



DGR Global Limited

16 October 2018

DGR Business Update

The Board of Directors of international resource company creator, DGR Global Limited (**the Company**; **ASX: DGR**), is pleased to provide an update with regard to various recent developments within the Company's range of sponsored listed entities.

Interested shareholders are encouraged to read the full releases of each particular listed company mentioned below, as compliance with the ASX Listing Rules restricts what can be detailed by DGR Global in this announcement. Shareholders are also reminded that updates, photos and articles of relevance for each company are available via each company's website, Twitter account, and by registering to receive news directly via the electronic mail-out service, available for each company on their respective websites (refer below).

SolGold plc | LSE / TSX: SOLG (12% owned by DGR)

Earlier **today**, BHP Billiton Holdings Limited (**BHP**) announced to the ASX that it had increased its investment in SolGold by subscribing for 100 million new SolGold shares priced at 45p each (representing a 30% premium to the 20 day VWAP in SolGold shares), taking its holding in SolGold to approximately 11% and raising USD59 million for SolGold.

As part of the arrangements announced:

- BHP has anti-dilution rights to a 10% level for a period of two (2) years;
- BHP is to have a right to appoint a Director to the SolGold Board, provided it does not drop below a 10% shareholding level;
- BHP agrees to a standstill in respect of SolGold under certain circumstances for a period of two (2) years, but may acquire further shares with SolGold's consent;
- BHP will support the recommendations of the Board of Directors for a period of two (2) years in respect of SolGold Board composition;
- BHP will, for a period of two (2) years, support the recommendations of any Independent Expert appointed by the SolGold Board in the case of shareholder approvals required in "change of control" transactions on the project, SolGold itself, and any capital change resolutions required in the ordinary course of business if supported by holders of 60% of SolGold shares voting or accepting, for a period of two years.

On **5 October 2018**, SolGold provided an Exploration Update in relation to its flagship Cascabel Project in Northern Ecuador which, amongst other things, noted that SolGold was expecting to publish details of its revised Mineral Resource Estimate for the Alpala Deposit (within the Cascabel Project) later this year.

As previously reported by DGR Global, during September 2018, BHP Billiton initially purchased a 6% stake in SolGold. Commenting at the time of the acquisition, BHP Billiton's CEO noted that this investment would give BHP exposure to a high-quality copper exploration project in Ecuador, which is a highly prospective location for BHP, and that, consistent with their positive long-term outlook, copper is a key exploration focus for BHP as they seek to replenish their resource base.

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Copies of all of SolGold's market releases are available on the Company's website: www.solgold.com.au

The current value of DGR Global's investment in SolGold is approximately \$132 million.

Armour Energy Limited | ASX: AJQ (22.4% owned by DGR)

On **5 October 2018**, Armour announced that it had been granted ATP2030 as part of the Queensland Government's petroleum acreage release covering the Roma Shelf, in the Surat Basin.

ATP2030 comprises 365km² and connects Armour's existing PL71 and ATP2029, creating a significant acreage position incorporating an immense volume of over-pressured, continuous hydrocarbon-saturated tight Triassic and Permian reservoir section that is being developed by Armour. This commercial play type is deep, detectable and in recent years Armour has been the only company to have issued expressions-of-interest to the Queensland Department of Natural Resources based upon the technical capabilities and correct operational approach to develop the resources in conjunction with Armour's Kincora Gas Plant.

On **8 October 2018**, Armour announced that the first sales gas had been delivered from its Myall Creek 4A well. Myall Creek 4A, in Armour's 100% owned PL 511, is Armour's first well drilled, connected and brought into commercial operations since it acquired the Kincora Project from Origin. Myall Creek 4A is still cleaning up after hydraulic stimulation, and its production rate is currently averaging approximately 700,000 scf/day of liquids-rich gas with instantaneous gas flow rates of up to 3,500,000 scf/day having been achieved since the well commenced commercial operations on 5 October 2018. Myall Creek 4A is the first well under Armour's Gas Acceleration Program (GAP) agreement with the Australian Government which provides partial funding of Armour's four well program to be completed by June 2019.

Full details of this, and all other Armour Energy's announcements, are available on the Company's website: www.armourenergy.com.au

The current value of DGR Global's investment in Armour Energy is approximately \$21 million (\$10.5m in shares at market value plus \$10.5m in Convertible Notes at face value).

Aus Tin Mining Limited | ASX: ANW (18.2% owned by DGR)

On **24 September 2018**, Aus Tin Mining announced that the NSW Department of Environment and Planning (the **Department**) had granted Mining Lease (ML) 1774 to Taronga Mines Pty Ltd, a wholly owned subsidiary of Aus Tin. The granting of ML 1774 represents a major milestone for Aus Tin's Taronga Stage 1 Project and its plans to undertake a trial mine and pilot plant to evaluate areas of potential upside including resource grade, tin recovery and recovery of by-product credits identified in its 2014 Pre-Feasibility Study of Taronga.

ML 1774 is located within freehold property owned by Aus Tin and comprises 76.5ha over the northern zone of the Taronga Deposit. The ML has been granted through to 21 December 2029 to align with the previously approved Development Application.

Aus Tin noted that the outstanding regulatory approvals for its Stage 1 Project are progressing and are summarised below:

- Application for the construction certificate with the Glen Innes Severn Council has been submitted;
- Applications for the water use licence and supply works have been submitted to the Natural Resource Access Regulator and are currently being assessed;
- Application for the Environmental Protection Licence was submitted to the Environment Protection Authority during August and is currently being assessed; and
- A draft Mining Operations Plan (MOP) has been submitted to the Department of Planning and Environment.

Subject to obtaining all regulatory approvals, Aus Tin is targeting ore production by the end of the calendar year.

On **4 October 2018**, Aus Tin advised the market that it had refined and revised its Pembroke / Mt Cobalt drill targets based on new geophysical modelling that it had undertaken, and that, subject to rig availability, it was aiming to commence drilling later this month. Aus Tin also announced that further testwork that it had undertaken had highlighted the potential for ore sorting to pre-concentrate Mt Cobalt materials, with anticipated benefits in grade recovery and cost reductions. Aus Tin intends to undertake further testwork in this regard.

Full details of this, and all other Aus Tin Mining announcements, are available on the company's website: www.austinmining.com.au

The current value of DGR Global's investment in AusTin is approximately \$8 million.

IronRidge Resources Limited | LSE(AIM): IRR (24.3% owned by DGR)

On **24 September 2018**, IronRidge released the details of high-grade and broad gold trenching results from extensional and infill trenching at the Dorothe prospect in Chad, Central Africa. The results reinforced IronRidge's previously reported large, coherent gold targets, and also defined an additional sixth high-grade, coherent gold anomaly.

The overall trenching program conducted by IronRidge at its Dorothe prospect has confirmed the extension of mineralisation below cover, and the continuity of anomalous intervals between previously reported wider-spaced trenches; providing confidence in the continuity and scale of the mineralised system. In the field work to be undertaken shortly, IronRidge will conduct a ground geophysics Induced Polarization ("IP") survey over Dorothe to further define drilling targets at depth in conjunction with surface trenching results.

On **8 October 2018**, IronRidge announced the receipt of additional high-grade lithium drilling results from its Ewoyaa Project in Ghana, West Africa. IronRidge's COO, Mr Len Kolff said:

"High grades over significant intervals and proximity to essential infrastructure coupled with the promising and stable jurisdiction of Ghana bodes well for the future development of the Cape Coast Lithium Portfolio."

Essential infrastructure including roads and power, within 100km trucking distance of an operational deep-sea port and a well-trained local workforce is a significant advantage for the project with potential for a low capital and operational intensity start-up. Results received to date indicate the development of a broad, continuous high-grade zone within the Central and North Extension zones which remains open to the north, with additional drilling results pending. Field teams have commenced a pitting programme to further define the Ewoyaa pegmatite footprint along the North Extension ahead of drilling programmes."

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Planning is underway for a metallurgical diamond drilling programme, which is planned to commence post receipt of the remaining 1,704m of drilling results.”

Full details of this, and all other IronRidge announcements, are available on the Company’s website: www.ironridgeresources.com.au.

The current value of DGR Global’s investment in IronRidge is approximately \$28 million.

Dark Horse Resources Limited | ASX:DHR (17.2% owned by DGR)

On **9 October 2018**, Dark Horse released a comprehensive market update covering each of its project and corporate interests. In the release, Dark Horse noted that it had received final assay results from its drilling programs undertaken at the Las Tapias Mine. Although evaluation work continues at site, the exploration results to date suggest that Las Tapias will be unable to support Dark Horse’s conceived modular spodumene concentrate operation as a stand-alone supplier, and additional sources of spodumene will be required to justify its development.

Dark Horse noted that it is working with an Argentine mining and processing company who currently mine feldspar and quartz from pegmatites in the region for use in the local and export ceramics industries. Under a Cooperation Agreement being negotiated with the Argentinean company, Dark Horse will have exclusive access to the spodumene in the mining licences for mining, processing and sale of spodumene products under a future Tribute/Royalty Agreement.

In relation to its San Luis lithium projects, it was noted that geological reconnaissance continues at the El Totoral licence to delineate definitive drilling targets over a suite of the more prospective spodumene bearing pegmatites, which will then be implemented when environmental permits are received from the provincial government authorities.

Dark Horse is carrying out the legal due diligence on the San Jorge Lithium Brine Project and finalising the Exploration with Option to Purchase Agreement with the vendor in the 60 day designated time frame. Dark Horse has prepared an aggressive exploration program to fully test the lithium potential of the salar which would commence immediately following successful due diligence and contract execution.

Dark Horse is also in the process of planning and / or implementing exploration programs for its suite of gold properties (Cachi and PROAR) via its Argentinean based geological team.

Dark Horse’s 100% owned subsidiary, Dark Horse Energy Holdings is continuing with its initial discussions on concentrated solar power opportunities. Dark Horse also noted that Lakes Oil NL (of which it currently holds approximately 32%) is set to appeal the recent decision of the Victorian Supreme Court.

Full details of this, and all other Dark Horse announcements, are available on the company’s website: www.darkhorseresources.com.au.

The current value of DGR Global’s investment in Dark Horse Resources is approximately \$2.3 million.

The Board of DGR Global will continue to update the market in relation to material developments within its portfolio of sponsored companies and subsidiaries.

On behalf of the Board
Karl Schlobohm
Company Secretary

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About DGR Global Limited

DGR Global's business is the creation of resource exploration development and mining companies.

The business uses the skills of a core team of talented geoscientists to identify resource projects capable of yielding world class discoveries of attractive commodities.

This is achieved through:

- The identification of commodities with a favorable 20 year price outlook.
- Geological terranes with:
 - A demonstrated strong endowment for that commodity;
 - An under-explored history;
 - Opportunity for the application of recently developed exploration techniques;
 - Jurisdictions with improving socio-economic and regulatory frameworks;
 - Extensive available tenures.

DGR provides initial seed funding and management support to secure assets in subsidiaries and develop these assets to more advanced funding stages. The Company has a pipeline of projects in daughter companies at various stages of emergence, and in 2015 crystalised a significant return through the sale of its 15% holding in Orbis Gold for \$26million. Further development of its holdings in AIM-listed SolGold and IronRidge Resources and ASX-listed AusTin Mining, Dark Horse Resources and Armour Energy, and unlisted Auburn Resources, are expected over the coming years.

Get regular news from DGR Global on social media

As a valued shareholder, you can now stay up to date of forces influencing the value of your investment in DGR Global by following us on Twitter. We regularly post information about the operations of us and the DGR companies as well as what is happening in our sectors around Australia and around the world - with links to documents in the media, brokers, and other authoritative sources so you can stay up to date. As well, our posts on Twitter will alert you to our latest ASX announcements. Join the hundreds who follow us on Twitter [@DGRGlobal](https://twitter.com/DGRGlobal). We've also added to our website a corporate newsroom with monthly news flow concerning DGR and the DGR sponsored companies. Located under News Bank in the investor section of the DGR website: www.dgrglobal.com.au

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