

IMPROVED AND FINAL OFFER OF 2.25 GOLD ROAD SHARES FOR EVERY DGO SHARE

- **Improved Offer consideration of 2.25 Gold Road shares** for every DGO share (previously 2.16 Gold Road shares for every DGO share)
- **The Improved Offer is best and final and there will be no increase in the offer** except in limited circumstances noted below, including the absence of a competing proposal or material positive change in circumstances with respect to DGO or the DGO Investment Entities
- Gold Road's Improved Offer represents compelling value and **a significant premium for DGO shareholders** relative to the respective unaffected volume weighted average share prices (**VWAPs**) of both companies
- **Gold Road has received acceptances from 21.5% of the shareholders in DGO** (as of 27 May 2022) and has the **unanimous support from the DGO Directors**, in the absence of a Superior Proposal¹
- **The payment terms of the Offer have been accelerated to 7 business days** from 21 days
- **The Improved Offer is set to close at 30 June 2022 (7:00PM Sydney time) and will not be extended** except in limited circumstances noted below, including where Gold Road's voting power in DGO shares (including acceptances received under the institutional acceptance facility) increases to 75% or more by close of trading on Tuesday, 21 June 2022 (7:00PM Sydney time)

Improved Offer

Gold Road Resources Limited (**Gold Road**) (ASX:GOR) is pleased to announce an increased offer for all the outstanding ordinary shares of DGO. The Improved Offer consideration is **2.25 Gold Road shares** for every DGO Share outstanding (the **Improved Offer**).

Gold Road's improved Offer is **best and final and will not be increased**, in the absence of either:

- a Competing Proposal²; or
- an announcement being made which Gold Road considers is or is likely to be a material positive change to the operational or financial circumstances in respect of DGO or any of the listed entities in which DGO holds Marketable Securities (being, De Grey, Yandal and Dacian, together **DGO's Investment Entities**); or
- a proposed change in control of any of DGO's Investment Entities is announced.

Based on the prevailing market prices as at 27 May 2022 (being the last trading day immediately prior to Gold Road's announcement of its Improved Offer), the implied value of the DGO shares is \$2.95, which is a 7.6% premium to DGO's 10 Day VWAP as at 27 May 2022 of \$2.74.

¹ As defined in the Bidder's Statement dated 7 April 2022.

² As defined in the bidder's statement dated 7 April 2022.

ASX Code GOR

ABN 13 109 289 527

COMPANY DIRECTORS

Tim Netscher
Chairman

Duncan Gibbs
Managing Director & CEO

Brian Levett
Non-Executive Director

Maree Arnason
Non-Executive Director

Denise McComish
Non-Executive Director

Hayden Bartrop
Company Secretary

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Gold Road's Improved Offer provides DGO shareholders an attractive and significant premium to the unaffected DGO share price. The all-scrip offer of **2.25 Gold Road shares** for every DGO Share represents a premium relative to the unaffected share prices (as of 1 April 2022) prior to the Gold Road Offer of:

- 25.1% over the 1 day respective trading day VWAPs of DGO and Gold Road;³
- 33.6% over the 10 day respective trading day VWAPs of DGO and Gold Road;⁴
- 43.1% over the 30 day respective trading day VWAPs of DGO and Gold Road;⁵

The Offer enables DGO shareholders to gain exposure to a high quality, liquid, ASX200 gold producer. Gold Road is an established mid-tier Australian gold producer with a Tier-1 mine⁶ through its 50% interest in Gruyere, and exploration projects in the underexplored and highly prospective Yamarna Greenstone Belt in Western Australia's north-eastern Goldfields. Additionally, through an interest in Gold Road, the Offer enables DGO shareholders to retain exposure to DGO's underlying assets.

The Improved Offer extends to all DGO Shares currently on issue as well as those issued during the Offer period as a result of the exercise of currently issued options or performance rights. Separate offers have been made for DGO options, on terms that are consistent with the original Offer and no change to those offers will be made.

All DGO Shareholders (including those who have already accepted the Offer) will be automatically entitled to receive the Improved Offer consideration. DGO Shareholders who have already accepted the Offer do not need to do anything further.

The Improved Offer remains subject to an 80% minimum acceptance by DGO shareholders, no disposal of any marketable securities and other standard conditions contained in the BIA. Gold Road intends to waive all remaining conditions within 6 business days of the 80% acceptance condition being met. At this time the offer will become unconditional.

The payment terms of the Improved Offer have been accelerated. Under the Improved Offer, Gold Road will provide the Gold Road scrip consideration to DGO shareholders within 7 business days of the later of:

- the date on which the Improved Offer is declared unconditional; and
- the date on which Gold Road receives a valid acceptance in accordance with the terms of the Offer.

Gold Road will not further extend the Offer Period beyond 30 June 2022 except where:

- Gold Road's voting power in DGO shares (including IAF acceptances) increases to 75% or more by Tuesday, 21 June 2022 (7:00PM Sydney time); or
- Gold Road is entitled to increase the Offer consideration in the limited circumstances noted above; or
- the Offer is automatically extended pursuant to the Corporations Act which may arise if, in the last week of the Offer Period:
 - Gold Road's voting power in DGO increases to more than 50%; or
 - the Improved Offer is varied to increase the consideration in the limited circumstances noted above.

³ \$2.91 for DGO Shares compared to an implied offer price of \$3.64 based on Gold Road's last trading day VWAP (1 April 2022) of \$1.62.

⁴ \$2.77 for DGO Shares compared to an implied offer price of \$3.70 based on Gold Road's last trading day VWAP (1 April 2022) of \$1.64.

⁵ \$2.60 for DGO Shares compared to an implied offer price of \$3.71 based on Gold Road's last trading day VWAP (1 April 2022) of \$1.65.

⁶ Gold Road defines a Tier-1 mine as an operation that produces ~300,000 ounces per annum with a large mineral resource and ore reserve base.



DGO Shareholders who have accepted the Offer will be entitled to withdraw those acceptances in accordance with section 650E of the Corporations Act, on the terms and in the manner described in the formal notice of variation being sent to DGO shareholders today. As at 28 May 2022, the DGO Directors have confirmed to Gold Road they have no intention of withdrawing their acceptances other than in the event of a Superior Proposal.

Accepting the Improved Offer

The Gold Road offer is unanimously recommended by the DGO Directors in the absence of a Superior Proposal

The DGO Directors have already accepted the offer in relation to all the shares they own or control (which represents 15.8% of DGO's shares on issue). DGO has confirmed that, as at 28 May 2022, no Competing Proposal for DGO has emerged.

The Improved Offer is best and final (subject to the qualifications noted above). Accordingly, there is no benefit in delaying acceptance and Gold Road encourages DGO shareholders to accept the Improved Offer **as soon as possible** to enable consideration payment to be made at the earliest possible time. DGO shareholders may accept the Offer by following the instructions in the Bidder's Statement dated 7 April 2022 (see section 10.6) and a new acceptance form will accompany the Third Supplementary Bidder's Statement being sent to DGO security holders today. As noted above, DGO Shareholders who have already accepted the Offer do not need to complete a new acceptance form and will automatically receive the Improved Offer consideration.

DGO shareholders who require assistance can contact Gold Road's Offer Information Line on 1300 620 416 (within Australia) or +61 3 9415 4653 (outside of Australia), Monday to Friday between 8:30am and 5:00pm (Sydney time).

Institutional Acceptance Facility

As previously announced, Gold Road has established an institutional acceptance facility ("IAF") operated by Computershare. The IAF has been established to enable Eligible Shareholders⁷ who may be unable or unwilling to accept the Offer until the Offer becomes or is declared unconditional to indicate their support for the Offer and their intention to accept the Offer, before the Offer becomes or is declared unconditional.

Eligible Shareholders are reminded that the IAF accommodates withdrawal of Acceptance Instructions in the event of a Superior Proposal (see section 3 of the Second Supplementary Bidder's Statement dated 13 May 2022 for full details).

To ensure Gold Road is able to fulfil the 80% minimum acceptance condition and be in position to declare its offer unconditional, we encourage institutional shareholders to either accept the Improved Offer or provide their acceptance instructions into the IAF **as soon as possible**.

Further information relating to the IAF is contained at section 10.7 of the Bidder's Statement.

Further Information

Detailed information relating to the Improved Offer is set out in the Third Supplementary Bidder's Statement, including an amendment to the Bid Implementation Agreement between the parties to affect the Improved Offer. The Third Supplementary Bidder's Statement has been released to the ASX and dispatched to DGO shareholders today.

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

Gold Road Contacts:

⁷ As defined in the Bidder's Statement to be open to professional investors (as defined in section 9 of the Corporations Act) that hold or beneficially own at least 150,000 DGO Shares.



For further information, please visit www.goldroad.com.au or contact:

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Disclaimer

Summary information

This announcement has been prepared by Gold Road and includes information regarding the conditional takeover offer by Gold Road to acquire all of the shares on issue during the bid period in DGO Gold (the **Transaction**). The information in this announcement has been prepared by Gold Road. 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 announcement 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 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 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 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 announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This 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 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 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 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 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 as at the date of this 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 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

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