Gold Road Takeover Offer for DGO Recommended

Gold Road Resources (ASX: GOR)

Has made a unanimously recommended off-market takeover offer for DGO Gold, ASX: DGO), at an implied offer price of A$3.55 per share.

The offer is conditional upon an 80% acceptance by DGO shareholders.

Gold Road	ASX : GOR
Stage	Production (50% JV)
Metals	Gold
Market cap	A$1.33 Billion @ A$1.50
Location	Laverton, Western Australia

Gold Road – Gruyere JV Gold Mine at night.

GOLD ROAD MAKES RECOMMENDED TAKEOVER OFFER FOR DGO GOLD LIMITED

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The offer is conditional upon an 80% acceptance by DGO shareholders.

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.

The Offer

- All scrip offer of 2.16 Gold Road shares for every DGO share, implying an offer price of $3.55 per share, and an equity value of approximately A$308 million (diluted basis)

The Gold Road offer represents an attractive and significant implied premium for DGO shareholders at various volume weighted average share prices (VWAPs):

o 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;
o 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 0 day VWAP

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 met. At this time the offer will become unconditional.

For brevity, this summary has been abridged, to read the full news release, please click HERE

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Disclosure

At the time of writing the author holds shares in ***Gold Road Resources***, bought in the market at the prevailing price on the day of purchase.

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