



EUROGOLD

L I M I T E D

(ACN 009 070 384)

1 December 2015

ASX "EUG"

Proposed Acquisition of BARD1AG S.A. and Capital Raising

EUROGOLD Ltd (ASX:EUG) (**Eurogold** or **Company**) is delighted to announce it has entered into binding share sale and purchase agreements under which it has agreed, subject to shareholder approval and the satisfaction of certain other conditions (described below), to acquire all of the issued shares in the capital of BARD1AG S.A. (**BARD1AG**), a Swiss public company limited by shares (**BARD1AG Acquisition**).

Founded in 2011 by Dr Irmgard Irminger-Finger, the head of the Molecular Gynecology and Obstetrics Laboratory at the University Hospital of Geneva (**UHG**) (and the world's leading BARD1 biology researcher), BARD1AG has pioneered, through the development of certain proprietary intellectual property, a simple blood test for screening and diagnosing lung cancer at early stages of disease progression (the '**BARD1AG Lung Cancer Test**').

In addition to the BARD1AG Acquisition, Eurogold proposes to undertake a capital raising under a prospectus to raise up to approximately \$3,000,000 (before costs) (**Public Offer**).

The BARD1AG Acquisition and the Public Offer (both separately and together) will involve a significant change in the nature and scale of the Company's activities which requires the approval of shareholders under Chapter 11 of the Listing Rules. An indicative timetable for the transaction is set out below. At the general meeting, shareholders will be asked to consider and approve, amongst other things, the BARD1AG Acquisition, the Public Offer and the change in nature and scale of the Company's activities.

Eurogold must also comply with ASX requirements for re-quotation of its shares on the Official List, which includes re-complying with Chapters 1 and 2 of the Listing Rules.

It is anticipated that the completion of the BARD1AG Acquisition will result in a change of company name to 'BARD1 Life Sciences Limited' and the appointment of two new directors to the Eurogold board - Dr Irmgard Irminger-Finger, and Professor Geoffrey Laurent. As noted above, Dr Irminger-Finger is the head of the Molecular Gynecology and Obstetrics Laboratory at UHG and the world's leading BARD1 biology researcher. Professor Laurent is a member of BARD1AG's scientific advisory board, is also Director of the Centre for Cell Therapy and Regenerative Medicine, University of Western Australia, and an Emeritus Professor in the Centre for Respiratory Research, University College London. Both Dr Irminger-Finger and Professor Laurent are shareholders in BARD1AG and, subject to completion of the BARD1AG Acquisition, will hold shares in Eurogold.

Unmet medical need

Lung cancer is the third most frequently diagnosed cancer in both men and women and accounts for about 13% of all new cancers. However, it is by far the leading cause of cancer deaths for both men and women; it accounts for about 27% of all cancer deaths, which is more than those caused by colon, breast and prostate cancers combined. Globally, there were 14.1 million new cases of lung cancer and 8.2 million deaths caused by lung cancer in 2012. The American Cancer Society estimates that approximately 221,200 new cases of lung cancer will be diagnosed and 158,040 deaths will be caused by lung cancer in the US in 2015. The Australian Institute of Health and Welfare estimates that approximately 11,880 new cases of lung cancer will be diagnosed and 8,790 deaths will be caused by lung cancer in Australia in 2015, and reports that the 5-year survival rate for patients diagnosed with lung cancer is currently 14%.

The earlier cancer is diagnosed and treated the better chance that treatment will be successful. A key factor attributed to the high mortality rate for lung cancers is that diagnosis is currently only possible when a patient becomes symptomatic which occurs at the later stages of the cancer's development. There is currently no screening test that can be used to routinely detect and diagnose lung cancers at a time when the disease is asymptomatic and treatment is more likely to be effective.

Currently, the 'gold standard' test to screen for lung cancer is a computed tomography (CT) scan, a form of x-ray radiography. While CT scans are a useful tool for detecting suspicious pulmonary nodules, they cannot alone be used to diagnose lung cancer. If a suspicious nodule is identified in a CT scan, an invasive and costly biopsy must then be performed to determine whether the nodule is 'malignant' (cancerous) or 'benign' (non-cancerous).

Eurogold believes that there is a critical medical need for a simple test capable of screening for and diagnosing lung cancer at an earlier stage in the progression of the disease than is currently possible using CT scans. There is also a pressing medical need for a non-invasive diagnostic test, which is also capable of being used in conjunction with CT scans, to obviate the necessity for surgical intervention to cancer diagnosis.

About BARD1 AG

BARD1AG was founded on the scientific premise that specific 'BARD1' proteins are expressed in cancer cells (and in particular, lung cancer cells) from the earliest stages of the disease. These 'BARD1' proteins generate circulating antibodies that represent 'biomarkers' for the announcement and progression of cancers. By testing blood for the presence of these 'biomarkers' it should in-principle be possible to diagnose lung cancer at a far earlier stage than is currently possible, which in turn would markedly improve the prospect of successful treatment where cancer is ultimately diagnosed.

BARD1AG's focus has been on turning this scientific premise into reality. Through 'proof of principle' studies conducted at HUG under the guidance of Dr Irmgard Irminger-Finger (the first scientist to describe the presence of multiple isoforms of BARD1 in different types of cancers), the company has developed a blood test for lung cancer detection. The test is based on testing of more than 200 lung cancer samples and 200 non-symptomatic healthy individuals, and the results are considered promising, and superior to the current 'gold standard' CT scan.

BARD1AG's intellectual property portfolio comprises:

- an exclusive and worldwide license from UNIGE / HUG for PCT/IB2011/053635 filed on 17 August 2011 (WO 2012/023112) for "BARD1 isoforms in lung and colorectal cancer and use thereof", I Irminger Finger and YQ Zhang (Hôpitaux Universitaires de Genève and University of Geneva) as well as any future related patent application or extension (**BARD1AG IP Licence**); and
- the patent application titled: "Lung Cancer Diagnosis", Application Number: 13191739.5, number: EP 2 871 480 filed 6 November 2013 and published on 13 May 2015.

Proposed clinical trial

To develop the BARD1AG Lung Cancer Test beyond the 'proof of principle' stage, it is necessary to apply it in a clinical setting, and compare it to prevailing testing methodologies (primarily CT scans) to determine medical viability.

While there can be no certainty, it is hoped that the clinical trial will ultimately result in the development of an affordable, minimally invasive lung cancer detection kit that is capable of being routinely performed in a standard clinical laboratory. If this can be achieved then, in addition to the incredible social benefit of such a test, the commercial prospects are exciting.

It is proposed that, subject to completion of the BARD1AG Acquisition occurring and the successful close of the Public Offer, Eurogold will fund the clinical trial through funds subscribed under the Public Offer.

Terms of the Transaction

Eurogold has agreed to acquire 100% of the shares on issue in BARD1AG on the following terms:

Cash consideration of CHF 291,600 to 9 vendors; and

206,598,903 fully paid ordinary Eurogold shares and 206,598,903 Eurogold 'performance shares' to 5 vendors.

Under the terms of the BARD1AG IP Licence, HUG and University of Geneva (**UNIGE**) have a contractual right to payment on a change of control of BARD1AG. Discussions with HUG & UNIGE are

underway, and it is currently anticipated that HUG & UNIGE will be issued approximately 12,500,000 fully paid ordinary Eurogold shares to satisfy the obligations under the BARD1AG IP Licence.

As noted above, the BARD1AG Acquisition is subject to Eurogold shareholder approval, and this includes approval to the issue of ordinary shares and performance shares. The proposed terms of issue for the performance shares are that each performance share converts into one ordinary share upon the satisfaction of the following milestone prior to the date that is 5 years from the date the performance shares are issued: an announcement to ASX that:

- the clinical trial of the BARD1AG Lung Cancer Test has been completed;
- the clinical trial involved at least 2000 participants, and returned false positive results of less than 20%; and
- the Company considers that, when compared to the “gold standard” computed tomography x-ray scan (CT scan), the BARD1AG Lung Cancer Test provides an outcome equal or superior to a CT scan.

The conditions precedent to completion occurring under the share sale agreements are:

- General
 - Eurogold completes due diligence on BARD1AG to its satisfaction, in its sole and absolute discretion;
 - Eurogold completes the capital raise under the Public Offer;
 - Dr Irmgard Irminger-Finger signs an employment agreement with Eurogold (on terms acceptable to Eurogold); and
 - there has been no event, occurrence or change that has had, or is reasonably likely to have a material adverse effect on the financial condition, assets, liabilities, results of operation or profitability of BARD1AG as at 5.00pm on the day immediately prior to the scheduled Completion Date.
- Eurogold shareholder approvals
 - approval to change the nature or scale of Eurogold's activities in accordance with Listing Rule 11.1.2 and/or Listing Rule 11.1.3, with effect on and from Completion;
 - approval for the creation of the Performance Share class;
 - if required, approval for the issue of the EUG Shares and the Performance Shares to the Vendor pursuant to ASX Listing Rule 7.1;
 - approval to undertake the Capital Raise pursuant to ASX Listing Rule 7.1;
 - approval, with effect on and from Completion, to the appointment of Dr Irmgard Irminger as a director and the change of Company name; and
 - if required, EUG Shareholder approval to undertake a consolidation of the company's fully paid ordinary shares.
- Other Approvals
 - any waivers required from ASX in connection with:
 - the issue of the Eurogold shares and performance shares
 - the issue of fully paid ordinary shares in the capital of the Purchaser in connection with the Capital Raise;
 - Eurogold's re-compliance (if required by ASX) with Chapters 1 and 2 of the Listing Rules; or
 - the reinstatement of the fully paid ordinary shares in the capital of the Purchaser (except for any shares that are subject to a Trading Lock) to Official Quotation;
 - following the Company's re-compliance (if required by ASX) with Chapters 1 and 2 of the Listing Rules, ASX resolving to re-admit Eurogold to the official list on terms acceptable to Eurogold.

- any other waivers, approvals, consents or authorisations required by or from a Regulatory Authority or third party that are required to implement the BARD1AG Acquisition and the Public Offer; or necessary to ensure that, from Completion BARD1AG and Eurogold have the legal and beneficial interest in, and unfettered right to use and exploit, BARD1AG's intellectual property; and
- any other waivers, approvals, consents or authorisations Eurogold considers (acting reasonably) are required in connection with the BARD1AG Acquisition and the Public Offer.

Indicative Capital Structure

Following completion of the BARD1AG Acquisition and the Public Offer the indicative capital structure of Eurogold will be as follows:

	Shares	Options	Performance Shares
Current Shareholders	172,493,350		
Consideration to acquire BARD1AG	206,598,903		206,598,903
Shares to be issued to HUG & UNIGE	12,500,000		
Capital Raising	up to 150,000,000 ordinary shares		
Post BARD1AG Acquisition & Public Offer Capital Structure	541,592,253 ordinary shares		206,598,903

Indicative timetable to Completion

An indicative timetable for the BARD1AG Acquisition and the Public Offer is set out below. This timetable is indicative only and may change.

Event	Date
Announcement of transaction	1 December 2015
Dispatch of notice of meeting	18 December 2015
Lodgement of Prospectus and Opening Date of Prospectus Offer	15 January 2016
Shareholder Meeting	19 January 2016
Closing Date of Prospectus Offer	15 February 2016
Completion of Transaction and Re-compliance with Chapters 1 and 2	1 February 2016
Re-quotation of Securities on ASX	4 March 2016

All enquiries should be directed to the Company Secretary on +618 9381 9550.

For, and on behalf of, the Board of Directors of the Company.

PETER GUNZBURG
Executive Chairman

Forward Looking Statements

This announcement contains certain statements which may constitute "forward-looking statements". Such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward-looking statements".

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