Gold Road Tables ‘Final Offer’ in DGO Takeover Bid

Gold Road Resources (ASX:GOR)

Announced 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 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.

Gold Road Resources	ASX : GOR
Stage	Production (50% JV)
Metals	Gold
Market cap	A$1.2 Billion @ A$1.35
Location	Laverton, Western Australia

Gold Road – Gruyere JV Gold Mine at night.

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

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 Proposal

; 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.

Highlights

 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 Proposal
 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)

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

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If you need clarification of any information contained in this note, or have any questions, I will be delighted to assist – Please email andrew@city-investors-circle.com

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City Investors Circle is based in the financial district in the City of London

We present interesting and exciting junior mining companies listed on the ASX and TSX stock exchanges to a group of city professionals, and private investors, all of whom are active investors with a mandate to invest in junior mining companies.

Our audience is selected and invited individually to ensure interest and relevance for the presenting company.

Meetings are non deal, small group, highly focused and engaged, with a lively Q and A to follow the main presentation.

We create awareness, and maintain interest in presenting companies by disseminating their future news to our entire investor group via email, social media, and our Monthly Review newsletter.

If you wish to present to our select group of active mining investors, please email andrew@city-investors-circle.com

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These articles are for awareness and informational purposes only, and are not recommendations in any form. Always consult an investment professional.

Disclosure

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

[To read our full terms and conditions, please click HERE]

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

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.

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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