Pty Ltd – 100%
		EL 5929	100	Milestone payments. See agreement with Munta Salt
		2021/00095 ⁴	100	

¹ Farm-in and Joint Venture with Romardo Gold WA Pty Ltd – DGO earning up to 70%

² Tenement application – on grant 100% DGO

³ Farm-in and Joint Venture with TasEx Geological Services Pty Ltd – DGO earning 90%

⁴ Farm-in and Joint Venture with Investigator Resources Limited – DGO earning 80%

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Execution

Executed as a deed.

Executed by Gold Road Resources Limited)
)



.....
Company Secretary/~~Director~~

..Hayden Bartrop.....
Name of Company Secretary/~~Director~~
(print)



.....
Director

..Duncan Gibbs.....
Name of Director (print)

Executed by DGO Gold Limited)
)



.....
~~Company Secretary~~/Director

..Eduard Eshuys.....
Name of ~~Company Secretary~~/Director
(print)



.....
Director

..Bruce Parncutt.....
Name of Director (print)

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