DGR Global Limited

ABN 67 052 354 837
dgrglobal.com.au

DGR Global Annual Report 2019

DGRGLOBAL

ANNUAL REPORT

Year ended 30 June 2019

DGR GLOBAL LIMITED ABN 67 052 354 837

2019

Developing tomorrow's resources, today.

DGR Global is a resource company creator with a portfolio of both traditional and technology-driven natural resource projects which will be required to power and support future generations.

Exposed to a wide array of commodities across a diverse range of jurisdictions, **DGR Global is developing tomorrow's resources, today**.

COVER PHOTO: At DGR Global, we believe that the future points to energy and we see this image as one that represents growth, urbanisation and electrification, which are seen as the key drivers for the demand of resources.

1

ABOUT

Chairman's letter
for the year ended 30 June 2019

Dear Shareholders,

Over the course of the past 12 months, and often as a result of indirect global factors, the international junior mining sector has experienced more than its fair share of headwinds. It is during these times that the quality of a company's management, projects and/or strategy come under the greatest internal and external pressures. In this regard, I remind shareholders that DGR Global continues to focus on the long game, banking on the continuing fundamental global demands that underpin and fuel the world's ongoing urban and technological development. The global mega trends of our time point to increasing population and living standards, increasing urbanisation and infrastructure requirements, increasing life expectancies and ageing populations, shifting economic power towards Asia, and the ever-increasing demands for energy across the board. All of these trends require the production and consumption of more, not less, resources. The generation of projects in globally demanded resources will therefore remain at the core of DGR Global's business model.

Touching on some of the major developments within the broader DGR Group over the year, I note the following:

1. In relation to Armour Energy, DGR Global reinvested the majority of its proceeds from the redemption of Armour's Convertible Notes into Armour's corporate bond issue. DGR continues to believe in the fundamental supply opportunity for the Australian domestic gas market, and the longer-term outlook for gas as an energy supply source even under published international climate change scenarios.

2. SolGold published its upgraded Mineral Resource Estimate and its Preliminary Economic Assessment for the Alpala Deposit within its flagship Cascabel Copper-Gold Porphyry Project in northern Ecuador. SolGold is now proceeding with work for a further Mineral Resource Estimate and a Pre-Feasibility Study for Alpala, as well as progressing the exploration of its regional package of 72 tenements across Ecuador.

3. In early 2019, IronRidge Resources announced the acquisition of the 400km^2 Zaranou Gold Project, a potential company-making opportunity in Cote d'Ivoire. Work on this project has been prioritised for Q4, 2019 given the opportunity to discover a significant high-grade gold deposit. IronRidge now boasts an impressive inventory of gold and lithium projects across Africa, which it will continue to progress over the next 12 months.

4. DGR Global has continued to progress the Armour Uganda Oil Project, by funding and managing the first-phase exploration program and tenement renewal process. Work is continuing at the time of writing, with results to be announced from the seismic program once available.

In the coming 12–24 months, DGR Global will aim to add not only Auburn Resources and the Ugandan Oil Project to its range of sponsored listed investments, but will also aim to add further projects and investments into the DGR stable. As stated earlier, continuous exploration for new opportunities and large-scale projects is the core of our business model. In looking at other successful diversified resource industry players and investment vehicles, it is clear that the market is prepared to ascribe a higher pricing to those companies that have eight or more portfolio interests, including a number that derive income. Accordingly, at full maturity, the DGR Global business model would have a greater number of portfolio interests or investments, have a number of investments that generate income, be self-funding from a project generation and investment perspective, obviating the need for capital raisings, and operate profitably, lending itself to the payment of dividends.

Recently, DGR Global's long-standing General Manager, Greg Runge, retired from his full-time role with the Group. Greg was a DGR Global Group employee for 13 years and over that time handled a number of challenging operational and corporate issues with professionalism. On behalf of the Board, I would like to thank Greg for his dedication and many years of service, and I am pleased that he has agreed to remain a Director of Auburn Resources for the time being.

My fellow Board members and the Company's management team continue to work on the evolution and maturity of the Company's business model, and I thank them for their continued efforts in this regard. As always, DGR Global's CEO Nick Mather has travelled tirelessly and extensively this year both raising funds and promoting the broader Group in various markets around the world. Nick's efforts across the broader DGR Group are often under appreciated, and he deserves our sincere thanks.

Yours faithfully,

William (Bill) Stubbs
Non-Executive Chairman

Corporate governance

Visit dgrglobal.com.au/corporate-governance

The Board of Directors of DGR Global is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. The governance principles adopted by the Board are designed to achieve this outcome.

Throughout the financial year ended 30 June 2019, DGR Global Limited's Corporate Governance Statement has been adopted and structured with reference to the third edition of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*.

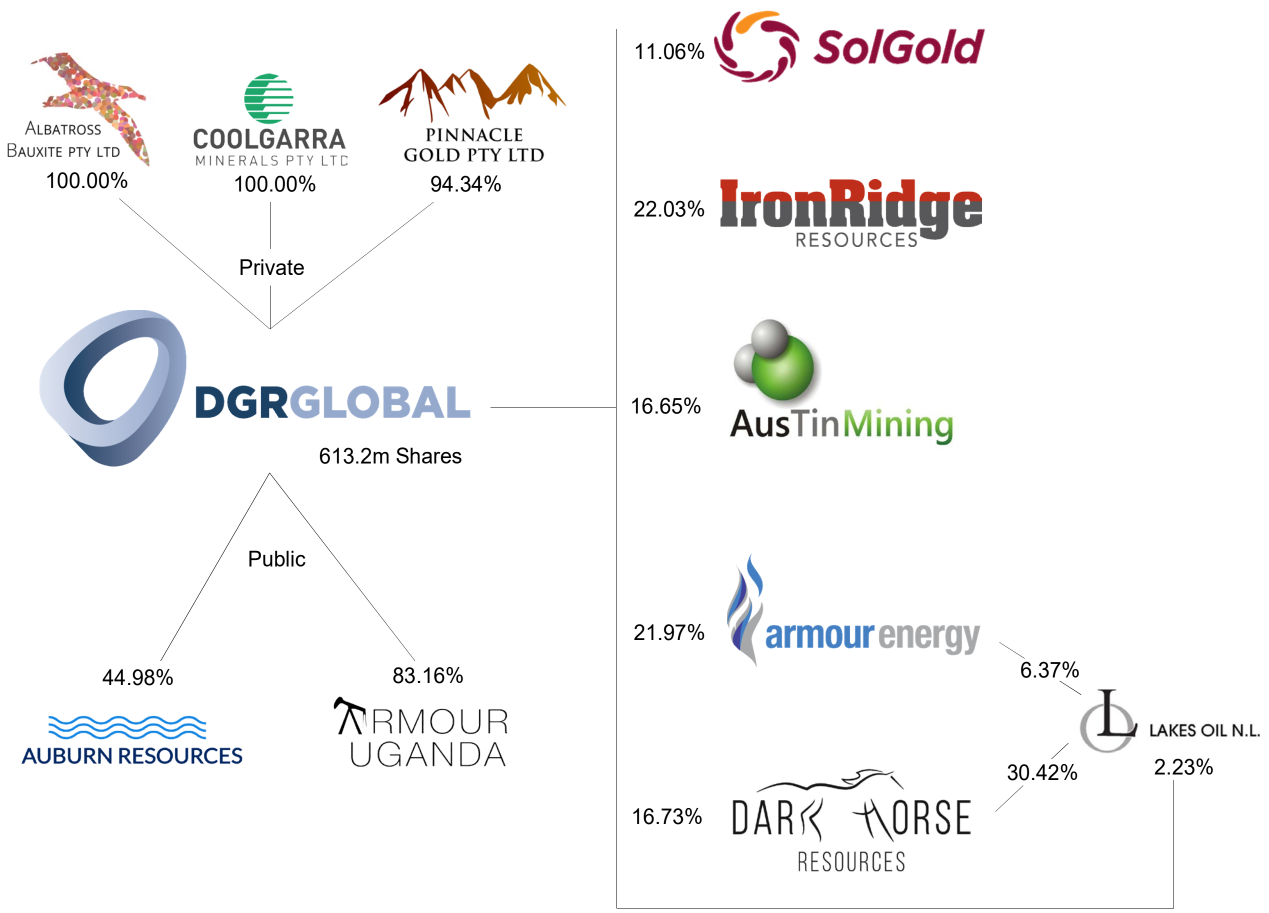
Further details are available in DGR Global's 2019 Appendix 4G and Corporate Governance Statement for the year ended 30 June 2019, as well as on the Company's website.

2 REVIEW OF OPERATIONS

Review of operations
for the year ended 30 June 2019

INTRODUCTION

DGR Global's business is resource-project generation and discovery across a range of commodities, including copper, gold, nickel, tin, iron ore, titanium, bauxite, lithium, cobalt, oil and gas. The group focuses on new project generation and value creation, delivering value through discovery of ore bodies by the application of innovative exploration techniques and reassessment strategies of existing pre-development projects and to new greenfields areas. DGR Global is generating and developing several independently funded and managed resource companies in order to progress each of these projects. The company maintains its cornerstone investor position in subsidiaries that move to listing on a recognised stock exchange as illustrated in the corporate tree below.



DGR GROUP CORPORATE TREE
DGR Global-created listed investments (at 30 June 2019)

CORPORATE

Highlights for the Company during 2019 included:

- Business model endorsed by the best performing hedge fund in the world in 2016 with Tribeca Investment Partners providing up to $10 million in converting note funding to further develop the resource company creation business[1].
- DGR holds an 83.18% (Armour Energy 16.82%) interest in a highly prospective oil project in the Kanywataba Block, Uganda[2].
- Continuation of support to Armour Energy in expanding its Roma Shelf gas production and distribution assets and fully recommissioning the Kincora plant (refer later section).
- Further support to SolGold (copper, gold) in progressing the Cascabel discovery.
- Supporting IronRidge Resources in securing gold and lithium prospects in Chad, Ghana and Ivory Coast.
- Supporting AusTin Mining (Tin) and Dark Horse Resources in development and diversification projects (refer later sections).
- Additional seed capital raising and progressing preparations for the IPO and ASX listing of Auburn Resources Limited.
- HSE for the group entities for which DGR acts as Operator, maintained a rolling 12-month TRIFR of 0.00 and zero environmental incidents for the corresponding period, highlighting the continuous commitment to safe operations.

INVESTMENTS IN LISTED COMPANIES

SOLGOLD PLC | 11.06%

LSE/TSX: SOLG | solgold.com.au

- Focus on high grade world class copper gold porphyry systems at Cascabel in Ecuador. Cascabel is close to Quito, the Capital and ports, is at low elevation, and has abundant water supplies and access to hydropower.
- Updated NI 43-101 compliant Alpala Mineral Resource estimate, released in November 2018, more than doubled the initial estimate reported in January 2018 – refer SolGold website for details[3].
- Sampling and mapping continued across SolGold's additional 72 wholly owned Mineral Concessions in Ecuador to remain the dominant explorer in the country.
- Extensive high-grade copper, gold and zinc mineralisation already discovered in outcrops on several concessions in Southern Ecuador, particularly at the La Hueca, Timbara and Porvenir Projects[4]. High grade epithermal gold mineralisation discovered at the Blanca and Cisne Loja Project[5].
- Fresh discovery at Porvenir Target 15[6].
- SolGold raises £45 million at 45p per share from BHP[7].
- Engagement of ten (10) drilling rigs onsite at Cascabel. Discovery of previously unknown high-grade mineralisation within existing low-grade inferred resource areas[8].
- Mapping and sampling at the Porvenir Project identified a significant porphyry copper gold system[9].
- Large copper and gold systems discovered at the Chical Project in Northern Ecuador[10].
- Strong epithermal gold and copper porphyry results for the Cisne Loja Project with copper, gold and silver mineralisation identified over an area 1.5km by 1km[11].
- Strong initial copper gold porphyry results for the Coangos Project in southern Ecuador indicated very high potential for a major copper gold porphyry project in the broader tenement area[12].
- Positive PEA Study results announced. Full details available on the SolGold website[13].
- Extensive lithocap identified at Rio Amarillo with significant copper and gold results[14].
- The Constitutional Court in Ecuador unanimously rejects the petition by the applicant that challenged the legality and validity of the future of mining in the Carchi and Imbabura Provinces in northern Ecuador[15].
- Discovery of a new copper gold molybdenum porphyry target at the Sharug Project in Central Ecuador[16].

Review of operations continued
for the year ended 30 June 2019

INVESTMENTS IN LISTED COMPANIES CONTINUED

ARMOUR ENERGY LIMITED | 21.97%

ASX: AJQ | armourenergy.com.au

- Holds highly prospective whole basin oil and gas positions in Northern Territory and North West Qld covering 139,000 km^2.
- $55 million refinancing through secured and amortising debt notes finalised, enabled the retirement of existing convertible note funding and assisting with the delivery of a material work program that is geared towards achieving 2019 growth objectives with a focus on the 20TJ/day production target[17].
- The LPG system of the Kincora Gas Plant successfully recommissioned and the whole plant is fully operational. Gas, LPG and condensate from existing production wells has been processed and sold for the last twelve months[18].
- Awarded further Roma Shelf petroleum acreage near the Kincora plant[19].
- Independently verified 2P reserves increased by 56% since the previous assessment in October 2018[20].
- Armour holds an Exploration Licence over the highly prospective Kanywataba Block in the Albertine Graben, Uganda. Less than 40% of the Albertine Graben has been explored to date, where 101 wells of approximately 115 wells drilled have encountered hydrocarbons[21].
- Initial production from the first well under the Federal Government's Gas Acceleration Program (GAP) initiative, Myall Creek 4A, commenced with subsequent recompletion activities carried out and stabilised production achieved. The second well under the GAP initiative Myall Creek 5A was drilled and cased and connected into the Kincora gas pipeline network[22].
- Armour progressed to firm contracted gas supply agreement with APLNG[23].
- Petroleum acreage near Chinchilla awarded to the Armour-APLNG JV with first gas from this tenement area planned for delivery by mid-2021[24].

IRONRIDGE RESOURCES LIMITED | 22.03%

AIM (LSE): IRR | ironridgeresources.com.au

- Primary focus on gold (in Chad and Ivory Coast) and lithium (in Ghana and Ivory Coast) now firmly established with extensive tenement packages secured in all three countries.
- Major gold discovery at the Dorothe Project and nearby Ouchar and Echbara licence areas in Chad, gold projects in Ivory Coast, and lithium projects with proven big, high grade lithium spodumene pegmatites in Ghana and Ivory Coast[25].
- Following on from access rights being secured via Earn-In Agreement to the Zaranou Gold Project application covering 397 km^2 enhancing the existing Ivory Coast portfolio for a combined total of 3,584 km^2 gold focussed land package, the application was granted. The due diligence period was successfully completed and the JV agreement formally ratified. Mapping and channel sampling field programmes were commenced[26].
- In late 2018 IronRidge raised £5.4m at 20p per share for development of gold and lithium projects[27].
- Exceptional metallurgical results for the Ewoyaa Pegmatite Project which forms part of the Cape Coast Lithium Portfolio[28].
- Completion of the acquisition of the Vavoua Projects, a highly prospective gold exploration portfolio in the Ivory Coast[29].
- Detailed face mapping, channel sampling, rock chip sampling and over 3,900m of air-core drilling undertaken in the Ivory Coast project portfolio[30].
- Retention of highly prospective hematite rich iron targets evident in Tchibanga and Belinga Sud licence areas in Gabon – total tenure 5,400 square km. Tchibanga is less than 70 km from the port of Mayumba.

DARK HORSE RESOURCES LIMITED | 16.73%

ASX: DHR | darkhorseresources.com.au

- Focussed on gold and lithium in Argentina.
- Initial assay results from the extensive field exploration programme over the Santa Cruz Gold Projects revealed encouraging gold and silver results on several tenements with infill sampling at Cachi Prospects confirming gold-silver anomalism[27] with further surface exploration work continuing to define drilling targets[31].
- Visible gold identified in iron sulphide/oxide breccia at the Morena Project[32].
- Participation in the Lakes Oil (ASX:LKO) entitlement offer subscribing for 500,000,000 shares for a cost of $500,000[31] to increase DHR's total holding to 10.1 billion LKO shares[33].
- First phase drilling at Las Opeñas Gold Project targeting high grade gold silver and base epithermal veins discovered during surface mapping and sampling completed with high grade mineralised zones to moderate depths being confirmed[34].
- Mapping and geophysical programmes completed over some of the mineralised Cachi targets, providing drill targets for later in 2019[35].

AUS TIN MINING LIMITED | 16.65%

ASX: ANW | austinmining.com.au

- Heads of agreement (non-binding) entered into for the sale of waste rock from the Granville East Mine[36].
- High-grade cobalt results from drilling at Mt Cobalt west of Gympie, Qld. Initial target zone 350m long and 25m wide open at depth[37] with a further 5-hole drilling programme completed in April[38].
- Significant progress at the Granville Tin Project in Tasmania and civil works well advanced with the completion of the tailings storage facility, mining of the first ore block and transition in March to owner mining[39]. A strategic review is underway, with the objective of determining the best meast of extracting value.
- JORC resource estimate confirmed Taronga as a world class tin project. The details of the resource (79% indicated) can be viewed on both ASX's and Aus Tin's websites.
- Metallurgical flow sheet completed for Taronga pre-feasibility study with the ore described as coarse grained, having simple metallurgy and highly amenable to pre-concentration.
- Capital raising of $450,000 by private placement in April to primarily fund commencement of Taronga Stage 140, which received final regulatory approval from the NSW Department of Planning and Environment in May[41].
- Successful completion of Share Purchase Plan in May which closed oversubscribed with accepted applications totalling $910,000[42].

Review of operations continued
for the year ended 30 June 2019

EXPLORATION AND DEVELOPMENT OF UNLISTED SUBSIDIARIES AND PROJECTS

During the year the group was strongly focused on advancing exploration projects within the parent and subsidiary companies. Field reconnaissance programs including mapping, soil, stream and rock sampling and diamond drilling were undertaken. Significant activities which occurred during the year are set out in this section.

AUBURN RESOURCES LIMITED | 44.98%

- Continuation of development and consolidation as a nickel-copper-cobalt, gold and zinc company exploring in QLD and NT, with highly prospective areas in the NT covered by granted MEL applications[43].
- Key Iron Oxide Copper Gold (IOCG) and lead-zinc targets identified and secured in the Tanumbirini district of the Northern Territory[43].
- Potential for world class copper gold discoveries at Mt Abbott, Calgoa and Marodian Projects and large sulphide nickel-cobalt-copper discoveries near Hawkwood[44].
- Exploration targets defined for the Ban Ban Zinc Project.
- Planning well advanced for IPO and ASX listing (subject to market conditions) during 2020.

The Northern Territory Government has granted all 12 of the Exploration Licenses that make up the Tanumbirini and Victoria River Projects to Pennant Resources Pty Ltd, a wholly owned subsidiary of Auburn Resources Limited (see Figures 1 and 2 below).

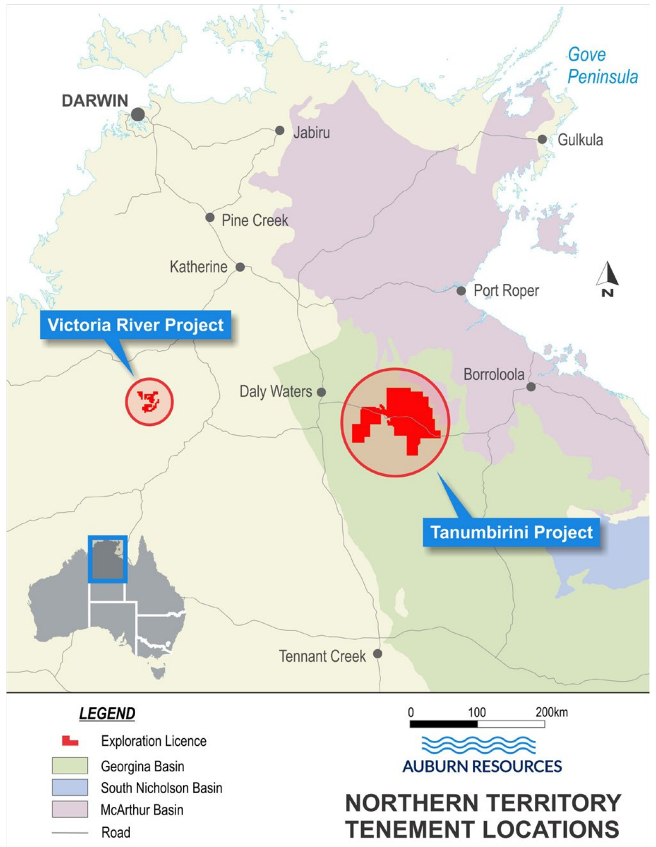


FIGURE 1 Location of the Tanumbirini and Victoria River Projects in the Northern Territory

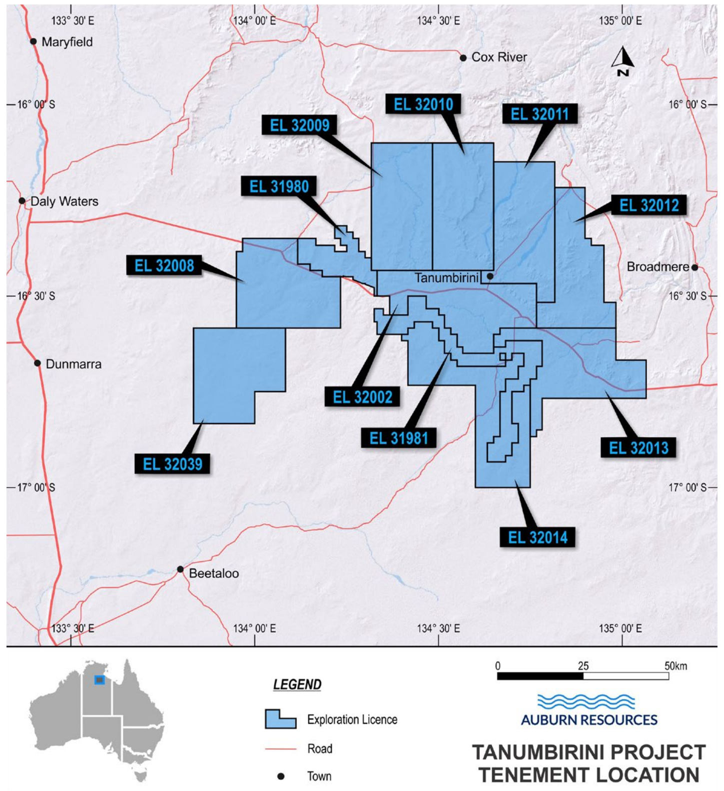


FIGURE 2 The Tanumbirini Project Area – traversed by the sealed Carpentaria Highway and the gas pipeline to the McArthur River Mine

Tennant Creek and Mt Isa are the preeminent mineral resource hubs for the Northern Territory and Queensland. The region between these two hubs is a vast prospective frontier covered by a thin veneer of sediments.

Geoscience Australia (GA), as part of the Federal Government's *Exploring for the Future* program, undertook an extensive soil sampling survey in collaboration with the Northern Territory Geological Survey and the Geological Survey of Queensland. Catchment outlet sediment samples were collected at 776 sites (including duplicates) and analyzed for elemental composition using three different analytical techniques[1]. The black dots in Figure 3 show all the sample points. Subsequently, GA undertook a wide spaced airborne electromagnetic (EM) survey over the entire area to primarily define sulphide mineralization targets.

In mid-2018 GA started the public release of the Northern Australian Geochemical Survey. DGR Global Limited (DGR) geoscientists started to interrogate the released data sets. DGR focused on the total lead assays rather than other base metals such as copper and nickel as lead is relatively insoluble thus not moving far from its point of origin. Figure 3 shows the result of this data search.

The total lead footprint at Tanumbirini is larger in area than that at Mt Isa to the east, and comparable in magnitude given that Tanumbirini is all under cover and Mt Isa is exposed and has been mined for approximately a century. Lead high values to 46.2 ppm characterize Mt Isa and 34 ppm characterizes the Tanumbirini area.

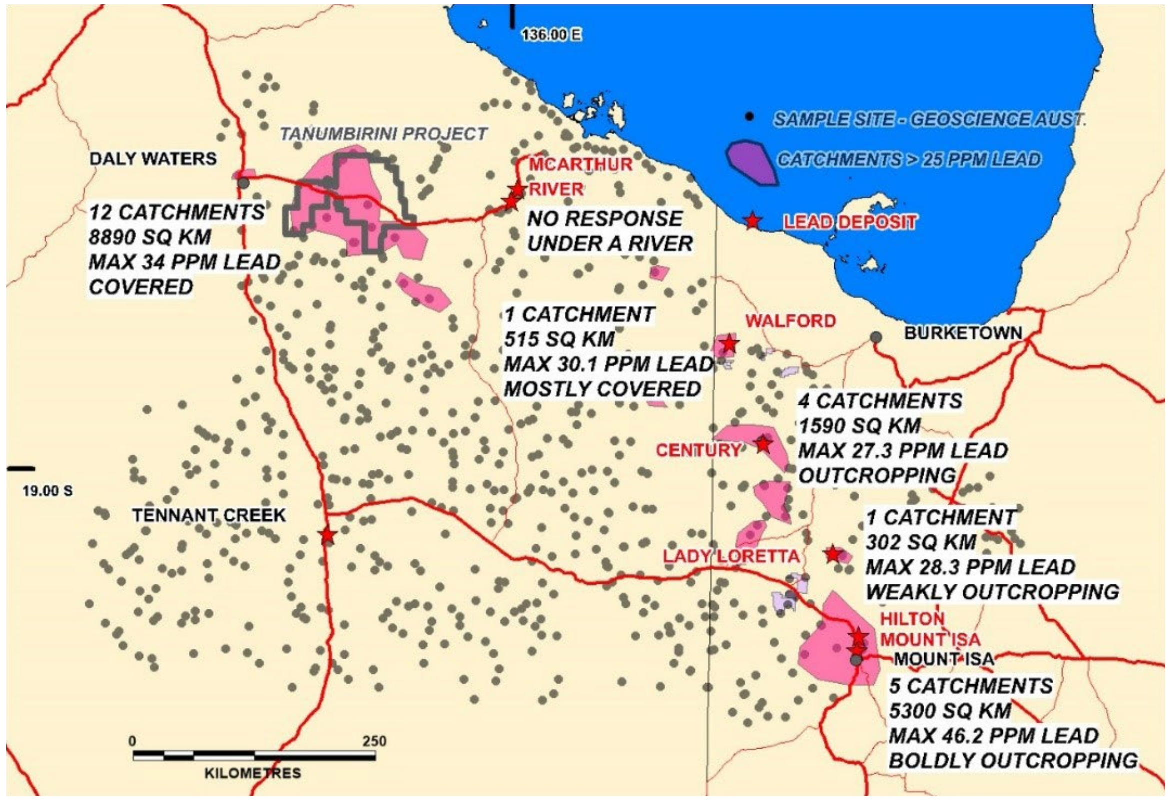


FIGURE 3 Geoscience Australia overbank fine stream sediment sample points, with regional lead anomalism (Total Lead > 25 ppm by ICP-MS) shown in dark pink

Review of operations continued
for the year ended 30 June 2019

EXPLORATION AND DEVELOPMENT OF UNLISTED SUBSIDIARIES AND PROJECTS CONTINUED

AUBURN RESOURCES LIMITED CONTINUED

More detailed investigation of the Northern Australia Geochemical Survey (NAGS) data sets further confirmed a large area of base metal anomalism at Tanumbirini. Examining the data sets for lead and copper by Mobile Metal Ion™ (partial leach) (MMI™) geochemistry indicated an even larger anomalous footprint at Tanumbirini, with a significant indication of copper on the western section of the project area (see Figures 4 and 5). The highest copper in the unpolluted Tanumbirini area is 4310 ppb by MMI™. Excluding polluted exceptions, this compares to the Mt Isa area high of 2970 ppb and 2,000–3,000 ppb in the Mt Oxide Gunpowder copper district.

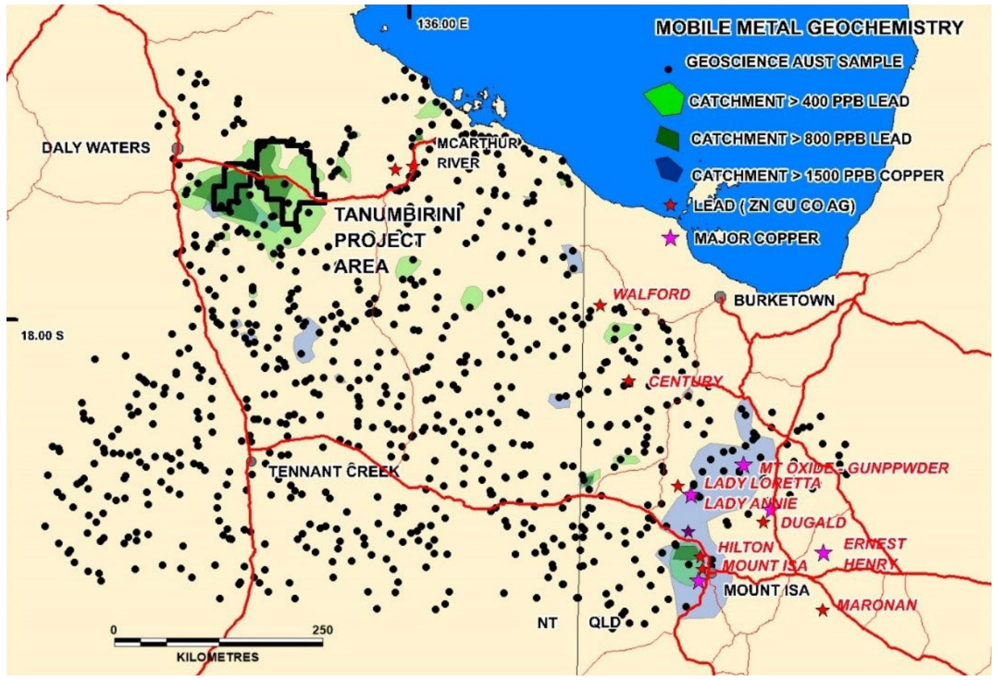
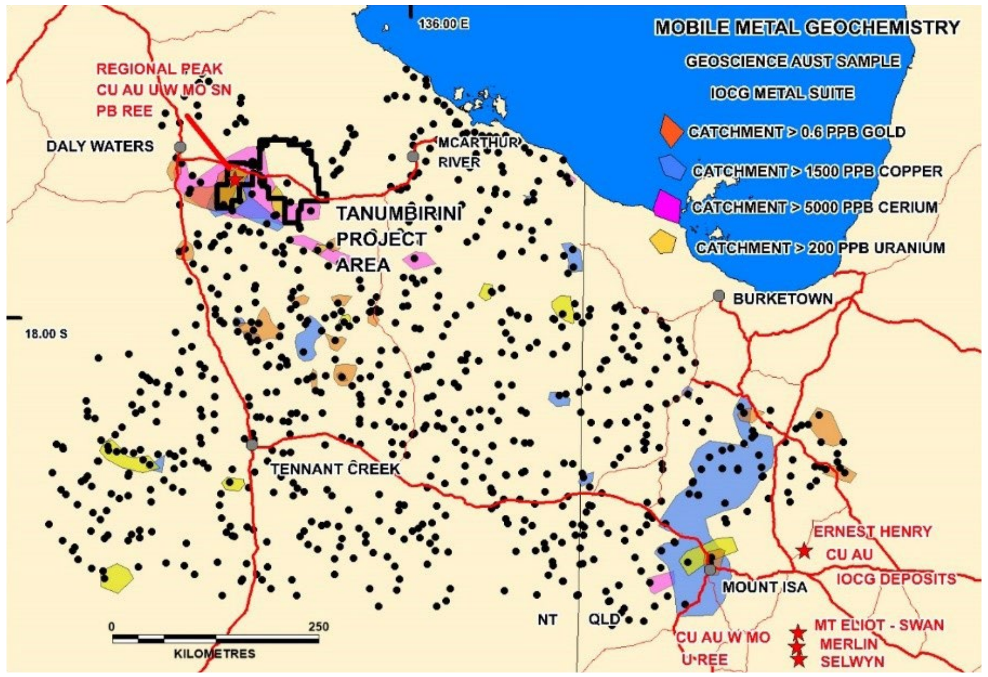


FIGURE 4 Lead (light green) and Copper (light blue) anomalism by MMI™ (partial leach) geochemistry cation of the Tanumbirini and Victoria River Projects in the Northern Territory

FIGURE 5 Copper, gold, uranium, rare earths and molybdenum association at Tanumbirini – indicative of large iron oxide copper gold (IOCG) targets under relatively shallow cover



IOCG Targets

Coincident with DGR's research, Greatland Gold plc announced its Havieron IOCG discovery at the Paterson Ranges about 40 kms east of Telfer. Greatland had previously announced that anomalous rare earths in soils were an exploration tool for IOCG deposits, so DGR revisited the NAGS data sets to search for rare earths. As shown in Figure 5 (below), rare earths point to a massive IOCG target zone on the western section at Tanumbirini (yet to be supported by gravity and magnetic data).

DGR considers that in the Tanumbirini Project Area, Auburn Resources has secured two new potential mineral fields:

1. a pyritic dolomitic shale sub basin of the broader McArthur Basin prospective for lead zinc deposits at Tanumbirini East; and
2. an iron oxide copper gold target area at Tanumbirini West.

Figure 6 below is a composite diagram incorporating mapped fault structures and EM supported geology on a magnetic image, indicating the interpretation of a fault bounded pyritic dolomitic shale sub basin prospective for lead zinc deposits on the east, and iron oxide copper gold (IOCG) targets on the west. The standout feature through Tanumbirini is an 80 km long magnetic terrane boundary (shaded in purple), and which DGR considers is the source of the copper-gold-uranium-molybdenum-rare earth anomalism. The soil geochemistry and EM data from the Geoscience Australia surveys adds to an already extensive knowledge of surface geology and faults in the area, as well as available detailed magnetic data and a general understanding of the local stratigraphy.

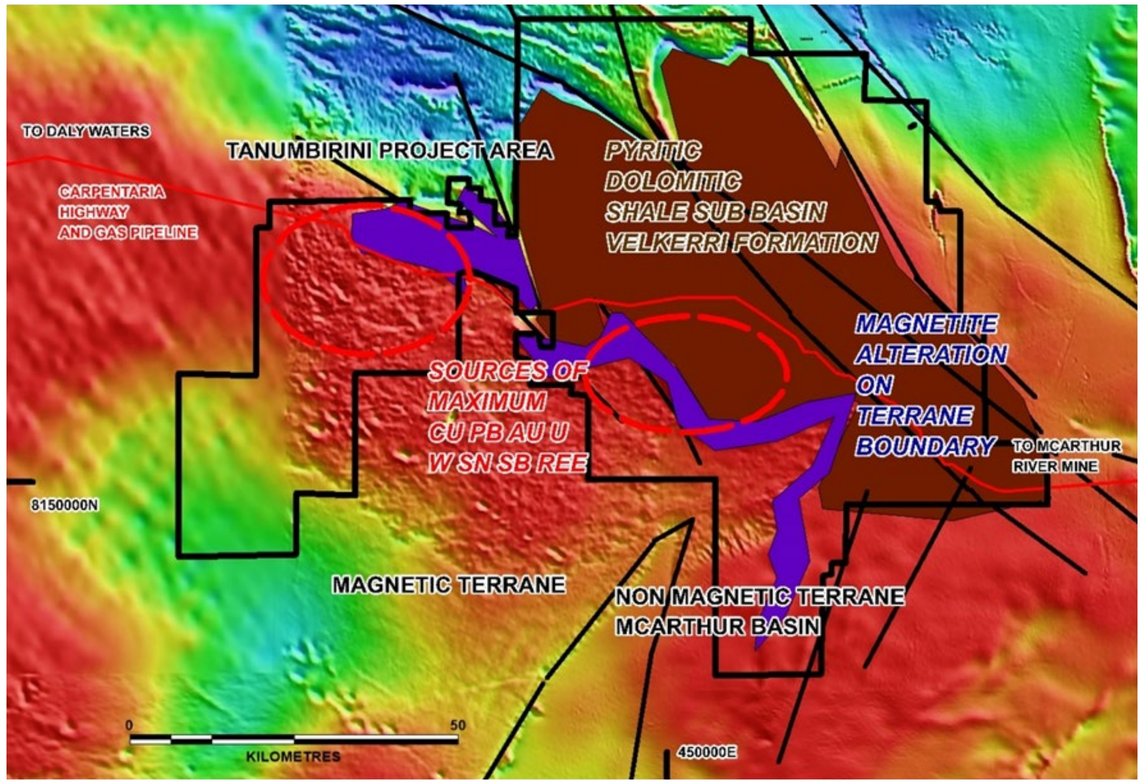


FIGURE 6 Geological interpretation on magnetic image – fault bounded pyritic dolomitic shale sub-basin on the east

Review of operations continued
for the year ended 30 June 2019

EXPLORATION AND DEVELOPMENT OF UNLISTED SUBSIDIARIES AND PROJECTS CONTINUED

AUBURN RESOURCES LIMITED CONTINUED

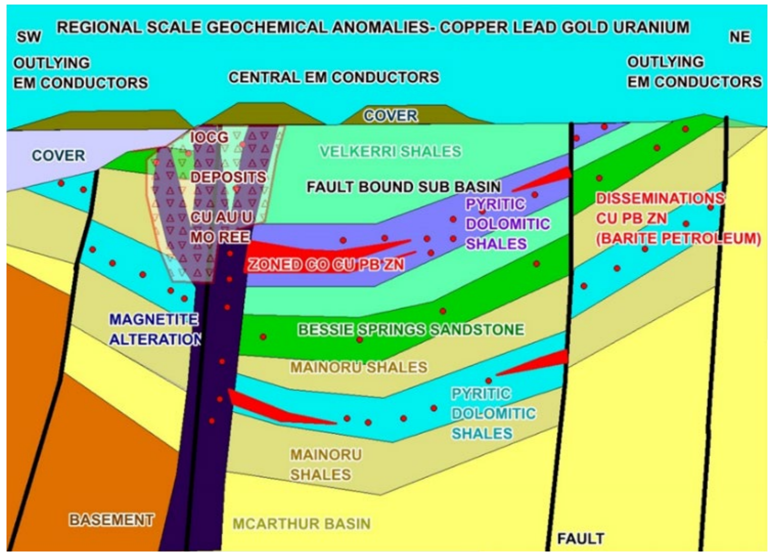


FIGURE 7 Conceptual SW-NE geological cross-section of the Tanumbirini Project area

ARMOUR UGANDA LIMITED (83.16%)

Armour Uganda's flagship project is the Kanywataba Block which is highly prospective for oil and gas. The project covers approximately 344km² and is located in a rift basin within the Albertine Graben, Uganda. The project area is in close proximity to the Total and CNOOC operations to the North.

Activities in the year and which are ongoing include: reprocessing of existing 2D seismic data; geochemical surface soil gas sampling program; 2D seismic programme; Basin Analysis study; and pursuing renewal of the permit.

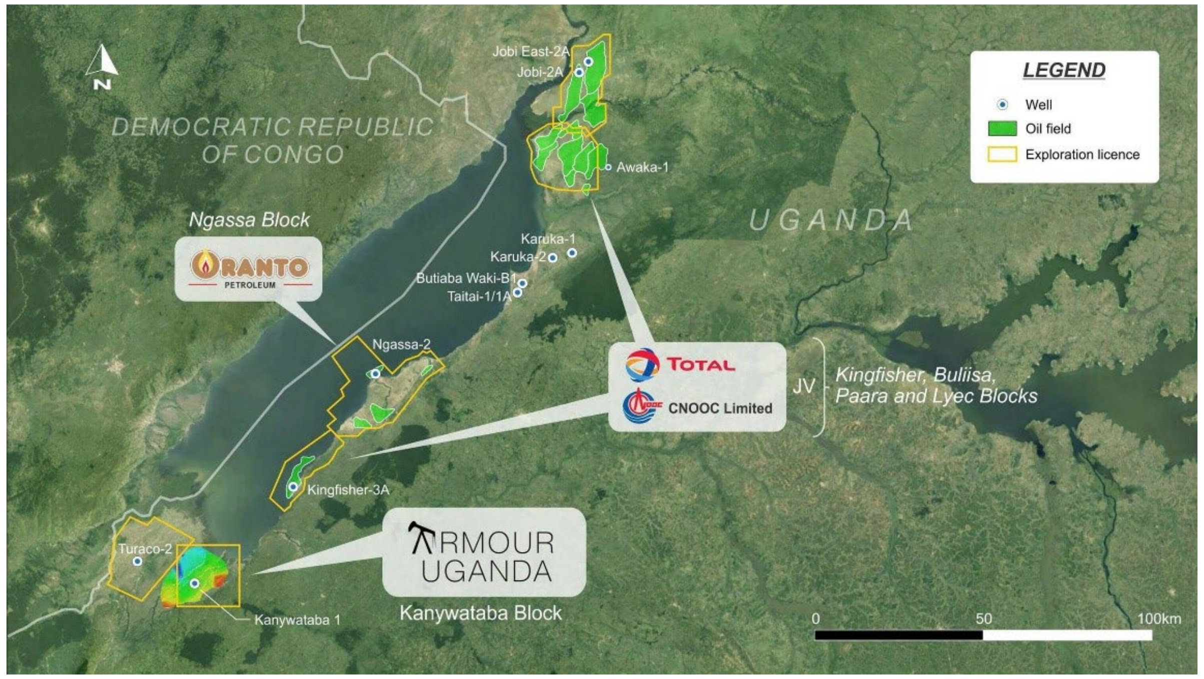


FIGURE 8 Location of the Kanywataba Block, Armour Uganda's flagship project

PINNACLE GOLD PTY LTD (94.34%)

Pinnacle Gold holds substantial gold exploration tenements south of Charters Towers, QLD. Most of the area is soil covered, with previous exploration efforts by earlier explorers largely confined to areas of outcrop and focused on mapping and sampling known workings. Only two areas have been drilled.

To date there has been no wide ranging systematic geochemical survey undertaken, yet the area clearly lies on potentially mineralising structures (Charters Towers – Black Jack – Mt Leyshon). Previous explorers appear to have been distracted by small high-grade gold bearing quartz veins with no size potential. Significant stream sediment anomalisms (see Figure 10 below) may not all be due to the proximate small veins.

After further interrogation of historical exploration programs, Pinnacle reconsidered the exploration strategy for this mostly soil covered area. Looking for large targets, Pinnacle has undertaken a field program of low gold detection limit soil lines on a grid pattern with infill gridding of any elevated results. Initial shallow RC drilling on 2 of the EPMs were undertaken in late 2018 with mixed results, warranting further exploration and drilling to better define drill targets.

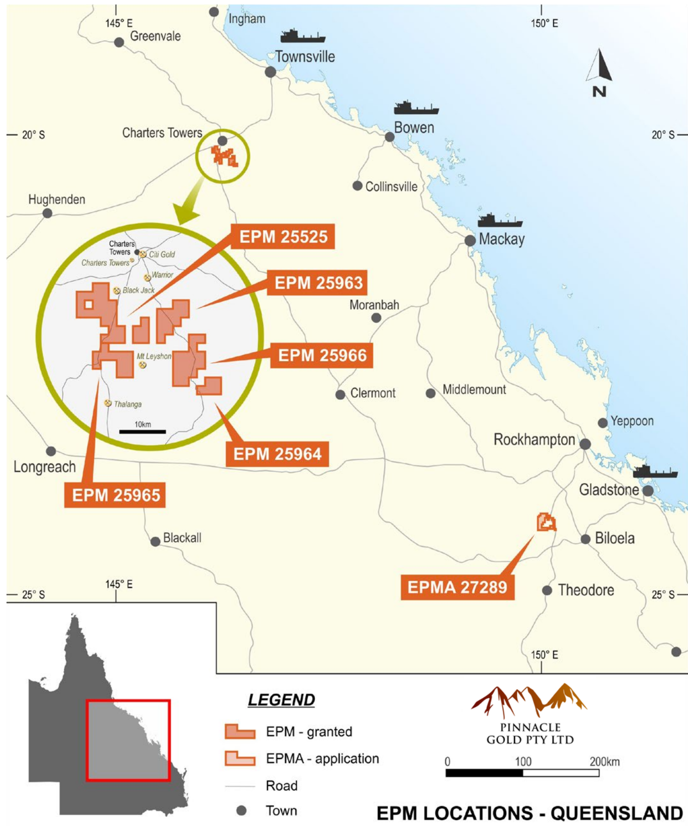


FIGURE 9 Pinnacle Gold's EPM locations, Queensland

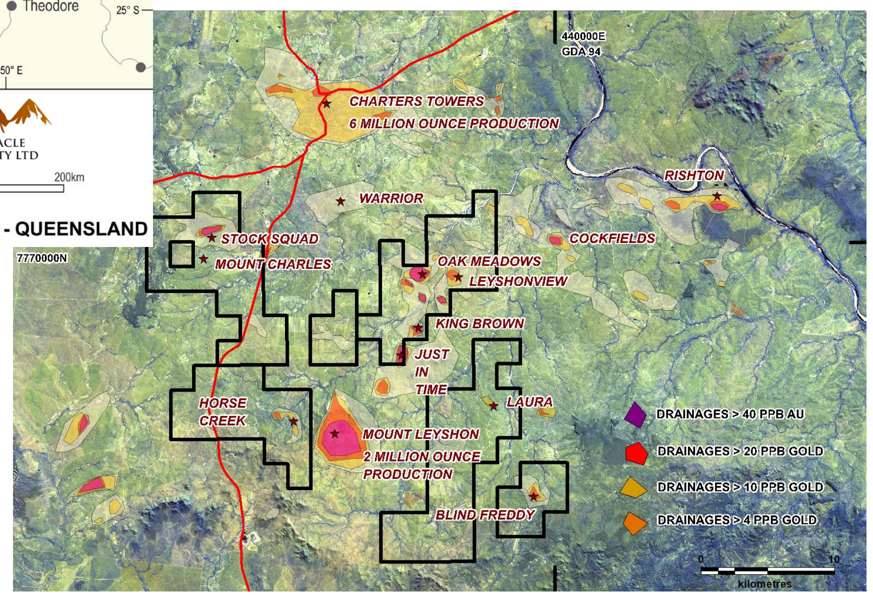


FIGURE 10 Overview of gold stream sediment geochemistry south of Charters Towers (compiled from historical data)

Review of operations continued
for the year ended 30 June 2019

EXPLORATION AND DEVELOPMENT OF UNLISTED SUBSIDIARIES AND PROJECTS CONTINUED

COOLGARRA MINERALS PTY LTD (100%)

Coolgarra Minerals is focussed on discovery and development of gold, antimony, nickel and cobalt and holds five granted EPMs to the south of Greenvale, QLD and one EPM west of Theodore in Central Queensland.

The southernmost permit covers substantial historic gold workings at Janelle's Hope and Wade's with the Northern tenement areas immediately adjacent to the south of the Sconi nickel-cobalt project.

Initial exploration was focused around several historical small-scale mining areas, in particular Wally's Hope and Janelle's Hope Prospects in the southern section of EPM 19270, and what is recorded as a long (several kilometres) strata bound gold occurrence in the northern section now referred to as Wade's Prospect.

First pass shallow drilling campaign on the Greenvale South project area result highlights include a gold intercept of 14 metres @ 1.67g/t and a cobalt-nickel intercept of 8 metres @ 0.16% cobalt and 0.74% nickel[45].

Figure 12 over the page is a satellite image of the southern section of EPM 19270 showing the soil grid lines with a macro view of the soil gold concentration contours at >25 ppb, >50 ppb, and >100 ppb.

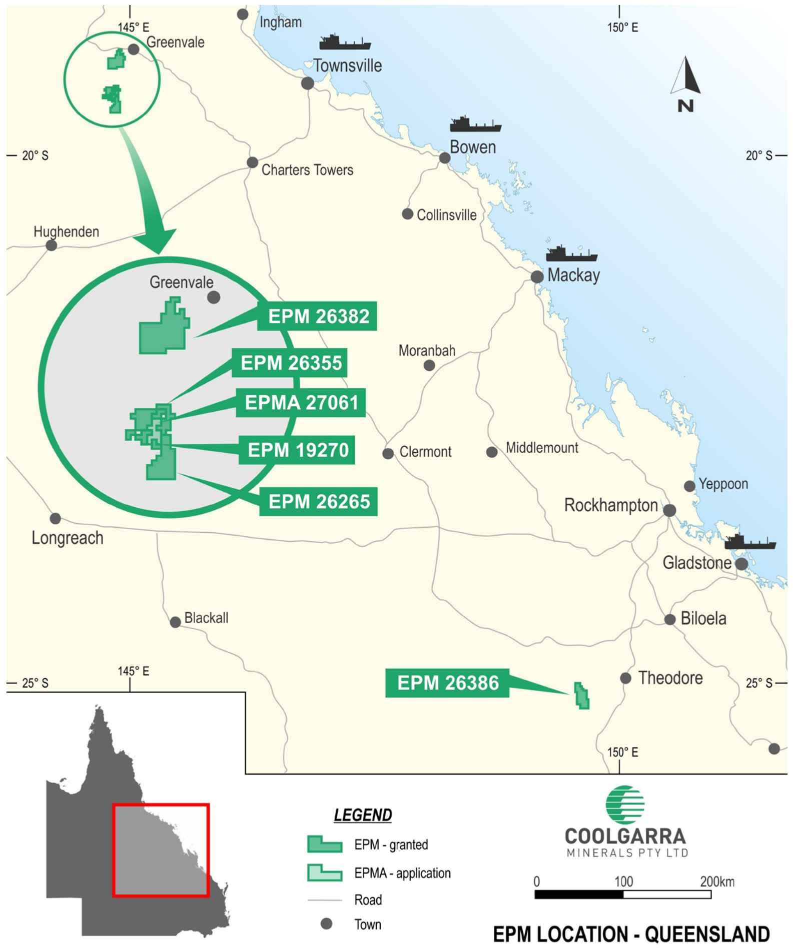


FIGURE 11 Coolgarra Minerals' EPM locations, Queensland

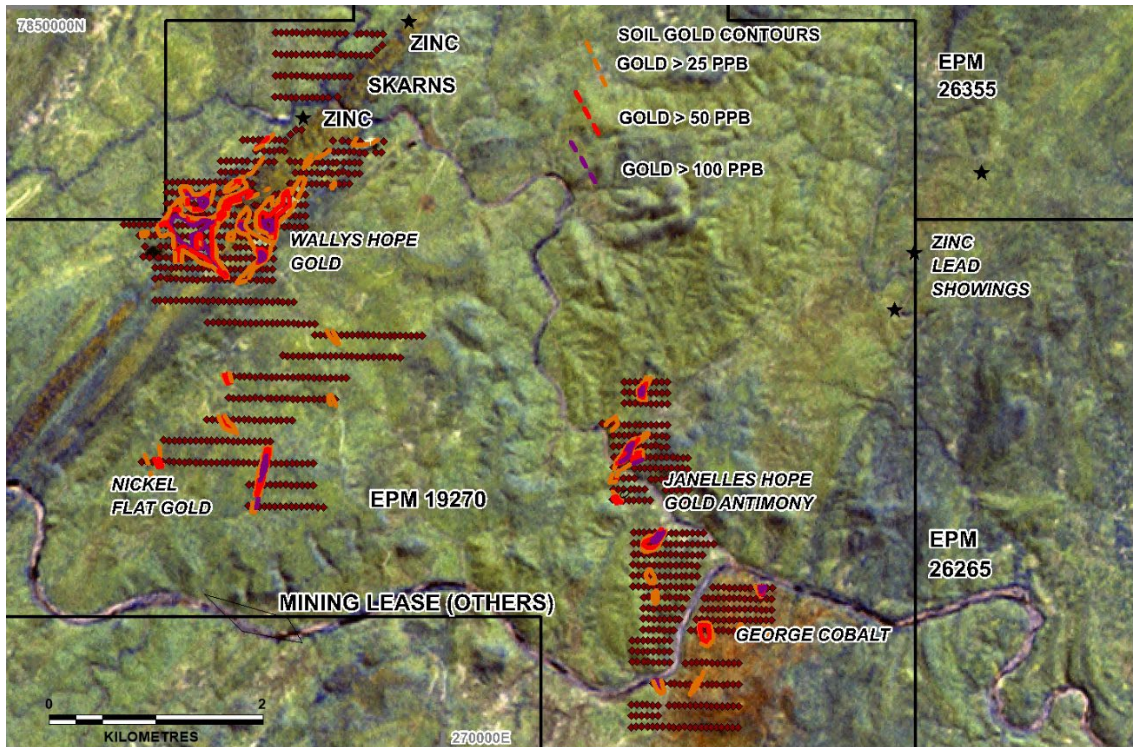


FIGURE 12 Soil Sample Grid on southern section of EPM 19270

FIGURE 13 Drilling Hole PAN 22 – Intercepted 0.16% cobalt and 0.74% nickel over 6 metres

Review of operations continued
for the year ended 30 June 2019

EXPLORATION AND DEVELOPMENT OF UNLISTED SUBSIDIARIES AND PROJECTS CONTINUED

HARTZ RARE EARTHS PTY LTD (100%)

Hartz Rare Earths (**HRE**) have applications for two exploration licenses in the Northern Territory. The project area is located approximately 855km south of Darwin and 420km north-west of Alice Springs.

The target is a uranium copper molybdenum anomalous area highlighted in the recent Geoscience Australia survey. The geology and metal association indicate the potential for roll front uranium deposits within dry stream channels on the margin of the Tanami Desert.

On grant of the exploration licenses, HRE is proposing to investigate this previously large unexplored target specifically for uranium, copper, molybdenum and vanadium using a denser geochemical survey. Initially this will involve further MMI™ and conventional sampling, followed by traverses of shallow drilling.

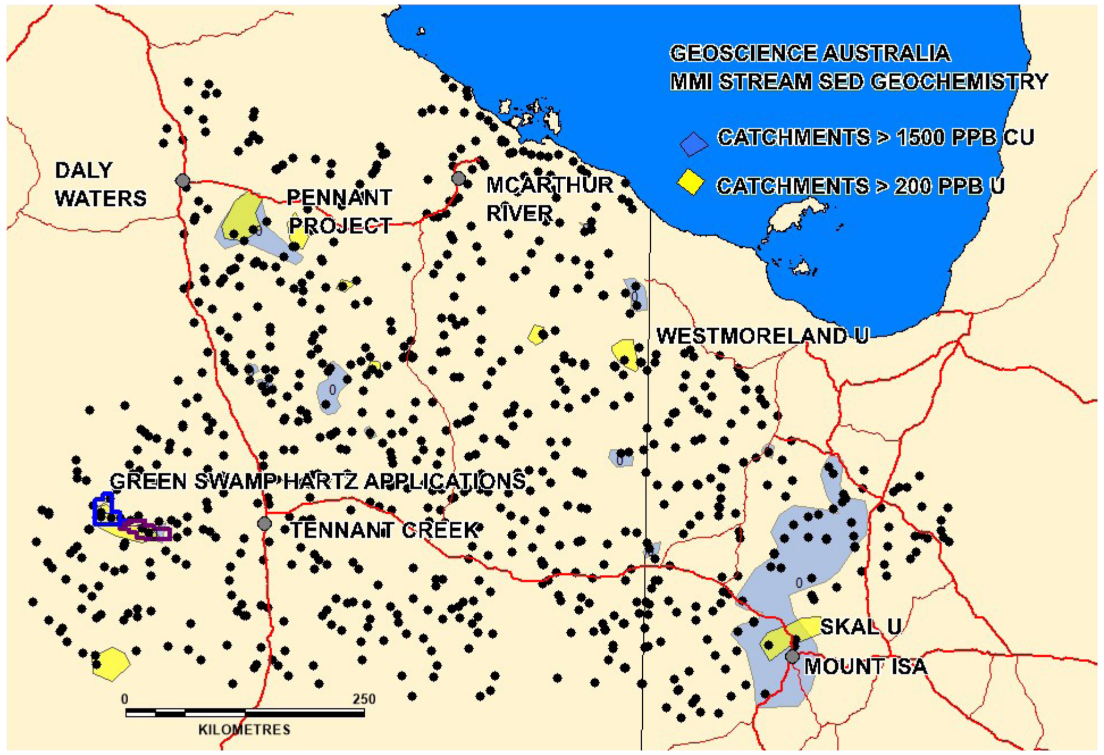


FIGURE 14 Geoscience Australia MMI™ stream sediment geochemistry map

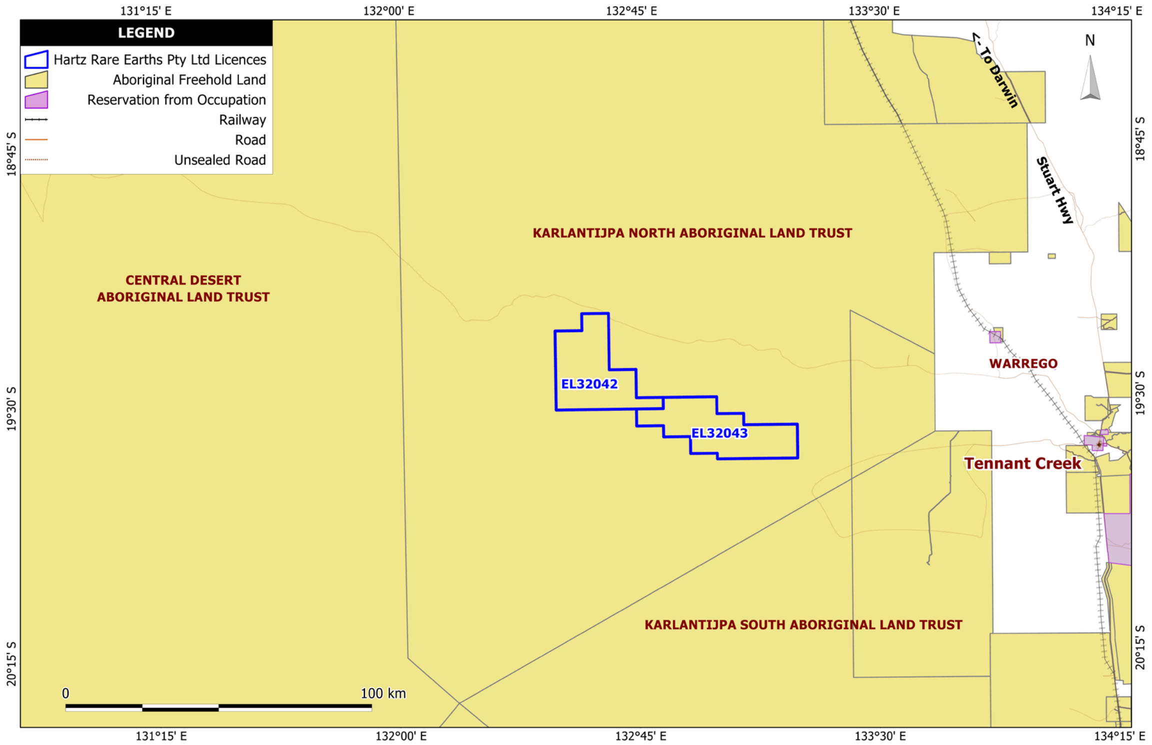


FIGURE 15 License application location map

ALBATROSS BAUXITE PTY LTD (100%)

Albatross Bauxite holds two exploration permits in the Kingaroy region located approximately 175km north-west of Brisbane and 25km west of Kingaroy.

The Kingaroy Project comprises EPM 26838 (Jumna Creek) and EPM 26839 (Holland Creek) and was established to explore for Lithium, Caesium and Tantalum pegmatites (**LCT**) within the Kingaroy pegmatite field (refer Figure 16).

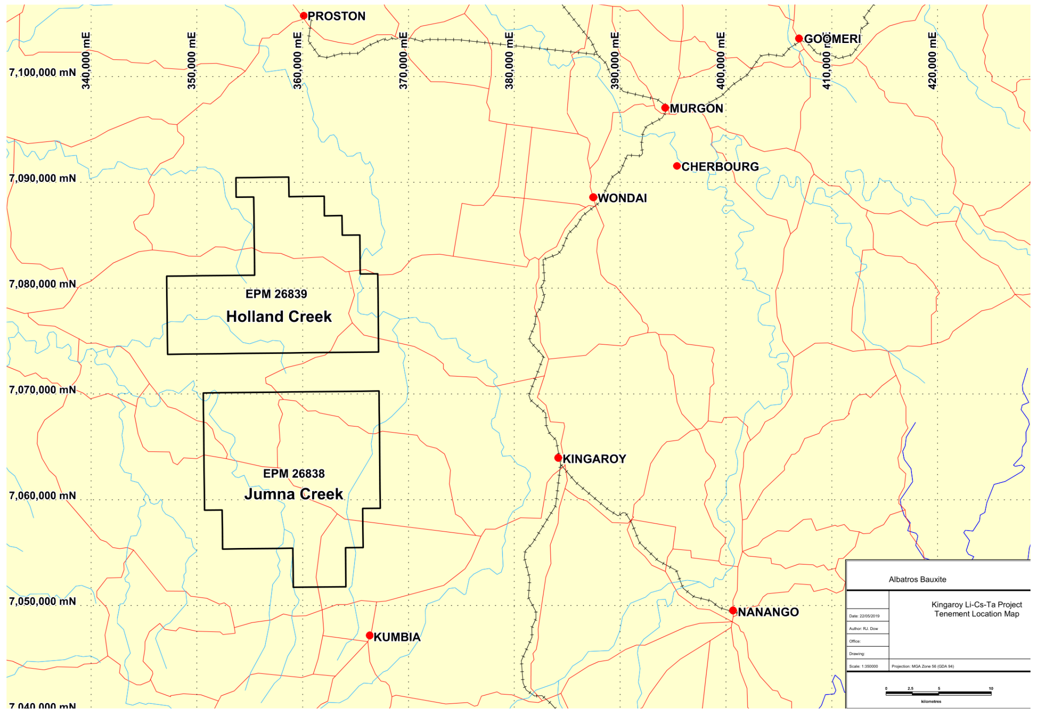


FIGURE 16 Jumna Creek and Holland Creek tenement location map

Review of operations continued
for the year ended 30 June 2019

MINERAL RESOURCES

Following a resource drilling programme that was announced to the ASX on 4 August 2014[46], the Shamrock Tailings Dam contains a JORC 2012 compliant Mineral Resource of:

- indicated: 770,000 tonnes @ 0.58 g/t Au for 450,000 grams (14,000 ounces) gold, and
- inferred: 770,000 tonnes @ 11 g/t Ag for 8,242,400 grams (265,000 ounces) silver.

There has been no change to this Mineral Resource since that time.

FUTURE DEVELOPMENTS

DGR Global aims to hold its key positions in the listed resource companies that it has created as they mature and develop. This review has identified unlisted subsidiaries that may progress to listing within the next 12–18 months, subject to further exploration, development and market conditions.

FOOTNOTES

[1]DGR ASX Release 22/8, 25/10/17, 26/9/18
[2]AJQ ASX Release 14/9/17
[3]SOLG LSE & TSX Releases 20/11/18, 3/1/19
[4]SOLG LSE & TSX Releases 24/2, 25/5/18
[5]SOLG LSE & TSX Releases 20/03, 7/6, 18/7/18
[6]SOLG LSE & TSX Release 2/1/19
[7]SOLG LSE & TSX Releases 16/10, 8/11/18
[8]SOLG LSE & TSX Release 10/04/19
[9]SOLG LSE & TSX Release 07/05/19
[10]SOLG LSE & TSX Release 08/05/19
[11]SOLG LSE & TSX Release 09/05/19
[12]SOLG LSE & TSX Release 10/05/19
[13]SOLG LSE & TSX Releases 20/05, 28/06/19
[14]SOLG LSE & TSX Release 30/05/19
[15]SOLG LSE & TSX Releases 06/06, 21/06, 27/06/19
[16]SOLG LSE & TSX Release 13/06/19
[17]AJQ ASX Release 29/3/19
[18]AJQ ASX Releases 21/1, 12/2/18
[19]AJQ ASX Releases 15/11, 21/12/18
[20]AJQ ASX Release 18/2/19
[21]AJQ ASX Release 19/9/17
[22]AJQ ASX Releases 28/3, 29/6, 1,12,21,27/11, 13/12/18, 30/05/19
[23]AJQ ASX Release 6/12/18
[24]AJQ ASX Release 30/05/19
[25]IRR LSE:AIM Releases 2/5, 16/8, 24/9/18
[26]IRR LSE:AIM Release 14/2, 23/04, 06/06, 20/06, 25/06/19
[27]IRR LSE:AIM Release 21/11/18
[28]IRR LSE:AIM Release 21/5/19
[29]IRR LSE:AIM Release 12/6/19
[30]IRR LSE:AIM Release 1/7/19
[31]DHR ASX Releases 16/1, 5/3/19
[32]DHR ASX Release 16/1/19
[33]DHR ASX Releases 19/2, 22/2/19
[34]DHR ASX Releases 2/4, 1/5, 27/5/19
[35]DHR ASX Release 27/5/19
[36]ANW ASX Release 29/3/19
[37]ANW ASX Releases 23/1, 16/2/18
[38]ANW ASX Releases 21/3, 27/3, 10/05/19
[39]ANW ASX Releases 18/1, 18/2, 13/3/19
[40]ANW ASX Release 12/4/19
[41]ANW ASX Release 13/5/19
[42]ANW ASX Release 28/5/19
[43]DGR ASX Release 20/5/19
[44]DGR ASX Releases 3/7, 5/7/17, 8/11/18
[45]DGR ASX Release 8/2/19
[46]DGR ASX Release 4/8/14

COMPETENT PERSON'S STATEMENT

The information herein that relates to Exploration Results is based on information compiled by Nicholas Mather B.Sc (Hons) Geol., who is a Member of The Australian Institute of Mining and Metallurgy. Mr Mather is employed by Samuel Capital Pty Ltd which provides certain consultancy services including the provision of Mr Mather as the Managing Director of DGR Global (and a director of DGR Global's subsidiaries and associates).

Mr Mather has more than five years experience which is relevant to the style of mineralization and type of deposit being reported and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves*. This public report is issued with the prior written consent of the Competent Person(s) as to the form and context in which it appears.

Directors' report
for the year ended 30 June 2019

Your Directors submit their report for the year ended 30 June 2019.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

William (Bill) Stubbs	Non-Executive Chairman
Nicholas Mather	Managing Director and Chief Executive Officer
Brian Moller	Non-Executive Director
Vincent Mascolo	Non-Executive Director
Ben Cleary	Non-Executive Director

WILLIAM (BILL) STUBBS | NON-EXECUTIVE CHAIRMAN

LLB

Mr Stubbs is a lawyer of over 35 years' experience and has previously worked with DGR Global CEO Nick Mather on the boards of numerous emerging globally significant resource companies. He was the co-founder of the legal firm Stubbs Barbeler and has practiced extensively in the area of commercial law including stock exchange listings and all areas of mining law.

Mr Stubbs has held the position of director of various public companies over the past 25 years in the mineral exploration and biotech fields. He is also the former Chairman of Alchemia Ltd, and Bemax Resources NL which discovered and developed extensive mineral sands resources in the Murray Basin. He was the founding Chairman of Arrow Energy NL which originally pioneered coal seam gas development in Queensland's Bowen and Surat Basins from 1998, and is now a world-wide coal seam gas company.

During the past three years Mr Stubbs has also served as a director of the following listed and public companies:

- Armour Energy Limited (retired 27 November 2018)
- Lakes Oil NL (retired 13 November 2018)
- Stradbroke Ferries Pty Ltd (formerly Stradbroke Ferries Limited)

Mr Stubbs is the Chair of both the Audit and Risk Committee and the Remuneration and Nomination Committee.

NICHOLAS MATHER | MANAGING DIRECTOR AND CEO

BSc (Hons, Geol), MAusIMM

Mr Mather has 30 years of experience in exploration and resource company management. His career has taken him to a variety of countries exploring for precious and base metals and fossil fuels. He has focused his attention on the identification of and investment in large resource exploration projects.

Mr Mather was Managing Director of Bemax Resources NL and instrumental in the discovery of the world class Gingko mineral sand deposit in the Murray Basin in 1998. As an Executive Director of Arrow Energy NL, he drove the acquisition and business development of Arrow's large Surat Basin Coal Bed Methane project in South East Queensland. Mr Mather was Managing Director of Auralia Resources NL, a junior gold explorer before its $23 million merger with Ross Mining NL in 1995. He was also a Non-Executive Director of Ballarat Goldfields NL, having assisted that company in its re-emergence as a significant emerging gold producer.

During the past three years Mr Mather has also served as a director of the following listed companies:

- Armour Energy Limited
- Lakes Oil NL
- Aus Tin Mining Limited
- Dark Horse Resources Limited
- SolGold plc, which is listed on the London Stock Exchange and the Toronto Stock Exchange
- IronRidge Resources Limited, which is listed on the AIM submarket of the London Stock Exchange

Directors' report continued
for the year ended 30 June 2019

DIRECTORS CONTINUED

BRIAN MOLLER | NON-EXECUTIVE DIRECTOR

LLB (Hons)

Brian Moller is a partner in the Brisbane-based law firm HopgoodGanim. He was admitted as a solicitor in 1981 and has been a partner since 1983. He practices almost exclusively in the corporate area with an emphasis on capital raising, mergers and acquisitions. He holds an LLB (Hons) from the University of Queensland and is a member of the Australian Mining and Petroleum Law Association.

Mr Moller acts for many public listed resource and industrial companies and brings a wealth of experience and expertise to the board particularly in the corporate regulatory and governance areas. During the past three years Mr Moller has also served as a director of the following listed companies:

- Aus Tin Mining Limited
- Platina Resources Limited
- Dark Horse Resources Limited
- SolGold plc, which is listed on the London Stock Exchange and the Toronto Stock Exchange
- Aguia Resources Limited
- Lithium Consolidated Mineral Exploration Limited

Mr Moller is a member of both the Audit and Risk Committee and the Remuneration and Nomination Committee.

VINCENT MASCOLO | NON-EXECUTIVE DIRECTOR

BEng (Mining), MAusIMM, MIEAust

Mr Mascolo is a qualified mining engineer with extensive experience in a variety of fields including, gold and coal mining, quarrying, civil-works, bridge-works, water and sewage treatment and estimating.

Mr Mascolo has completed numerous assignments in the civil and construction industry, including construction and project management, engineering, quality control and environment and safety management. He is also a member of both the Australian Institute of Mining and Metallurgy and the Institute of Engineers of Australia.

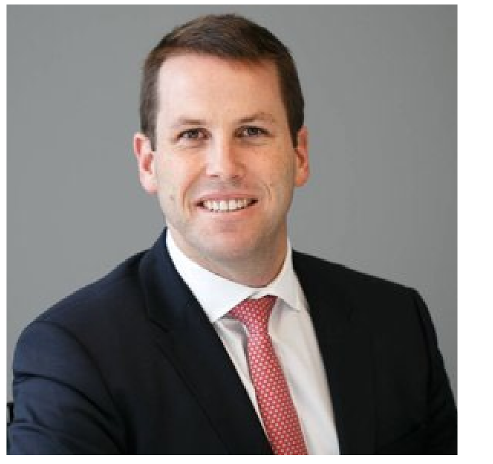
During the past three years Mr Mascolo has also served as a director of the following listed companies:

- IronRidge Resources Limited, which is listed on the AIM submarket of the London Stock Exchange
- Lithium Consolidated Mineral Exploration Limited

Mr Mascolo is a member of both the Audit and Risk Committee and the Remuneration and Nomination Committee.

BEN CLEARY | NON-EXECUTIVE DIRECTOR

BEcon, GDipFin



Mr Cleary has had an extensive career in the natural resources sector having worked in a number of specialist, director-level roles at Macquarie Bank, RBC and RBS over the past 15 years.

In 2015, Mr Cleary founded Tribeca Global Natural Resources following the merger of Cleary Capital with Tribeca Investment Partners and has grown the team into one of Australia's largest dedicated natural resources investment groups at a time where a number of investment management firms have exited the sector.

The Tribeca Global Natural Resources team have been instrumental in corner-stoning more than $5bn of announced transactions in Australasia, Europe and North America since Mr Cleary founded the business. Mr Cleary is based in Singapore and is the Chief Executive Officer for Tribeca Investment Partners Asia.

Mr Cleary has not during the past three years served as a Director of the any other listed companies.

DIRECTORS' HOLDINGS

As at the date of this report, the interest of the Directors in the shares and options of DGR Global Limited were:

	Number of ordinary shares	Number of options over ordinary shares
William (Bill) Stubbs	6,428,082	2,312,500
Nicholas Mather	112,142,553	8,250,000
Brian Moller	7,254,618	2,312,500
Vincent Mascolo	9,650,000	2,312,500
Ben Cleary	1,000,000	2,312,500

COMPANY SECRETARY

KARL SCHLOBOHM

BComm, BEcon, MTax, CA, FGIA

Karl Schlobohm is a Chartered Accountant with over 25 years of experience across a wide range of industries and businesses. He has extensive experience with financial accounting, corporate governance, company secretarial duties and board reporting. He currently also acts as the Company Secretary for ASX-listed Aus Tin Mining Limited, Armour Energy Limited, Dark Horse Resources Limited, LSE(AIM)-listed IronRidge Resources Limited, and LSE– and TSX-listed SolGold plc.

Directors' report continued
for the year ended 30 June 2019

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was the generation of projects, and the provision of services and support to sponsored listed companies, within the mineral resources industry. There were no significant changes in the nature of the Group's principal activities during the financial year.

DIVIDENDS PAID OR RECOMMENDED

There were no dividends paid or recommended during the current and previous financial years.

REVIEW OF OPERATIONS

Detailed comments on operations and exploration programs up to the date of this report are included separately in the Annual Report under *Review of Operations*.

REVIEW OF FINANCIAL CONDITION

CAPITAL STRUCTURE

Ordinary shares

There were no new ordinary shares issued during the financial year ended 30 June 2019. The following shares were issued during the financial year ended 30 June 2018:

- On 2 August 2017, 2,000,000 $0.065 ordinary shares were issued pursuant to the exercise of unlisted options held under the Employee Share Option Plan.
- On 29 September 2017, 17,720,000 $0.065 ordinary shares were issued pursuant to the exercise of unlisted options held under the Employee Share Option Plan.
- On 27 November 2017, 22,950,000 $0.065 ordinary shares were issued pursuant to the exercise of unlisted options held under the Director Share Option Plan.

POSITION AT 30 JUNE 2019 AND POSITION AT THE DATE OF THIS REPORT

Financial position

The net assets of the Group have increased by $15,853,524 to $119,248,190 as at 30 June 2019 from $103,394,666 as at 30 June 2018. This increase has largely resulted from:

- increase in value of SolGold plc investment accounted for as assets at fair value through other comprehensive income;
- increase in exploration and evaluation assets primarily due to the exploration work carried out in Uganda; offset by
- increase in other financial liabilities resulting from the draw down of the remaining $2 million under the convertible note funding facility with Tribeca Investment Partners (**Tribeca**).

During the past year the Group has continued investing in its mineral exploration tenements.

Treasury policy

The Group does not have a formally established treasury function. The Board is responsible for managing the Group's currency risks and finance facilities. The Group does not currently undertake hedging of any kind.

Liquidity and funding

On 26 September 2018, DGR Global Ltd requested to draw down the remaining $2 million under the convertible note funding facility with Tribeca. At 30 June 2019 the cash balance of the Group was $1,671,891. Together the Group's cash and the Group's ability to sell interests in its listed investments will provide the Group with sufficient funding for a minimum of 12 months from the date of this report.

OPERATING RESULTS

For the year ended 30 June 2019, the Group loss after income tax was $4,432,875 (2018: $74,792). The loss for the year has been largely driven by:

- management fee income;
- interest income on convertible notes;
- reversal of impairment on equity accounted investments; offset by
- recognition of share of associate losses;
- fair value adjustments on convertible notes; and
- interest expense on the Tribeca convertible notes.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the Group that occurred during the financial year under review not otherwise disclosed in this report or the financial statements of the Group for the financial year.

SIGNIFICANT EVENTS AFTER REPORTING DATE

On 20 September 2019, the Company provided a letter of funding support to Aus Tin Mining Ltd for an amout of up to $1,000,000 and for a term of up to 12 months, with funding requests to be accompanied by details of proposed expenditure and subject the Company's approval.

Subsequent to 30 June 2019, the Company has sold an additional $2,050,000 of Armour Energy Corporate Bonds (**Corporate Bonds**) bringing the total of Corporate Bonds held to $6,700,000 at the date of this report.

The Directors are not aware of any other significant changes in the state of affairs of the Group or events after the reporting date that would have a material impact on the consolidated financial statements.

FUTURE LIKELY DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Likely developments in the operations of the Group and the expected results of those operations in subsequent financial years have been discussed where appropriate in the Annual Report under *Review of Operations*.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is subject to environmental regulation in relation to its exploration activities. The Group has conducted an extensive review of the environmental status of the Mining Leases and has estimated the potential costs for future rehabilitation and restoration to be $1,041,313. There are no matters that have arisen in relation to environmental issues up to the date of this report.

Directors' report continued
for the year ended 30 June 2019

REMUNERATION REPORT (AUDITED)

REMUNERATION POLICY

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

The Remuneration and Nomination Committee of the Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and the Executive team. The Remuneration and Nomination Committee assesses the appropriateness of the nature and amount of remuneration of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Executive team. Such officers are given the opportunity to receive their base remuneration in a variety of forms including cash and fringe benefits. It is intended that the manner of payments chosen will be optimal for the recipient without creating undue cost for the Company. Further details on the remuneration of Directors and Executives are set out in this Remuneration Report.

The Company aims to reward the Executive Director and Senior Management with a level and mix of remuneration commensurate with their position and responsibilities within the Company. The Board's policy is to align Director and Executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering long-term incentives. During the year the Group did not engage the services of Remuneration consultants.

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive Director and Senior Management remuneration is separate and distinct.

NON-EXECUTIVE DIRECTOR REMUNERATION

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders. The Company's specific policy for determining the nature and amount of remuneration of Board members of the Company is set out below.

The Constitution of the Company provides that the Non-Executive Directors are entitled to remuneration as determined by the Company in general meeting to be apportioned among them in such manner as the Directors agree and, in default of agreement, equally. The aggregate remuneration currently determined by the Company is $350,000 per annum. Additionally, Non-Executive Directors are entitled to be reimbursed for properly incurred expenses.

If a Non-Executive Director performs extra services, which in the opinion of the Directors are outside the scope of the ordinary duties of the Director, the Company may remunerate that Director by payment of a fixed sum determined by the Directors in addition to or instead of the remuneration referred to above. However, no payment can be made if the effect would be to exceed the maximum aggregate amount payable to Non-Executive Directors. A Non-Executive Director is entitled to be paid travelling and other expenses properly incurred by them in attending Director's or general meetings of the Company or otherwise in connection with the business of the Company.

All Directors have the opportunity to qualify for participation in the Directors' and Executive Officers' option plan, subject to the approval of shareholders.

The remuneration of Non-Executive Directors for the year ended 30 June 2019 is detailed in this Remuneration Report.

EXECUTIVE DIRECTOR AND SENIOR MANAGEMENT REMUNERATION

The Company aims to reward the Executive Director and Senior Management with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward Executives for company and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of Executives with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

The remuneration of the Executive Director and Senior Management may from time to time be fixed by the Board. The remuneration will comprise a fixed remuneration component and also may include offering specific short and long-term incentives, in the form of:

- performance based salary increases and/or bonuses; and/or
- the issue of options.

During 2019 there were no discretionary bonuses paid (2018: $nil). There were no performace based salary increases or options issued that were performance related.

All Directors and Executives have the opportunity to qualify for participation in the Directors' and Executive Officers' Option Plan, subject to the approval of shareholders. All employees have the opportunity to qualify for participation in the DGR Global Employee Share Option Plan.

The remuneration of the Executive Director and Senior Management for the year ended 30 June 2019 is detailed in this Remuneration Report.

RELATIONSHIP BETWEEN REMUNERATION AND COMPANY PERFORMANCE

The Company and its subsidiaries' principal activity is the generation of projects, and the provision of services and support provided to sponsored listed companies, within the mineral resources industry and accordingly only generates revenues for services and support provided and historically has generated losses.

	2015	2016	2017	2018	2019
Share price at year end	$0.036	$0.025	$0.135	$0.09	$0.105
Dividend declared	$0.0025	-	-	-	-
Earnings (loss) per share (cents per share)	1.6	0.1	0.5	(0.0)	(0.7)

During the year ended 30 June 2019 the market price of the Company's ordinary shares ranged from a low of $0.083 to a high of $0.165.

Directors' report continued
for the year ended 30 June 2019

REMUNERATION REPORT (AUDITED) CONTINUED

RELATIONSHIP BETWEEN REMUNERATION AND COMPANY PERFORMANCE CONTINUED

As the Company is still in the generation of projects and exploration stage, the link between remuneration, company performance and shareholder wealth is tenuous. Share prices are subject to the influence of metals prices and market sentiment toward the sector, and as such increases or decreases may occur quite independent of Executive performance or remuneration.

EMPLOYMENT CONTRACTS

It is the Board's policy that employment agreements are entered into with all Executive Directors, Executives and employees. Contracts do not provide for pre-determining compensation values or method of payment. Rather the amount of compensation is determined by the Board in accordance with the remuneration policy set out above.

The current employment agreement with the Managing Director has a notice period of three (3) months. All other Executive employment agreements have between 1 and 3 months' notice periods. No current employment contracts contain early termination clauses. The terms of appointment for Non-Executive Directors are set out in letters of appointment.

Certain Key Management Personnel are entitled to their statutory entitlements of accrued annual leave and long service leave together with any superannuation on termination. No other termination payments are payable.

Managing Director

DGR Global Limited has an agreement with Samuel Capital Pty Ltd, an entity associated with Nicholas Mather, for the provision of certain consultancy services by Nicholas Mather. The agreement was last updated on 1 July 2015. Samuel Capital Pty Ltd will provide Nicholas Mather as the Managing Director of DGR Global Limited for a base fee of $250,000 per annum. Effective 1 March 2017 the Managing Director's base fee was increased to $300,000 per annum. There is no fixed term specified in this agreement.

Under the terms of the present contract:

- both DGR Global Limited and Samuel Capital Pty Ltd are entitled to terminate the contract upon giving three (3) months written notice (6 months where triggered by a change of control);
- DGR Global Limited is entitled to terminate the agreement upon the happening of various events in respect of Samuel Capital Pty Ltd's solvency or other conduct or if Nicholas Mather ceases to be a Director of DGR Global Ltd;
- the contract provides for a six-monthly review of performance by DGR Global Limited. The Company currently has not set any specific KPIs; and
- the contract provides for the provision of a car park.

There is no termination payment provided for in the Executive Service Contract with Samuel Capital Pty Ltd, other than the agreed notice periods.

Senior management

The base salary of senior management are as follows:

Position	Base salary
Company Secretary	$218,500
Chief Financial Officer	$287,500
Group General Counsel	$350,000
General Manager	$200,000

Employment contracts entered into with senior management contain the following key terms:

Event	Company policy
Duration	Non-specific
Performance-based salary increases and/or bonuses	Board discretion
Short– and long-term incentives, such as options	Board discretion
Resignation / notice period	1–3 months
Serious misconduct	Company may terminate at any time
Payouts upon resignation or termination, outside industrial regulations (ie. 'golden handshakes')	None

DETAILS OF KEY MANAGEMENT PERSONNEL

(i) Directors

Bill Stubbs	Non-Executive Chairman
Nicholas Mather	Managing Director and Chief Executive Officer
Brian Moller	Non-Executive Director
Vincent Mascolo	Non-Executive Director
Ben Cleary	Non-Executive Director

(ii) Other Key Management Personnel

The following persons are the Senior Executives of the Company:

Greg Runge	General Manager
Karl Schlobohm	Company Secretary
Priy Jayasuriya	Chief Financial Officer
Peter Burge	Group General Counsel

Directors' report continued
for the year ended 30 June 2019

REMUNERATION REPORT (AUDITED) CONTINUED
REMUNERATION DETAILS
Remuneration of Directors

Directors	Short-term benefits			Long-term benefits	Post-employment	Share-based payments Equity-settled		Total	Consisting of options	Consisting of performance-related
	Salary & fees	Cash bonus	Non-cash and other*	Long service leave accrual	Superannuation	Options	Shares			
	$	$	$	$	$	$	$	$	%	%
Bill Stubbs										
2019	70,000	-	5,439	-	-	-	-	75,439	-	-
2018	70,000	-	2,425	-	-	52,910	-	125,335	42%	-
Nicholas Mather										
2019	300,000	-	13,939	-	-	-	-	313,939	-	-
2018	300,000	-	14,963	-	-	188,760	-	503,723	37%	-
Brian Moller										
2019	50,000	-	5,439	-	-	-	-	55,439	-	-
2018	50,000	-	2,425	-	-	52,910	-	105,335	50%	-
Vincent Mascolo										
2019	50,000	-	5,439	-	-	-	-	55,439	-	-
2018	50,000	-	2,425	-	-	52,910	-	105,335	50%	-
Ben Cleary										
2019	50,000	-	5,439	-	-	-	-	55,439	-	-
2018	37,121	-	2,425	-	-	52,910	-	92,456	57%	-
Sub-total remuneration										
2019	520,000	-	35,695	-	-	-	-	555,695		
2018	507,121	-	24,663	-	-	400,400	-	932,185		

* "Non-cash and other" short-term benefits include provision of a car park and/or an allocation of the Company's Directors and Officers insurance premium.

Directors' report continued
for the year ended 30 June 2019

REMUNERATION REPORT (AUDITED) CONTINUED
REMUNERATION DETAILS CONTINUED
Remuneration of Key Management Personnel

Other Key Management Personnel	Short-term benefits			Long-term benefits	Post-employment	Share-based payments Equity-settled		Total	Consisting of options	Consisting of performance-related
	Salary & fees	Cash bonus	Non-cash and other*	Long service leave accrual	Superannuation	Options	Shares			
	$	$	$	$	$	$	$	$	%	%
Greg Runge										
2019	182,648	-	15,339	3,510	17,352	-	-	218,849	-	-
2018	182,648	-	12,325	-	17,352	22,937	-	235,262	10%	-
Karl Schlobohm										
2019	218,440	-	5,439	-	-	-	-	223,879	-	-
2018	218,455	-	2,425	-	-	68,811	-	289,691	24%	-
Priy Jayasuriya										
2019	262,558	-	15,339	4,288	24,943	-	-	307,128	-	-
2018	262,558	-	12,325	3,839	24,943	68,811	-	372,476	18%	-
Peter Burge[1]										
2019	330,769	-	13,872	482	31,423	-	-	376,546	-	-
2018	-	-	-	-	-	-	-	-	-	
Neil Wilkins[2]										
2019	-	-	-	-	-	-	-	-	-	-
2018	56,044	-	2,425	-	-	22,937	-	81,406	28%	-
Sub-total remuneration										
2019	994,415	-	49,989	8,280	73,718	-	-	1,126,402		
2018	719,705	-	29,500	3,839	42,295	183,496	-	978,835		
Total remuneration										
2019	1,514,415	-	85,684	8,280	73,718	-	-	1,682,097		
2018	1,226,826	-	54,163	3,839	42,295	583,896	-	1,911,020		

* "Non-cash and other" short-term benefits include provision of a car park and/or an allocation of the Company's Directors and Officers insurance premium.

1 Peter Burge was appointed as Group General Counsel on 23 January 2018 and was considered a key management personnel commencing 1 July 2018.

2 Neil Wilkins retired as Exploration Manager on 30 June 2018.

Directors' report continued
for the year ended 30 June 2019

REMUNERATION REPORT (AUDITED) CONTINUED
REMUNERATION DETAILS CONTINUED
Performance income as a proportion of total remuneration

Performance based bonuses are paid on set monetary figures, rather than proportions of salaries. The remuneration committee has set these bonuses to encourage achievement of specific goals that have been given a high level of importance in relation to the future growth of the consolidated Group.

The remuneration committee will review the performance bonuses to gauge their effectiveness against achievement of the set goals, and adjust future years' incentives as they see fit, to ensure the most cost effective and efficient methods.

There were no discretionary bonus payments made during the year ended 30 June 2019 (2018: $nil).

Shares and options issued in DGR Global Limited as part of remuneration

Shares and options are not issued based on performance criteria. Options are issued to the majority of key management personnel and executives to align comparative shareholder return and reward for Directors and executives.

The terms and conditions of the grant of options over ordinary shares affecting remuneration of directors and other key management personnel during the financial year ended 30 June 2019 or future reporting years are set out below.

Key Management Personnel options	Grant date	Vesting and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
7,000,000	9/11/2017	9/11/2017	8/11/2020	$0.20	$0.0229
17,500,000	30/11/2017	30/11/2017	28/11/2020	$0.20	$0.0229
3,000,000	12/02/2018	12/02/2018	12/02/2021	$0.20	$0.0240

Options granted carry no dividend or voting rights. There was no amount paid or payable by the recipients. There were no options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2019.

SHARES ISSUED ON EXERCISE OF REMUNERATION OPTIONS

There were no options exercised into ordinary shares by employees and Directors during the year that were previously granted as remuneration (2018: 34,950,000).

The Board's current policy does not allow Directors and executives to limit their risk exposure in relation to equities or options without the approval of the Board.

ADDITIONAL DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL
Share holdings

The number of shares in the Company and controlled subsidiaries held during the financial year by each director and other member of the key management personnel of the consolidated entity, including their personally related parties is set out over the page.

DGR Global Limited

	Balance on 30 June 2018	Received as part of remuneration	Received on exercise of options	Other#	Balance on 30 June 2019
Directors					
Bill Stubbs	6,428,082	-	-	-	6,428,082
Nicholas Mather	112,142,553	-	-	-	112,142,553
Brian Moller	7,254,618	-	-	-	7,254,618
Vincent Mascolo	9,650,000	-	-	-	9,650,000
Ben Cleary	1,000,000	-	-	-	1,000,000
Other Key Management Personnel					
Greg Runge	13,009,415	-	-	-	13,009,415
Karl Schlobohm	6,500,000	-	-	(250,000)	6,250,000
Priy Jayasuriya	2,000,000	-	-	(1,970,000)	30,000
Peter Burge	-	-	-	-	-
Total	157,984,668	-	-	(2,220,000)	155,764,668

Other includes the balance of shares held on appointment / resignation, and shares acquired and sold for cash in on-market transactions.

There were no shares held nominally at the end of the year.

Auburn Resources Limited

	Balance on 30 June 2018	Received as part of remuneration	Received on exercise of options	Other	Balance on 30 June 2019
Directors					
Bill Stubbs	-	-	-	-	-
Nicholas Mather	-	-	-	-	-
Brian Moller	100,000	-	-	(66,666)	33,334
Vincent Mascolo	100,000	-	-	(66,666)	33,334
Ben Cleary	-	-	-	-	-
Other Key Management Personnel					
Greg Runge	600,000	-	-	600,000	1,200,000
Karl Schlobohm	-	-	-	-	-
Priy Jayasuriya	-	-	-	50,000	50,000
Neil Wilkins	200,000	-	-	1,412,742	1,612,742
Total	1,000,000	-	-	1,929,410	2,929,410

On 23 July 2018, Auburn Resources Limited consolidated its share capital on a 3-into-1 basis, resulting in its number of shares on issue reducing from 63,400,000 to 21,133,333 on that date.

There were no shares held nominally at the end of the year.

Directors' report continued
for the year ended 30 June 2019

REMUNERATION REPORT (AUDITED) CONTINUED

ADDITIONAL DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL CONTINUED

Share holdings continued

Pinnacle Gold Pty Ltd

	Balance on 30 June 2018	Received as part of remuneration	Received on exercise of options	Other	Balance on 30 June 2019
Directors					
Bill Stubbs	200,000	-	-	-	200,000
Nicholas Mather	200,000	-	-	-	200,000
Brian Moller	-	-	-	-	-
Vincent Mascolo	200,000	-	-	-	200,000
Ben Cleary	-	-	-	-	-
Other Key Management Personnel					
Greg Runge	500,000	-	-	-	500,000
Karl Schlobohm	100,000	-	-	-	100,000
Neil Wilkins	400,000	-	-	-	400,000
Priy Jayasuriya	50,000	-	-	-	50,000
Total	1,650,000	-	-	-	1,650,000

There were no shares held nominally at the end of the year.

Option holdings

The number of options over ordinary shares in the Company and controlled subsidiaries held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out over the page.

DGR Global Limited

	Balance on 30 June 2018	Granted as remuneration	Exercised	Other#	Balance on 30 June 2019	Vested at the end of the year	Vested and exercisable at the end of the year	Vested and unexercisable at the end of the year
Directors								
Bill Stubbs	2,312,500	-	-	-	2,312,500	2,312,500	2,312,500	-
Nicholas Mather	8,250,000	-	-	-	8,250,000	8,250,000	8,250,000	-
Brian Moller	2,312,500	-	-	-	2,312,500	2,312,500	2,312,500	-
Vincent Mascolo	2,312,500	-	-	-	2,312,500	2,312,500	2,312,500	-
Ben Cleary	2,312,500	-	-	-	2,312,500	2,312,500	2,312,500	-
Other Key Management Personnel								
Greg Runge	1,000,000	-	-	-	1,000,000	1,000,000	1,000,000	-
Karl Schlobohm	3,000,000	-	-	-	3,000,000	3,000,000	3,000,000	-
Priy Jayasuriya	3,000,000	-	-	-	3,000,000	3,000,000	3,000,000	-
Peter Burge	3,000,000	-	-	-	3,000,000	3,000,000	3,000,000	-
Total	27,500,000	-	-	-	27,500,000	27,500,000	27,500,000	-

Other includes the balance of options held on appointment / resignation, and options expired during the period.

Auburn Resources Limited

There were no options over ordinary shares in Auburn Resources Limited held during the financial year by Directors or key management personnel.

Pinnacle Gold Pty Ltd

There were no options over ordinary shares in Pinnacle Gold Pty Ltd held during the financial year by Directors or key management personnel.

Loans to Directors and Key Management Personnel

There were no loans made, guaranteed or secured to directors and key management personnel by the entity or any of its controlled entities.

Directors' report continued
for the year ended 30 June 2019

REMUNERATION REPORT (AUDITED) CONTINUED

ADDITIONAL DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL CONTINUED

Other transactions with Key Management Personnel

i) Mr Brian Moller (a Director), is a partner in the firm HopgoodGanim Lawyers. Hopgood Ganim Lawyers were paid $26,644 (2018: $81,702) for the provision of legal services to the Group during the year. The services were based on normal commercial terms and conditions. At 30 June 2019 there was a balance of $9,676 owing (2018: $4,176) included within current liabilities.

ii) Mr Greg Runge, during the prior financial year advanced subsidiary Auburn Resources Limited an unsecured loan of $100,000 (2019: nil). There was no interest payable on the advance. During the year ended 30 June 2019 the loan was converted to shares in Auburn Resources at $0.10 per share. At 30 June 2018 there was a balance of $100,000 owing (2019: nil)

iii) Mr Neil Wilkins, during the prior financial year advanced subsidiary Auburn Resources Limited an unsecured loan of $40,000 (2019: nil). There was no interest payable on the advance. During the year ended 30 June 2019 the loan was converted to shares in Auburn Resources at $0.10 per share. At 30 June 2018 there was a balance of $40,000 owing (2019: nil)

(END OF REMUNERATION REPORT)
DIRECTORS' MEETINGS

The number of meetings of Directors held during the period and the number of meetings attended by each Director are set out in the table below.

	Board		Audit & Risk Management Committee		Remuneration & Nomination Committee	
	Number of meetings held while in office	Meetings attended	Number of meetings held while in office	Meetings attended	Number of meetings held while in office	Meetings attended
Nicholas Mather	8	8	N/A	N/A	N/A	N/A
Bill Stubbs	8	8	2	2	-	-
Brian Moller	8	6	2	1	-	-
Vincent Mascolo	8	6	2	2	-	-
Ben Cleary	8	7	N/A	N/A	N/A	N/A

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

Each of the Directors and the Secretary of the Company has entered into a Deed with the Company whereby the Company has provided certain contractual rights of access to books and records of the Company to those Directors. The Company has insured all of the Directors of DGR Global Limited. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and amount of the premium paid. The Corporations Act does not require disclosure of the information in these circumstances.

The Company has not indemnified or insured its auditor.

OPTIONS

There were no shares issued as a result of the exercise of options during the year ended 30 June 2019 (2018: 42,670,000) and none since that date. At the date of this report, the unissued ordinary shares of DGR Global Limited under option are as follows:

Grant date	Date of expiry	Exercise price	Number under option
9 November 2017	8 November 2020	$0.20	19,375,000
30 November 2017	28 November 2020	$0.20	17,500,000
12 February 2018	12 February 2021	$0.20	3,000,000
15 June 2018	12 February 2021	$0.20	1,000,000
30 October 2018	12 February 2021	$0.20	1,200,000

At the date of this report, there is no unissued ordinary shares of Auburn Resources Limited or Pinnacle Gold Pty Ltd under option. No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

There were no non-audit services provided by the entity's auditor BDO Audit Pty Ltd for the year ended 30 June 2019 (2018: nil)

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behavior and accountability, the Directors of DGR Global Limited support the principles of good corporate governance. The Company's Corporate Governance Statement has been released as a separate document and is located on our website at dgrglobal.com.au.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration forms part of the Directors' Report and can be found on page 42.

Signed in accordance with a resolution of the Directors.

Nicholas Mather
Managing Director
Brisbane
30 September 2019

Directors’ report continued
Auditor’s independence declaration

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DECLARATION OF INDEPENDENCE BY T J KENDALL TO THE DIRECTORS OF DGR GLOBAL LIMITED

As lead auditor of DGR Global Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of DGR Global Limited and the entities it controlled during the year.

T J Kendall
Director

BDO Audit Pty Ltd

Brisbane, 30 September 2019

4 FINANCIAL REPORT

Financial report

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2019

	Notes	2019 $	2018 $
Revenue and other income			
Revenue	2	1,596,000	1,596,000
Interest and other income	2	2,037,587	6,180,693
Total revenue and other income		3,633,587	7,776,693
Expenses			
Finance costs		(1,162,022)	(782,740)
Employee benefits expenses		(2,463,681)	(2,389,109)
Depreciation		(24,882)	(34,701)
Legal expenses		(31,024)	(72,885)
Administration and consulting expenses		(1,957,966)	(1,875,305)
Exploration and evaluation assets written-off		(61,844)	(822,265)
Rehabilitation expense		-	-
Share of profits / (losses) of associates	13(a)	(4,127,440)	(6,236,853)
Net reversal of impairment of investment in associates	13(a)	655,120	4,991,112
Movement in fair value of convertible note payable	18	(54,241)	200,096
Movement in fair value of convertible note receivable	11(b)	(636,345)	636,345
Share based payments expense		(46,186)	(941,717)
Profit / (loss) before income tax	3	(6,276,924)	448,671
Income tax (expense) / benefit	4	1,844,049	(523,463)
Profit / (loss) for the year		(4,432,875)	(74,792)
Other comprehensive income: items that will not be reclassified into profit or loss			
Change in fair value of financial assets	11(a)	27,143,133	(50,651,299)
Income tax benefit relating to change in fair value of financial assets	4	(8,040,671)	15,195,297
Share of associates other comprehensive income (net of tax)	13(a)	(341,695)	376,703
Other comprehensive income for the year, net of tax		18,760,767	(35,079,299)
Total comprehensive income for the year		14,327,892	(35,154,091)
Profit / (loss) for the year attributable to:			
Owners of the parent company		(4,440,658)	(65,382)
Non-controlling interests		7,783	(9,410)
		(4,432,875)	(74,792)
Total comprehensive income for the year attributable to:			
Owners of the parent company		14,320,109	(35,144,681)
Non-controlling interests		7,783	(9,410)
		14,327,892	(35,154,091)
Earnings per share attributable to owners of the parent company		Cents / share	Cents / share
Basic earnings per share	8	(0.7)	(0.0)
Diluted earnings per share	8	(0.7)	(0.0)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

as at 30 June 2019

	Notes	2019 $	2018 $
Current assets			
Cash and cash equivalents	9	1,671,891	2,841,511
Trade and other receivables	10	1,110,705	1,483,286
Other current assets	16	6,223	39,710
Current tax assets	4	-	5,101
Total current assets		2,788,819	4,369,608
Non-current assets			
Other financial assets	11	133,671,640	108,812,320
Investments accounted for using the equity method	13	16,277,817	17,991,832
Property, plant and equipment	14	417,534	426,731
Exploration and evaluation assets	15	9,292,821	6,572,307
Total non-current assets		159,659,812	133,803,190
Total assets		162,448,631	138,172,798
Current liabilities			
Trade and other payables	17	1,757,845	1,461,117
Total current liabilities		1,757,845	1,461,117
Non-current liabilities			
Deferred tax liabilities	4	30,479,079	24,287,557
Other financial liabilities	18	9,854,145	7,939,904
Provisions	19	1,109,372	1,089,554
Total non-current liabilities		41,442,596	33,317,015
Total liabilities		43,200,441	34,778,132
Net assets		119,248,190	103,394,666
Equity			
Issued capital	20	33,545,921	33,545,921
Reserves	21	103,792,308	84,650,218
Accumulated losses	22	(19,732,747)	(15,292,089)
Equity attributable to owners of the parent company		117,605,482	102,904,050
Non-controlling interests		1,642,708	490,616
Total equity		119,248,190	103,394,666

The above consolidated statement of financial position sould be read in conjunction with the accompanying notes.

Financial report continued
Consolidated statement of changes in equity
for the year ended 30 June 2019

	Attributable to owners of the parent company								
	Issued capital	Accumulated losses	Share-based payments reserve	Financial assets revaluation reserve	Change in proportionate interest reserve	Profit reserve	Total	Non-controlling interests	Total equity
Balance at 1 July 2017	30,787,204	(15,226,707)	6,898,865	85,107,269	17,927,599	8,854,067	134,348,297	500,026	134,848,323
Profit for the year	-	(65,382)	-	-	-	-	(65,382)	(9,410)	(74,792)
Other comprehensive income	-	-	-	(35,079,299)	-	-	(35,079,299)	-	(35,079,299)
Total comprehensive income for the year, net of tax	-	(65,382)	-	(35,079,299)	-	-	(35,144,681)	(9,410)	(35,154,091)
Issue of shares	-	-	-	-	-	-	-	-	-
Exercise of options	2,773,550	-	-	-	-	-	2,773,550	-	2,773,550
Share issue costs, net of tax	(14,833)	-	-	-	-	-	(14,833)	-	(14,833)
Share-based payments	-	-	941,717	-	-	-	941,717		941,717
Balance at 30 June 2018	33,545,921	(15,292,089)	7,840,582	50,027,970	17,927,599	8,854,067	102,904,050	490,616	103,394,666
Profit for the year	-	(4,440,658)	-	-	-	-	(4,440,658)	7,783	(4,432,875)
Other comprehensive income	-	-	-	18,760,767	-	-	18,760,767	-	18,760,767
Total comprehensive income for the year, net of tax	-	(4,440,658)	-	18,760,767	-	-	14,320,109	7,783	14,327,892
Issue of shares to non-controlling interest	-	-	-	-	335,137	-	335,137	1,144,309	1,479,446
Share-based payments	-	-	46,186	-	-	-	46,186	-	46,186
Balance at 30 June 2019	33,545,921	(19,732,747)	7,886,768	68,788,737	18,262,736	8,854,067	117,605,482	1,642,708	119,248,190

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Financial report continued

Consolidated statement of cash flows

for the year ended 30 June 2019

	Notes	2019 $	2018 $
Cash flows from operating activities			
Receipts in the course of operations (including GST)		1,343,800	902,800
Payments to suppliers and employees (including GST)		(3,829,287)	(4,231,104)
Interest received		1,938,134	855,947
Interest and other costs of finance paid		(802,845)	(778,743)
Income taxes paid		-	(547,712)
Net cash flows from operating activities	29	(1,350,198)	(3,798,812)
Cash flows from investing activities			
Security deposit (payment) / refunds		(116,853)	(3,849)
Payments for property, plant and equipment		(15,685)	(15,343)
Payments for financial assets at fair value through other comprehensive income		(15,000)	(15,000)
Payments for investments in associates		(2,100,000)	(3,611,705)
Proceeds from redemption of convertible notes		539,023	-
Proceeds from the sale of corporate bonds		1,269,701	-
Payments for exploration and evaluation assets		(2,202,925)	(2,733,749)
Repayments of loans by related parties		-	1,000,000
Net cash flows from investing activities		(2,641,739)	(5,379,646)
Cash flows from financing activities			
Proceeds from the issue of shares		-	2,773,547
Proceeds from the issue of shares in subsidiaries to non-controlling interests		882,317	-
Capital raising expenses		-	(14,833)
Proceeds from borrowings		2,000,000	8,140,000
Borrowing expenses		(60,000)	(240,000)
Net cash flows from financing activities		2,822,317	10,658,714
Net increase / (decrease) in cash held		(1,169,620)	1,480,256
Cash at the beginning of the year		2,841,511	1,361,255
Cash at the end of the financial year	9	1,671,891	2,841,511

The above statements of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CORPORATE INFORMATION

The consolidated financial report of DGR Global Limited for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the Directors on 30 September 2019.

DGR Global Ltd (the Parent or the Company) is a public company limited by shares incorporated and domiciled in Australia. The Company's registered office is located on Level 27, 111 Eagle Street, Brisbane QLD 4000. The Company is a for-profit entity.

The nature of the operations and principal activities of the Group are described in the Director's report.

Basis of preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001* (Cth).

The financial report covers the Group comprising of DGR Global Ltd and its subsidiaries and is presented in Australian dollars.

Compliance with IFRS

Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards (**AIFRS**). Compliance with AIFRS ensures that the financial statements and notes of DGR Global Limited comply with International Financial Reporting Standards (IFRS) and interpretations.

Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- financial assets carried at fair value through other comprehensive income – refer note 11(a);
- investment in convertible notes carried at fair value through profit or loss – refer note 11(b);
- convertible notes payable at fair value through profit or loss – refer note 18.

Functional and presentation currency

The financial statements are presented in Australian dollars ($) which is DGR Global Limited's functional and presentation currency.

Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

For the year ended 30 June 2019 the Group generated a consolidated loss after tax of $4,432,875 and incurred operating cash outflows of $1,350,198. As at 30 June 2019 the Group had $1,671,891 in cash and cash equivalents, net current assets of $1,030,974 and net assets of $119,248,190.

Due to DGR's ability to sell down investments in listed entities and corporate bonds held, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

Financial report continued

Notes to the financial statements continued

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(A) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The accounting policies adopted are consistent with those of the previous financial year except as follows.

New and amended Australian Accounting Standards and AASB Interpretations that have been adopted as of 1 July 2018 are set out below.

Reference	Title	Application date of standard	Application date for the Group
AASB 15	Revenue from Contracts with Customers	1 January 2018	1 July 2018
AASB 2014–5	Amendments to Australian Accounting Standards arising from AASB 15	1 January 2018	1 July 2018
AASB 2016–3	Amendments to Australian Accounting Standards – Clarifications to AASB 15	1 January 2018	1 July 2018
AASB 2016–5	Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions	1 January 2018	1 July 2018
AASB 2016–6	Amendments to Australian Accounting Standards – Applying AASB 9 *Financial Instruments* with AASB 4 *Insurance Contracts*	1 January 2018	1 July 2018
AASB 2017–1	Amendments to Australian Accounting Standards – Transfers of Investment Property. Annual improvements 2014–2016 Cycle and Other Amendments	1 January 2018	1 July 2018
AASB 2017–3	Amendments to Australian Accounting Standards – Clarifications to AASB 4	1 January 2018	1 July 2018

The group has adopted AASB 15 *Revenue from Contracts with Customers* from 1 July 2018 which did not have any impact on the 30 June 2018 comparative results. In the previous years, the group derived its revenue from providing management services to its affiliated entities. Revenue from providing management services is recognised in the accounting period in which the services are rendered.

The adoption of the other above standards and interpretations did not have any material impact on the current or any prior period and is not likely to materially affect future periods.

Australian Accounting Standards and Interpretations that have been recently issued or amended but are not yet effective have not been adopted by the Company for the annual reporting period ended 30 June 2019. The Consolidated Entity is yet to evaluate the impact of those standards and interpretations on the financial statements.

The Company anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information of new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided over the page.

Reference	Title	Application date of standard	Application date for the Group
AASB 16	Leases	1 January 2019	1 July 2019
AASB 2017–6	Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation	1 January 2019	1 July 2019
AASB 2017–7	Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures	1 January 2019	1 July 2019
AASB 2018–1	Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle	1 January 2019	1 July 2019
AASB 2018–2	Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement	1 January 2019	1 July 2019
AASB 17	Insurance Contracts	1 January 2021	1 July 2021

Management has assessed the effects of applying AASB 16 *Leases* and the current operating lease for office space will result in the recognition of a right of use asset and lease liability. Based on the leases currently in place, the amount to be recognised in respect of the right of use asset and lease liability would be approximately $2.2 million.

(B) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of DGR Global Limited and its subsidiaries as at and for the period ended 30 June each year (the Group).

Subsidiaries

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in subsidiaries held by DGR Global Limited are accounted for at cost in the separate financial statements of the parent entity less any impairment charges. Dividends received from subsidiaries are recorded as a component of other revenues by the parent entity, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the parent will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

Financial report continued

Notes to the financial statements continued

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(B) BASIS OF CONSOLIDATION CONTINUED

Subsidiaries continued

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or discount on acquisition.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent.

Losses are attributed to the non-controlling interest even if that results in a deficit balance.

Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income where applicable. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate is equal to or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Joint arrangements

Joint operations

The proportionate interests in the assets, liabilities and expenses of a joint operation activity have been incorporated in the financial statements under the appropriate headings.

Joint ventures

Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends receivable from joint venture entities reduces the carrying amount of the investment.

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of DGR Global Limited.

When the Group ceases to have control, or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Financial report continued

Notes to the financial statements continued

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(C) BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value through profit and loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured.

(D) OPERATING SEGMENTS

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This may include start-up operations which are yet to earn revenues.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

(E) CASH AND CASH EQUIVALENTS

For the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(F) TRADE AND OTHER RECEIVABLES

Receivables generally have 30–60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

The group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(G) FINANCIAL INSTRUMENTS

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and subsequent measurement

(i) Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method. The business model of these financial assets is to hold to collect contractual cash flows and their contractual cash flows comprise of solely principal and interest. Financial assets at amortised cost include cash and cash equivalents, trade and other receivables, corporate bonds issued by Armour Energy Limited, cash on deposit and security bonds.

(ii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets. These assets are measured at fair value with gains or losses recognised in the profit or loss.

Convertible note receivables are held at fair value through profit or loss as the convertible feature does not meet the requirements of being held to collect soley payment of principal and interest and therefore cannot be carried at amortised cost or at fair value through other comprehensive income. The coupon rate received periodically over the term of the notes is classified as part of the fair value gain or loss in other income.

Financial report continued
Notes to the financial statements continued

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(G) FINANCIAL INSTRUMENTS CONTINUED

Classification and subsequent measurement continued

(iii) Financial assets at fair value through other comprehensive income

Equity investments are classified as being at fair value through Other Comprehensive Income. After initial recognition at fair value (being cost), the Company has elected to present in Other Comprehensive Income changes in the fair value of equity instrument investments.

Unrealised gains and losses on investments are recognised in the financial assets revaluation reserve until the investment is sold or otherwise disposed of, at which time the cumulative gain or loss is transferred to retained earnings.

(iv) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method, except for convertible notes which are subsequently measured at fair value through profit or loss.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all other financial assets and liabilities, where appropriate, including recent arm's length transactions, reference to similar instruments and option pricing models.

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other revenue when the Company's right to receive payments is established (see note 11) and as long as they represent a return on investment.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income or other expenses in the statement of profit or loss and other comprehensive income as applicable. Interest income from these financial assets is included in the net gains / (losses). Dividend income is presented as other revenue.

Details on how the fair value of financial instruments is determined are disclosed in note 31.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognized where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Impairment of financial assets

An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset or a group of financial assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined from available information such as quoted market prices or by calculating the net present value of future anticipated cash flows. In estimating these cash flows, management makes judgments about a counter-party's financial situation and the net realisable value of any underlying collateral. Impairment losses are recognised in the profit or loss.

Impairment losses on financial assets measured at amortised cost using the effective interest method are calculated by comparing the carrying value of the asset with the present value of estimated future cash flows at the original effective interest rate.

(H) PROPERTY, PLANT & EQUIPMENT

Property, plant & equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant & equipment constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate portion of fixed and variable costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial year in which they are incurred.

Depreciation

The depreciable amount of all property, plant & equipment is depreciated over their useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are set out below.

Class of property, plant & equipment	Depreciation
Freehold building	2.5% straight line
Plant and equipment	10–35% straight line
Computers and office equipment	33.3% straight line
Furniture and fittings	20% straight line
Motor vehicles	25% straight line

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Financial report continued
Notes to the financial statements continued

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(I) EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not include overheads or administration expenditure not having a specific nexus with a particular area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

A regular review has been undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

A provision is raised against exploration and evaluation assets where the Directors are of the opinion that the carried forward net cost may not be recoverable or the right of tenure in the area lapses. The increase in the provision is charged against the results for the year. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

Costs of site restoration are provided over the life of the area from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structure, waste removal, and rehabilitation of the site in accordance with clauses of mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that restoration will be completed within one year of abandoning the site.

(J) IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Group reviews the carrying values of its non-financial assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(K) TRADE AND OTHER PAYABLES

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30–60 days of recognition.

(L) PROVISIONS AND EMPLOYEE BENEFITS

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wages and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on Australian corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Financial report continued
Notes to the financial statements continued

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(M) LEASES

Leases of property, plant & equipment where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Group are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

(N) SHARE CAPITAL

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit.

(O) SHARE-BASED PAYMENTS

The Group may provide benefits to Directors, employees or consultants in the form of share-based payment transactions, whereby services may be undertaken in exchange for shares or options over shares (equity-settled transactions).

The fair value of options granted to Directors, employees and consultants is recognised as an employee benefit expense with a corresponding increase in equity (share-based payments reserve). The fair value is measured at grant date and recognised over the period during which the recipients become unconditionally entitled to the options. Fair value is determined using the Black-Scholes option pricing model. An expense is still recognised for options that do not ultimately vest because a market condition was not met.

Where the terms of options are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, at the date of the modification, a further expense is recognised for any increase in fair value of the transaction as a result of the change.

Where options are cancelled, they are treated as if vesting occurred on cancellation and any unrecognised expenses are taken immediately to the profit or loss. If new options are substituted for the cancelled options and designated as a replacement, the combined impact of the cancellation and replacement options are treated as if they were a modification.

(P) REVENUE

The Goup generates revenue from the provision of management serveces to related entities. Revenue from contracts with customers is recognised when control of the services is transferred to a customer at an amount that reflects the consideration to which the Group expects to be entiteled to receive in exchange for those services.

Services

The Group's performance obligation on management fees charged to related entities are fulfilled over time as the Group provides those management services. Revenues are recognised over time, which are invoiced monthly based on contractual terms.

Interest

Interest revenue is recognized as interest accrues using the effective interest rate method in accordance with AASB 9. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

All revenue is stated net of the amount of goods and services tax (GST).

(Q) INCOME TAX

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the reporting date.

Deferred tax is recongised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax is recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates expected to apply to the period when the asset is realised or liability is settled. Deferred tax is recognised in profit or loss except where it relates to items that may be recognised directly in other comprehensive income or equity, in which case the deferred tax is recognised in other comprehensive income or directly against equity respectively. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences and unused tax losses can be utilised.

Financial report continued
Notes to the financial statements continued

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(Q) INCOME TAX CONTINUED

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

DGR Global Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The Company is responsible for recognising the current tax assets and liabilities and deferred tax assets attributable to tax losses for the tax consolidation group. The tax consolidated group have entered a tax funding agreement whereby each company in the tax consolidation group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidation group.

(R) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(S) BORROWINGS

Loans and borrowings are initially recognised at the fair value of consideration received net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, the loans or borrowings are classified as non-current.

(T) EARNINGS PER SHARE

Basic earnings per share is calculated as net profit / (loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity other than ordinary shares, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(U) FOREIGN CURRENCIES

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Exchange differences arising from the translation of financial statements of foreign subsidiaries are taken to the foreign currency translation reserve at the reporting date.

(V) COMPARATIVES

When required by Australian Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(W) FAIR VALUE MEASUREMENT

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

Financial report continued
Notes to the financial statements continued

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(W) FAIR VALUE MEASUREMENT CONTINUED

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(X) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key judgments – exploration & evaluation assets

The Group performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on detailed surveys and analysis of drilling results performed to reporting date.

The Directors have assessed that for the exploration and evaluation assets recognised at 30 June 2019, the facts and circumstances do not suggest that the carrying amount of an asset may exceed its recoverable amount. In considering this the Directors have had regard to the facts and circumstances that indicate a need for an impairment as noted in AASB 6 *Exploration for and Evaluation of Mineral Resources*.

Exploration and evaluation assets at 30 June 2019 were $9,292,821 (2018: $6,572,307).

Key judgements – significant influence over associates

The Group currently holds between 20% and 50% of the issued ordinary shares of certain companies and management considered whether the Group had control over these companies and accordingly whether these companies should be consolidated into the Group. Several factors including but not limited to the relative proportion of other large shareholders, composition of the Board and the ability to direct decisions arrived at during Board meetings were considered. Based on the factors considered, it was concluded that the Group does not control these companies but rather has the ability to exert significant influence. Accordingly, the Group's investments in these companies have been accounted for under the equity accounting method.

Key judgements – convertible note payable

The Group's convertible notes have been treated as a financial liability, in accordance with the principles set out in AASB 132. The key criterion for liability classification is whether there is an unconditional right to avoid delivery of cash for another financial asset to settle the contractual obligation. The terms and conditions applicable to the convertible notes require the Group to settle the obligation in either cash, or in the Company's own shares.

The notes are convertible into ordinary shares of the parent entity, at the option of the holder, or repayable in October 2020. The conversion rate is based on a variable formula subject to adjustments for share price movement. Management determined that these terms give rise to a derivative financial liability. The initial consideration received for the note was deemed to be fair value of the liability at the issue date. The liability will subsequently be recognised on a fair value basis at each reporting period. The fair value at each reporting date has been determined using a binomial tree model. The key assumptions used and sensitivity of those assumpions in the binomial tree model has been disclosed in Note 31.

Key judgements – convertible note receivable

The Armour Energy convertible notes in the prior year were measured at fair value through profit or loss for financial reporting purposes. As the Armour Energy convertible notes were not traded in an active market, its fair value was estimated by discounting the stream of future interest and principal payments at the rate of interest prevailing at the reporting date for instruments of similar term and risk (the market interest rate), and adding this value to the value of the convertibility feature which was estimated using a Black-Scholes model based on assumptions including risk free interest rate, expected dividend yield, expected volatility and expected remaining life of the Armour Energy convertible notes receivable. Any resulting change in fair value was reflected on the profit or loss. Management estimates that the market interest rate on similar borrowings without the conversion feature was approximately 22% and used an implied volatility of 55.81% volatility in valuing the convertibility feature. Refer to Note 31 which summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Key judgments – corporate bonds

The Armour Energy corporate bonds are debt instruments measured at amortised cost for financial reporting purposes. The Group's intention is to hold these corporate bonds to collect the contractual cash flows. The characteristics of the contractual cash flows are that of soley the principal and interest. On intial recognition these are carried at fair value and there after they have been carried at amortised cost in accordance with AASB 9.

Key judgments – share based payment transactions

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity settled share based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact the profit or loss and equity.

Financial report continued
Notes to the financial statements continued

NOTE 2: REVENUE AND OTHER INCOME

	2019 $	2018 $
Revenue from contracts with customers		
Management fees (related parties)	1,596,000	1,596,000
Total revenue from contracts with customers	1,596,000	1,596,000

Disaggregtation of renvenue is not presented as all revenue for the current and prior years was derived from the provision of management fees.

Interest and other income	2019 $	2018 $
Interest (see below)	1,751,816	1,680,518
Net foreign exchange gains	-	13,168
Gain on reclassification of equity-accounted investments to investments held at fair value through other comprehensive income	-	4,478,780
Other income	285,771	8,227
Total other income	2,037,587	6,180,693
Interest revenue from:		
Deposits held with financial institutions	14,342	26,906
Armour Energy Limited convertible notes	1,520,579	1,653,612
Armour Energy Limited corporate bonds	216,895	-
Total interest revenue	1,751,816	1,680,518

NOTE 3: PROFIT / (LOSS) BEFORE INCOME TAX

Profit / (loss) before income tax has been determined after:	2019 $	2018 $
Finance costs		
External	1,162,022	782,740
Related parties	-	-
Total finance costs	1,162,022	782,740
Share based payments expense	46,186	941,717
Superannuation contributions expense	159,844	140,705
Minimum lease rentals under operating leases	542,502	520,738
(Gain) / loss on foreign exchange	713	(13,618)

NOTE 4. INCOME TAX

(a) Components of tax expense / (benefit) in profit or loss comprise:	2019 $	2018 $
Current tax	5,101	(5,101)
Deferred tax	(1,493,485)	381,365
Income tax paid in relation to the prior year	-	147,199
(over) / under provisions of deferred tax expenses in prior year	(355,665)	-
	(1,844,049)	523,463
Components of tax expense / (benefit) in other comprehensive income comprise:		
Deferred tax	8,040,671	(15,195,297)
	8,040,671	(15,195,297)

(b) The prima facie tax on profit / (loss) before income tax is reconciled to the income tax expense / (benefit) as follows:	2019 $	2018 $
Prima facie tax on profit / (loss) before income tax at 30% (2018: 30%)	(1,883,077)	134,601
Add tax effect of:		
Permanent differences	25,859	285,102
Other	-	-
Derecognised tax losses	8,675	8,590
	(1,848,543)	428,293
Less tax effect of:		
Permanent differences		-
Prior year loss now recognised	(197,873)	-
Other	202,367	95,170
Recognition of temporary differences		-
Income tax expense / (benefit)	(1,844,049)	523,463
Amounts recognised directly in equity		
Net deferred tax debited / (credited) directly to equity	-	-
	-	-
Income tax provision recognised		
Income tax provision	-	(5,101)

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Notes to the financial statements continued

NOTE 4: INCOME TAX CONTINUED

2019	Opening balance $	Net charged to income $	Net charged to other comprehensive income $	Net charged to other equity $	Closing balance $
Deferred tax asset					
Carried forward tax losses	2,357,452	1,390,192	-	-	3,747,644
Accruals/provisions	241,430	(21,895)	-	-	219,536
Capital raising costs expensed	106,627	(39,600)	-	-	67,027
	2,705,509	1,328,697	-	-	4,034,206
Deferred tax liability					
Financial assets at fair value through other comprehensive income	(21,732,550)	-	(8,143,179)	-	(29,875,729)
Convertible note	-	(108,693)	-	-	(108,693)
Investment in associates	(4,322,261)	1,648,292	102,509	-	(2,571,460)
Exploration and evaluation assets	(870,656)	(1,019,146)	-	-	(1,889,802)
Property, plant & equipment	(67,599)	-	-	-	(67,599)
	(26,993,066)	520,452	(8,040,671)	-	(34,513,285)
Net deferred tax recognised	(24,287,557)	1,849,149	(8,040,671)	-	(30,479,079)
Deferred tax assets not recognised					
Unused tax losses	1,790,677	28,915	-	-	1,819,592
Unused capital losses	67,848	-	-	-	67,848
Temporary differences	-	-	-	-	-
Tax benefit at 30%	557,558	8,675	-	-	566,232

2018	Opening balance $	Net charged to income $	Net charged to other comprehensive income $	Net charged to other equity $	Closing balance $
Deferred tax asset					
Carried forward tax losses	1,716,256	641,196	-	-	2,357,452
Accruals/provisions	164,945	76,485	-	-	241,430
Capital raising costs expensed	83,964	22,663	-	-	106,627
Investment in associates	372,124	(372,124)	-	-	-
AFS revaluation	405,059	-	(405,059)	-	-
	2,742,348	368,220	(405,059)	-	2,705,509
Deferred tax liability					
Financial assets at fair value through other comprehensive income	(36,024,309)	(1,308,596)	15,600,355	-	(21,732,550)
Related party loans	(110,011)	110,011	-	-	-
Investment in associates	(4,313,455)	(8,806)	-	-	(4,322,261)
Exploration and evaluation assets	(1,328,462)	457,806	-	-	(870,656)
Property, plant & equipment	(67,599)	-	-	-	(67,599)
	(41,843,837)	(749,585)	15,600,355	-	(26,993,066)
Net deferred tax recognised	(39,101,489)	(381,365)	15,195,296	-	(24,287,557)
Deferred tax assets not recognised					
Unused tax losses	1,762,042	28,635	-	-	1,790,677
Unused capital losses	67,848	-	-	-	67,848
Temporary differences	-	-	-	-	-
Tax benefit at 30%	548,967	8,590	-	-	557,558

In order to recoup carried forward losses in future periods, either the Continuity of Ownership Test (COT) or Same Business Test must be passed. The majority of losses are carried forward at 30 June 2019 under the COT.

Deferred tax assets which have not been recognised as an asset, will only be obtained if:

a) the Company derives future assessable income of a nature and of an amount sufficient to enable the losses to be realised;
b) the Company continues to comply with the conditions for deductibility imposed by the law; and
c) no changes in tax legislation adversely affect the Company in realising the losses.

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NOTE 5: KEY MANAGEMENT PERSONNEL

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's Key Management Personnel for the year ended 30 June 2019. The totals of remuneration for Key Management Personnel during the year are set out below.

	2019 $	2018 $
Short-term employee benefits	1,600,100	1,280,990
Long-term employee benefits	8,280	3,839
Post-employment benefits	73,718	42,295
Share-based payments	-	583,896
Total	1,682,098	1,911,020

NOTE 6. DIVIDENDS AND FRANKING CREDITS

There were no dividends paid or recommended during the financial year ended 30 June 2019 (2018: nil).

NOTE 7: AUDITOR'S REMUNERATION

	2019 $	2018 $
Amounts paid / payable to the auditor of the parent of the Group for:		
Audit and review of the financial reports of the Group	87,200	81,200
	87,200	81,200

NOTE 8: EARNINGS PER SHARE (EPS)

(a) Earnings	2019 $	2018 $
Earnings used to calculate basic and diluted earnings per share	(4,440,658)	(65,382)

(b) Weighted average number of shares	2019 shares	2018 shares
Used in calculating basic EPS	613,181,877	599,230,366
Weighted average number of dilutive options	-	-
Weighted average number of ordinary shares and potential ordinary shares, used in calculating dilutive EPS	613,181,877	599,230,366

Options granted are not included in the determination of diluted earnings per share as they are considered to be anti dilutive.

NOTE 9: CASH AND CASH EQUIVALENTS

	2019 $	2018 $
Cash at bank and in hand	1,671,891	2,841,511
Total	1,671,891	2,841,511

NOTE 10: TRADE AND OTHER RECEIVABLES

	2019 $	2018 $
Trade receivables	745,483	809,906
Interest receivables	-	394,136
GST receivable	107,409	171,873
Other receivables	257,813	107,371
Total	1,110,705	1,483,286

The receivables were not exposed to foreign exchange risk. No receivables were impaired at 30 June 2019 (2018: nil).

Past due but not impaired receivables are set out below.

	2019			2018		
	Total $	Amount impaired $	Amount not impaired $	Total $	Amount impaired $	Amount not impaired $
Not past due	94,565	-	94,565	297,719	-	297,719
Past due 30 days	27,500	-	27,500	2,872	-	2,872
Past due 30–60 days	45,990	-	45,990	50,589	-	50,589
Past due >60 days	577,428	-	577,428	458,726	-	458,726
Total	745,483	-	745,483	809,906	-	809,906

All receivables that are neither past due nor impaired are with long standing clients who have a good credit history with the entity. As at 30 June 2019, included in trade and other receivables is two significant debtors accounting for 93% (2018: one significant debtor accounting for 56%) of the total trade receivables.

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Notes to the financial statements continued

NOTE 11: OTHER FINANCIAL ASSETS

	2019 $	2018 $
Financial assets at fair value through other comprehensive income (refer (a) below)	123,273,136	96,115,003
Convertible notes (refer (b) below)	-	11,175,368
Corporate bonds (refer (c) below)	8,750,000	-
Cash on deposit held as security (refer (d) below)	314,000	314,000
Security bonds (refer (e) below)	1,334,504	1,207,949
	133,671,640	108,812,320

(a) Financial assets at fair value through other comprehensive income	2019 $	2018 $
Opening balance at 1 July	96,115,003	138,522,943
Additions	15,000	406,030
Additions – conversion of Lakes Oil NL convertible notes	-	367,500
Additions – reclassification on loss of significant influence from investments accounted for using the equity method initially recognised at fair value	-	7,469,829
Disposal of financial assets at fair value through other comprehensive income	-	-
Fair Value adjustment through other comprehensive income	27,143,133	(50,651,299)
Closing balance at 30 June	123,273,136	96,115,003

Financial assets at fair value through other comprehensive income comprise an investment in the ordinary issued capital of SolGold plc, listed on the London Stock Exchange (**LSE**) and Toronto Stock Exchange (**TSX**), an investment in the ordinary issued capital of Block X Capital Corp. (listed on the TSX), an investment in the ordinary issued capital of Aus Tin Mining Limited (listed on the ASX), an investment in the ordinary issued capital of Lakes Oil NL (listed on the ASX), and an investment in the ordinary issued capital of Dark Horse Resources Limited (listed on the ASX).

Classification of financial assets at fair value through other comprehensive income

For equity securities that are not held for trading, the Company has made an irrevocable election at initial recognition to recognise changes in fair value through other comprehensive income rather than profit or loss. These securities are presented separately in the statement of financial position.

(b) Convertible notes at fair value through profit or loss	2019 $	2018 $
Opening balance at 1 July	11,175,368	10,173,116
Additions – Conversion of Armour Energy Convertible note interest	-	733,407
Fair value movement	(636,345)	636,345
Conversion of Lakes Oil NL convertible notes into ordinary shares	-	(367,500)
Redemption of Armour Energy Convertible note	(10,539,023)	-
Closing balance at 30 June	-	11,175,368

On 16 December 2016, DGR Global subscribed for $9.4 million worth of Convertible Notes in Armour Energy, in part repayment of the Bridging Finance Facility, the key terms of the notes are as follows:

- Issue Price: Face value of $0.11 per Convertible Note
- Interest Rate: 15% per annum
- Interest Payments: Interest paid half yearly in arrears and the interest may be paid in certain circumstances at Armour's election by the issue of further Convertible Notes;
- Maturity Date: 30 September 2019
- Conversion Terms: Convertible at any time at the Convertible Note holder's election into one ordinary share in Armour subject to usual adjustment mechanisms in certain circumstances

On 5 April 2017, interest accrued on the Armour Energy convertible notes to 31 March 2017 of $405,616 was paid via the issue of additional convertible notes at the Company's election. Armour Energy Limited redeemed all the outstanding convertible notes on 29 March 2019.

(c) Corporate bonds at amortised cost	2019 $	2018 $
Opening balance at 1 July	-	-
Additions	10,000,000	-
Sale / Disposals	(1,250,000)	-
Closing balance at 30 June	8,750,000	-

On 29 March 2019, post the redemption of the Armour Energy convertible notes, the Company applied for a $10,000,000 investment in the new secured and amortising notes (**New Notes**) in Armour Energy Limited. The offer was managed by FIIG Securities Limited and the key terms of the New Notes are as follows:

- Issue Price: $1,000
- Interest Rate: 8.75%
- Interest Payments: Interest paid quarterly in arrears
- Term: 5 years
- Security: The New Notes will be secured over all of the assets of the Armour Energy Limited

(d) Cash on deposit held as security at amortised cost

Cash on deposit held as security is held in a term deposit account restricted under a bond with the Department of Natural Resources and Mining as security for rehabilitation works required.

(e) Security bonds at amortised cost

Security bonds are held with the Department of Natural Resources and Mining as security for rehabilitation works required.

(f) Fair value

Refer to note 31 for fair value disclosures.

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Notes to the financial statements continued

NOTE 12: CONTROLLED ENTITIES AND TRANSACTIONS WITH NON-CONTROLLING INTERESTS

(a) Controlled entities	Country of Incorporation	Principal Activity	Principal place of business	Percentage owned 2019	2018
Parent entity:					
DGR Global Limited	Australia	Mineral Exploration	Australia		
Subsidiaries of DGR Global Limited:					
Pennant Resources Pty Ltd[1]	Australia	Mineral Exploration	Australia	45%	63%
Auburn Resources Ltd[1]	Australia	Mineral Exploration	Australia	45%	63%
Barlyne Mining Pty Ltd[1]	Australia	Mineral Exploration	Australia	45%	63%
Albatross Bauxite Pty Ltd	Australia	Mineral Exploration	Australia	100%	100%
Coolgarra Minerals Pty Ltd	Australia	Mineral Exploration	Australia	100%	100%
DGR Zambia Ltd	Zambia	Mineral Exploration	Zambia	100%	100%
Hartz Rare Earths Pty Ltd	Australia	Mineral Exploration	Australia	100%	100%
Pinnacle Gold Pty Ltd	Australia	Mineral Exploration	Australia	94%	94%
Tinco Pty Ltd	Australia	Mineral Exploration	Australia	100%	100%
DGR Bolivia Pty Ltd	Australia	Mineral Exploration	Australia	100%	100%
Andean Explomining SRL	Bolivia	Mineral Exploration	Bolivia	100%	-

1 Auburn Resources Limited (previously Archer Resources Limited) is the immediate parent of Barlyne Mining Pty Ltd and Pennant Resources Pty Ltd (previously Aimfire Resources Pty Ltd). These companies are wholly owned and directly held by Auburn Resources Limited and indirectly by DGR Global Limited.

(b) Transactions with non-controlling interests

During the financial year ended 30 June 2019, Auburn Resources Limited issued a total of 17,402,199 new ordinary shares (2018: nil).

(c) Summarised financial information

Summarised financial information of the subsidiaries with non-controlling interests that are material to the consolidated entity is set out below.

Auburn Resources Limited – non-controlling interest 45% (2018: 37%)	2019 $	2018 $
Summarised statement of financial position		
Current assets	552,966	32,354
Non-current assets	2,668,198	2,225,907
Total assets	3,221,164	2,258,261
Current liabilities	24,018	398,582
Non-current liabilities	-	546,024
Total liabilities	24,018	944,606
Net assets	3,197,146	1,313,655
Summarised statement of profit or loss and other comprehensive income		
Revenue	-	-
Expenses	(29,503)	(24,700)
Profit / (loss) before income tax expense	(29,503)	(24,700)
Income tax (expense) / benefit	-	-
Profit / (loss) after income tax expense	(29,503)	(24,700)
Other comprehensive income	-	-
Total comprehensive income	(29,503)	(24,700)
Statement of cash flows		
Net cash used in operating activities	(41,882)	(18,434)
Net cash used in investing activities	(311,584)	(205,104)
Net cash from financing activities	882,314	228,894
Net increase / (decrease) in cash and cash equivalents	528,848	5,356
Other financial information		
Profit / (loss) attributable to non-controlling interests	7,911	(9,116)
Accumulated non-controlling interests at the end of reporting period	1,635,617	496,587
Dividends paid to non-controlling interests	-	-

There are no significant restrictions on the ability of DGR Global Limited to access the assets of the subsidiaries with non-controlling interests.

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Notes to the financial statements continued

NOTE 13: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name	Country of incorporation and principle place of business	Principle activity	Shares	Ownership interest 2019 %	Ownership interest 2018 %	Carrying amount 2019 $	Carrying amount 2018 $
Armour Energy Ltd	Australia	Oil & gas exploration	ORD	22%	22%	7,497,281	7,635,576
IronRidge Resources Ltd	Australia	Mineral exploration	ORD	22%	24%	8,780,536	10,356,256
						16,277,817	17,991,832

(a) Movements during the year in equity accounted investments	2019 $	2018 $
Balance at beginning of year	17,991,832	17,035,638
Additional investment	2,100,000	4,816,283
Sale of investment	-	-
Share of associates losses after income tax	(4,127,440)	(6,236,853)
Share of associates other comprehensive income	(341,695)	376,703
Net reversal of impairment	655,120	4,991,112
Reclassification on loss of significant influence to financial assets classified at fair value through other comprehensive income – derecognised carrying amount	-	(2,991,051)
Balance at end of year	16,277,817	17,991,832

Net reversal of impairment relates to the investments in Armour Energy Ltd. At 30 June 2018 the share price of Armour Energy Ltd was $0.084. The share price of Armour Energy Ltd at 30 June 2019 was $0.067. The investment in Armour Energy Ltd has been written up to the lower of fair value, less costs to sell or the equity accounted value, while the investment in IronRidge Resources has been further impaired following the recognition of the Group's share of profits in excess of the increase in share price.

(b) Fair value of investments in associates with published price quotations	2019 $	2018 $
Fair value of investment in Armour Energy Limited	7,497,281	7,635,576
Fair value of investment in IronRidge Resources Limited	19,336,537	34,095,692
Closing balance at 30 June	26,833,818	41,731,268

Refer note 31 for further details on fair value.

(c) Summarised financial information of associates

The results of the Group's associates and its aggregated assets (including goodwill) and liabilities are set out below.

	Ownership interest %	Current assets $	Non-current assets $	Current liabilities $
2019				
Armour Energy Limited	22%	14,376,248	102,175,981	6,690,858
IronRidge Resources Limited	22%	6,923,588	25,546,351	1,395,416
		21,299,836	127,722,332	8,086,274
2018				
Armour Energy Limited	22%	9,037,623	92,483,704	10,543,173
Dark Horse Resources Limited*	-	-	-	-
IronRidge Resources Limited	24%	9,208,488	16,890,343	1,452,776
		18,246,111	109,374,047	11,995,949

	Non-current liabilities $	Revenues $	Profit/loss $	Other comprehensive income $
2019				
Armour Energy Limited	65,102,608	27,819,335	(11,683,748)	(1,488,893)
IronRidge Resources Limited	-	45,945	(7,137,728)	(66,529)
	65,102,608	27,865,280	(18,821,476)	(1,555,422)
2018				
Armour Energy Limited	46,132,323	14,748,819	(11,557,788)	1,487,500
Dark Horse Resources Limited*	-	23,214	(2,216,375)	-
IronRidge Resources Limited	-	52,648	(13,191,397)	176,843
	46,132,323	14,801,467	(24,749,185)	1,664,343

* Dark Horse Resources Limited was transferred to financial assets carried at fair value through other comprehensive income. The profit/loss and other comprehensive income for represent results up to the date of loss of significant influence on 19 April 2018.

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Notes to the financial statements continued

NOTE 13: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD CONTINUED

(d) Reconciliation of the carrying amount of the Group's investment in associates

	Armour Energy		Dark Horse Resources		IronRidge Resources	
	2019	2018	2019	2018	2019	2018
	$	$	$	$	$	$
Opening carrying amount	7,635,576	5,253,500	-	1,867,429	10,356,256	9,914,709
Share of profits (loss) after tax	(2,566,375)	(2,592,947)	-	(430,762)	(1,561,065)	(3,213,146)
Share of other comprehensive income	(327,041)	333,715	-	-	(14,655)	42,988
Additional investment	2,100,000	1,204,578	-	-	-	3,611,705
Reversal of impairment/ (impairment)	655,120	3,436,730	-	1,554,383	-	-
Reclassification to financial assets at fair value through other comprehensive income	-		-	(2,991,050)	-	-
Closing carrying amount	7,497,281	7,635,576	-	-	8,780,536	10,356,256

(e) Reconciliation of the share of net assets to the carrying amount of the Group's investment in associates

	Armour Energy		Dark Horse Resources		IronRidge Resources	
	2019	2018	2019	2018	2019	2018
	$	$	$	$	$	$
Share of net assets	9,831,416	10,060,995	-	-	6,844,295	6,003,258
Goodwill	15,796,335	16,360,171	-	-	1,936,241	4,352,998
Net impairment	(18,130,470)	(18,785,590)	-	-	-	-
Closing carrying amount	7,497,281	7,635,576	-	-	8,780,536	10,356,256

NOTE 14: PROPERTY, PLANT AND EQUIPMENT

	2019	2018
	$	$
Land at cost	345,000	345,000
Freehold building at cost	79,234	72,728
Accumulated depreciation	(35,569)	(33,735)
	43,665	38,993
Plant and equipment at cost	360,593	359,309
Accumulated depreciation	(352,604)	(349,083)
	7,989	10,226
Site infrastructure at cost	2,443,532	2,443,532
Accumulated depreciation	(2,443,532)	(2,443,532)
	-	-
Motor vehicles at cost	25,082	25,082
Accumulated depreciation	(25,082)	(25,082)
	-	-
Computers and office equipment at cost	197,450	189,555
Accumulated depreciation	(187,940)	(182,931)
	9,510	6,624
Furniture and fittings at cost	108,903	108,903
Accumulated depreciation	(97,533)	(83,015)
	11,370	25,888
	417,534	426,731

2019	Land	Freehold building	Plant & equipment	Computers & office equipment	Furniture & fittings	Total
	$	$	$	$	$	$
Balance at the beginning of the year	345,000	38,993	10,226	6,624	25,888	426,731
Additions	-	6,506	1,284	7,895	-	15,685
Disposals	-	-	-	-	-	-
Depreciation expenses	-	(1,834)	(3,521)	(5,009)	(14,518)	(24,882)
Carrying amount at the end of the year	345,000	43,665	7,989	9,510	11,370	417,534

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Notes to the financial statements continued

NOTE 14: PROPERTY, PLANT AND EQUIPMENT CONTINUED

2018	Land	Freehold building	Plant & equipment	Computers & office equipment	Furniture & fittings	Total
	$	$	$	$	$	$
Balance at the beginning of the year	345,000	38,736	7,544	13,861	40,944	446,085
Additions	-	2,028	9,032	4,287	-	15,347
Disposals	-	-	-	-	-	-
Depreciation expenses	-	(1,771)	(6,350)	(11,524)	(15,056)	(34,701)
Carrying amount at the end of the year	345,000	38,993	10,226	6,624	25,888	426,731

NOTE 15: EXPLORATION AND EVALUATION ASSETS

	2019	2018
	$	$
Exploration and evaluation assets	9,292,821	6,572,307
Movements in carrying amounts		
Balance at the beginning of the year	6,572,307	4,428,211
Additions	2,782,358	2,966,361
Written-off	(61,844)	(822,265)
Carrying amount at the end of the year	9,292,821	6,572,307

The exploration and evaluation assets written off during the year are as a result of the total abandonment of certain areas of tenure. The recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation or, alternatively, the sale of the respective areas of interest.

NOTE 16: OTHER ASSETS

	2019	2018
	$	$
Prepayments	6,223	39,710

NOTE 17: TRADE AND OTHER PAYABLES

	2019	2018
	$	$
Trade payables	687,489	852,997
Sundry payables and accrued expenses	770,504	248,386
Employee benefits	299,852	359,734
	1,757,845	1,461,117

Trade and other payables are non-interest bearing and are generally on 30–60 day terms. Due to the short term nature of these payables, their carrying value is assumed to approximate fair value.

NOTE 18: OTHER FINANCIAL LIABILITIES

	2019	2018
	$	$
Convertible notes at fair value through profit or loss	9,854,145	7,799,904
Loans from related parties	-	140,000
	9,854,145	7,939,904

	2019	2018
Movements in convertible notes carrying value	$	$
Opening balance	7,799,904	8,000,000
Face value of convertible notes issued	2,000,000	-
Additions	54,241	(200,096)
Movement in fair value	9,854,145	7,799,904

The principal terms of the convertible notes are as follows:

- Number of notes issued: 50,000,000
- Issue price: Face value of $0.20 per convertible note
- Interest rate: 12% per annum
- Interest payments: Interest paid quarterly in arrears. Interest is payable as cash.
- Maturity date: 26 September 2020
- Conversion terms: Convertible at any time at the Convertible Note holder's election into one ordinary share in DGR based on a price of $0.20 per share, subject to usual adjustment mechanisms in certain circumstances. As a result of the adjustment mechanism the fixed-for-fixed test is not met therefore the convertible notes are carried at fair value through profit or loss.
- Security: Secured by DGR's share holding in IronRidge Resources.

NOTE 19: PROVISIONS – NON-CURRENT

	2019	2018
	$	$
Site restoration	1,041,313	1,041,313
Long service leave	68,059	48,241
	1,109,372	1,089,554

The Group has conducted an extensive review of the environmental status of the Mining Leases with a view to making an assessment of the appropriate provision it should make for liabilities in respect of rehabilitation and restoration. In the course of this exercise, advice was received from different parties providing estimations on the potential costs for future rehabilitation and restoration. Based on this information, the Group has provided in respect of these restoration liabilities an amount of $1,041,313.

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NOTE 20: ISSUED CAPITAL

	2019 $	2018 $
613,181,877 (30 June 2018: 613,181,877) fully paid ordinary shares	35,004,941	35,004,941
Share issue costs	(1,459,020)	(1,459,020)
	33,545,921	33,545,921

Ordinary shares participate in dividends and the proceeds on winding up the Company. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on show of hands.

There is no par value or authorised capital.

(a) Ordinary shares	2019 Number	2018 Number	2019 $	2018 $
At 1 July	613,181,877	570,511,877	35,004,941	32,231,391
2 August 2017[1]	-	2,000,000	-	130,000
29 September 2017[2]	-	17,720,000	-	1,151,800
27 November 2017[3]	-	22,950,000	-	1,491,750
At 30 June	613,181,877	613,181,877	35,004,941	35,004,941

1 On 2 August 2017, 2,000,000 $0.065 ordinary shares were issued upon the exercise of options.
2 On 29 September 2017, 17,720,000 $0.065 ordinary shares were issued upon the exercise of options.
3 On 27 November 2017, 22,950,000 $0.065 ordinary shares were issued upon the exercise of options.

(b) Options	Number	Exercise Price	Expiry
Unlisted employee options	19,375,000	$0.20	08/11/20
Unlisted Director options	17,500,000	$0.20	28/11/20
Unlisted employee options	3,000,000	$0.20	12/02/21
Unlisted employee options	2,200,000	$0.20	12/02/21
Total options on issue	42,075,000		

(c) Capital management

Management controls the capital of the Group in order to provide capital growth to shareholders and ensure the Group can fund its operations and continue as a going concern. The Group's capital comprises equity as shown on the statement of financial position. There are no externally imposed capital requirements. Management effectively manages the Group's capital by assessing the Group's financial risk and adjusting its capital structure in response to changes in these risks and the market. These responses include the management of share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

NOTE 21: RESERVES
NATURE AND PURPOSE OF RESERVES
(i) Share-based payments reserve

The share-based payments reserve is used to recognise the grant date fair value of options issued to employees and other service providers.

(ii) Change in proportionate interest reserve

The change in proportionate interest reserve is used to recognise differences between the amount by which non-controlling interests are adjusted and any consideration paid or received which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

(iii) Financial assets revaluation reserve

Changes in the fair value of investments, such as equities, classified as financial assets at fair value through other comprehensive income, are recognised in other comprehensive income, as described in note 1(g) and accumulated in a separate reserve within equity.

Movements in the financial assets revaluation reserve are set out below.

	2019 $	2018 $
Balance 1 July	50,027,970	85,107,269
Revaluation – gross	27,143,133	(50,651,299)
Deferred tax	(8,040,671)	15,195,297
Share of other comprehensive income in associate (net of tax)	(341,695)	376,703
	68,788,737	50,027,970

(iv) Profit reserve

The Profit Reserve is used to quarantine annual profits when available. This allows the Company to be able to pay dividends to shareholders at its discretion.

Movements in the profit reserve are set out below.

	2019 $	2018 $
Balance 1 July	8,854,067	8,854,067
Transfer of Profit after tax to profit reserve	-	-
Dividend declared	-	-
	8,854,067	8,854,067

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NOTE 22: ACCUMULATED LOSSES

	2019 $	2018 $
Accumulated losses attributable to members of DGR Global Ltd at beginning of the financial year	(15,292,089)	(15,226,707)
Profit / (loss) for the year	(4,440,658)	(65,382)
Transfer of reserves on disposal of investments	-	-
Accumulated losses attributable to members of DGR Global Ltd at the end of the financial year	(19,732,747)	(15,292,089)

NOTE 23: COMMITMENTS FOR EXPENDITURE

(a) Future exploration

The Group has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Group.

The commitments to be undertaken are set out below.

	2019 $	2018 $
Payable within one year	2,422,406	557,000
Payable between one and five years	544,000	784,000
	2,966,406	1,341,000

To keep the exploration permits in good standing, work programs should meet certain minimum expenditure requirements. If the minimum expenditure requirements are not met, the Group has the option to negotiate new terms or relinquish the tenements. The Group also has the ability to meet expenditure requirements by joint venture or farm in agreements.

(b) Lease expenditure commitments

	2019 $	2018 $
Operating leases (non-cancellable)		
Minimum lease payments		
Not later than one year	518,357	488,014
Later than one year and not later than five years	2,289,230	40,799
Later than five years	50,696	-
	2,858,283	528,813

Operating leases relate to office premises. The original terms of the operating leases ranged from 1 to 7 years with options to renew.

NOTE 24: CONTINGENT LIABILITIES

The Directors are not aware of any contingent assets and liabilities at 30 June 2019.

NOTE 25: SHARE-BASED PAYMENTS

On 9 November 2017, 19,375,000 DGR Global Ltd share options were granted to management and employees under the Employee Share Option Plan. The options are to take up one ordinary share in DGR Global Ltd at a price of 20 cents each. The options vested immediately and are due to expire on 8 November 2020. A value of $444,407 was calculated using the Black Scholes valuation methodology (refer below).

On 30 November 2017, 17,500,000 DGR Global Ltd share options were granted to Directors as approved by shareholders at AGM of 29 November 2017. The options are to take up one ordinary share in DGR Global Ltd at a price of 20 cents each. The options vested immediately and are due to expire on 28 November 2020. A value of $400,399 was calculated using the Black Scholes valuation methodology (refer below).

On 12 February 2018, 3,000,000 DGR Global Ltd share options were granted to management under the Employee Share Option Plan. The options are to take up one ordinary share in DGR Global Ltd as a price of 20 cents each. The options vested immediately and are due to expire on 12 February 2021. A value of $71,897 was calculated using the Black Scholes valuation methodology (refer below).

On 15 June 2018, 1,000,000 DGR Global Ltd share options were granted to management under the Employee Share Option Plan. The options are to take up one ordinary share in DGR Global Ltd as a price of 20 cents each. The options vested immediately and are due to expire on 12 February 2021. A value of $25,014 was calculated using the Black Scholes valuation methodology (refer below).

On 30 October 2018, 1,200,000 DGR Global Ltd share options were granted to employees under the Employee Share Option Plan. The options are to take up one ordinary share in DGR Global Ltd as a price of 20 cents each. The options vested immediately and are due to expire on 12 February 2021. A value of $46,186 was calculated using the Black Scholes valuation methodology (refer below).

Movements in a number of options are set out below.

	2019		2018	
	No. of options	Weighted average exercise price $	No. of options	Weighted average exercise price $
Outstanding at the beginning of the year	40,875,000	$0.20	42,670,000	$0.065
Granted	1,200,000	$0.20	40,875,000	$0.20
Forfeited	-	-	-	-
Exercised	-	-	(42,670,000)	$0.065
Expired	-	-	-	-
Outstanding at year-end	42,075,000	$0.20	40,875,000	$0.20
Exercisable at year-end	42,075,000	$0.20	40,875,000	$0.20

The weighted average exercise price of options outstanding at the end of the year was $0.20 (2018: $0.20). The weighted average remaining contractual life of the options was 1.41 years (2018: 2.41 years).

All options on issue will settle for one share each when exercised. There are no vesting conditions attached to the options.

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NOTE 25: SHARE-BASED PAYMENTS CONTINUED

FAIR VALUE

The fair values of options granted were calculated by using a Black-Scholes options pricing model applying the following inputs.

DGR Global Limited

2019	DGR Global Limited ESOP
Weighted average exercise price	$0.20
Weighted average life of the option	2.29 years
Underlying share price	$0.145
Expected share price volatility	60.20%
Risk free interest rate	1.97%
Number of options issued	1,200,000
Fair value (Black-Scholes) per option	$0.038
Total value of options issued	$46,186

2018	DGR Global Limited ESOP	DGR Global Limited Director Options
Weighted average exercise price	$0.20	$0.20
Weighted average life of the option	2.41 years	2.42 years
Underlying share price	$0.085 – $0.10	$0.10
Expected share price volatility	61.36% – 74.36%	61.36%
Risk free interest rate	1.94% – 2.13%	1.89%
Number of options issued	23,375,000	17,500,000
Fair value (Black-Scholes) per option	$0.023 – $0.025	$0.023
Total value of options issued	$541,317	$400,400

Expected share price volatility was estimated based on historical share price volatility.

RECONCILIATION OF RESERVE MOVEMENTS

	2019 $	2018 $
Opening balance at 1 July	7,840,582	6,898,865
Total share issue costs recognised in equity	-	-
Total share based payments expense	46,186	941,717
Closing balance at 30 June	7,886,768	7,840,582

RECONCILIATION OF SHARE-BASED PAYMENTS EXPENSE

	2019 $	2018 $
DGR Global Ltd options	46,186	941,717
Total share-based payments expense	46,186	941,717

NOTE 26: RELATED PARTY DISCLOSURES

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(A) PARENT AND ULTIMATE CONTROLLING ENTITY

i) The parent entity and ultimate controlling entity is DGR Global Ltd which is incorporated in Australia. The names and other information about subsidiaries are provided in Note 12.

(B) TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

i) Transactions with Key Management Personnel are provided in the Remuneration Report within the Directors' Report on page 28.

(C) TRANSACTIONS WITH RELATED PARTIES

i) DGR Global Ltd has a commercial agreement with Armour Energy Ltd, for the provision of administrative services. In consideration for the provision of the services, Armour Energy Ltd pays DGR Global Ltd a monthly management fee. For the year ended 30 June 2019 $456,000 (2018: $456,000) was paid or payable to DGR Global Ltd Ltd for the provision of the services. The total amount receivable at year end was $396 (2018: $859).

ii) DGR Global Ltd has a commercial agreement with Aus Tin Mining Ltd for the provision of administrative Services. In consideration for the provision of the Services, Aus Tin Mining Ltd pays DGR Global Ltd a monthly management fee. For the year ended to 30 June 2019 $192,000 (2018: $192,000) was paid or payable to DGR Global Ltd for the provision of the Services. The total amount receivable at year end was $572,392 (2018: $455,185).

iii) DGR Global Ltd has a commercial agreement with Dark Horse Resources Ltd, for the provision of administrative services. In consideration for the provision of the services, Dark Horse Resources Ltd pays DGR Global Ltd a monthly management fee. For the year ended 30 June 2019 $300,000 (2018: $300,000) was paid or payable to DGR Global Ltd for the provision of the services. The total amount receivable at year end was $124,144 (2018: $51,386).

iv) DGR Global Ltd has a commercial agreement with IronRidge Resources Ltd for the provision of administrative Services. In consideration for the provision of the Services, IronRidge Resources Ltd pays DGR Global Ltd a monthly management fee. For the year ended 30 June 2019 $288,000 (2018: $288,000) was paid or payable to DGR Global for the provision of the Services. The total amount receivable at year end was $547 (2018: $44,797).

v) DGR Global Ltd has a commercial agreement with SolGold Plc, for the provision of administrative services. In consideration for the provision of the services, SolGold Plc pays DGR Global Ltd a monthly management fee. For the year ended 30 June 2019 $360,000 (2018: $360,000) was paid or payable to DGR Global Ltd Ltd for the provision of the services. The total amount receivable at year end was $37,654 (2018: $117,320).

(D) LOANS WITH RELATED PARTIES

There were no loans with related parties during the financial years ended 30 June 2019 and 2018.

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NOTE 27: OPERATING SEGMENTS

SEGMENT INFORMATION

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

(b) Inter-segment transactions

Corporate charges are allocated to segments based on the segments' overall proportion of overhead expenditure within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

(c) Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(d) Unallocated items

The following items of revenue, expenses and assets are not allocated to operating segments as they are not considered part of the core operations of any segment:

- impairment of assets and other non-recurring items of revenue or expense;
- income tax expense; and
- current and deferred tax.

SEGMENT REPORTING

The Group reports information to the Board of Directors along company lines. That is, the financial position of DGR and each of its subsidiary companies is reported discreetly, together with an aggregated Group total. Accordingly, each company within the Group that meets or exceeds the relevant threshold tests is separately disclosed below. The financial information of the subsidiaries that do not exceed the relevant thresholds outlined above, and are therefore not reported separately, is aggregated and disclosed as Others.

30 JUNE 2019	DGR Global $	Auburn $	Others $	Total $
Segment performance				
Revenue				
External revenue	1,596,000	-	-	1,596,000
Inter-segment revenue	-	-	-	-
Total segment revenue				1,596,000
Reconciliation of segment revenue to Group revenue				
Elimination of intersegment revenue				-
Total Group revenue				1,596,000
Segment net profit / (loss) before tax	(2,741,508)	(29,504)	(33,592)	(2,804,604)
Reconciliation of segment result to Group net profit / (loss) before tax				
Reversal of impairment of investment in associate				655,120
Share of losses of associates				(4,127,440)
Net profit / (loss) before tax				(6,276,924)
Segment assets				
Assets	164,435,386	3,221,164	1,199,681	168,856,231
Reconciliation of segment assets to Group assets				
Inter-segment receivables and investments eliminated				(6,407,600)
Total Group assets				162,448,631

All segment asset additions occur in Australia.

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NOTE 27: OPERATING SEGMENTS CONTINUED

SEGMENT REPORTING CONTINUED

30 JUNE 2018	DGR Global $	Auburn $	Others $	Total $
Segment performance				
Revenue				
External revenue	1,596,000	-	-	1,596,000
Inter-segment revenue	-	-	-	-
Total segment revenue				1,596,000
Reconciliation of segment revenue to Group revenue				
Elimination of intersegment revenue				-
Total Group revenue				1,596,000
Segment net profit / (loss) before tax	1,880,261	(24,700)	(161,149)	1,694,412
Reconciliation of segment result to Group net profit / (loss) before tax				
Reversal of impairment of investment in associate				4,991,112
Share of losses of associates				(6,236,853)
Net profit / (loss) before tax				448,671
Segment assets				
Assets	141,174,358	2,225,907	502,171	143,902,436
Reconciliation of segment assets to Group assets				
Inter-segment receivables and investments eliminated				(5,729,638)
Total Group assets				138,172,798

All segment asset additions occur in Australia.

NOTE 28: PARENT COMPANY

The Corporations Act requirement to prepare parent entity financial statements where consolidated financial statements are prepared has been removed and replaced by Regulation 2M.3.01 which requires limited disclosure in regard to the parent entity (DGR Global Ltd). The consolidated financial statements incorporate the assets, liabilities and results of the parent entity in accordance with the accounting policy described in Note 1(b).

The limited financial statements of the parent company are set out over the page.

	2019 $	2018 $
Statement of financial position		
Current assets	2,211,232	4,318,643
Non-current assets		
Loans (intragroup receivables)	-	-
Loans (related parties)	-	1,755,861
Security bonds	1,587,119	1,479,315
Property plant and equipment	417,534	426,726
Exploration and evaluation assets	5,413,448	3,913,292
Investment in Block X Capital Corp (formerly Lions Gate Metals Inc)	137	2,280
Investment in SolGold plc	117,948,582	82,865,069
Investment in Dark Horse Resources Ltd	1,322,481	5,620,427
Investment in Aus Tin Mining Ltd	3,259,777	6,134,173
Investment in Armour Energy Ltd	7,497,280	7,635,576
Investment in Auburn Resources Ltd	2,166,667	4,056,401
Investment in IronRidge Resources Ltd	19,336,537	34,095,692
Investment in Lakes Oil NL	742,159	1,484,319
Investment in other subsidiaries	10	10
Convertible notes in Armour Energy Ltd	-	11,175,368
Corporate bonds Armour Energy Ltd	8,750,000	-
Total non-current assets	168,441,731	160,644,509
Total assets	*170,652,963*	*164,963,152*
Current liabilities	1,597,253	8,860,327
Non-current liabilities	41,442,596	25,377,112
Total liabilities	*43,039,849*	*34,237,439*
Net assets	127,613,114	130,725,713
Issued capital	33,545,924	33,545,924
Share-based payments reserve	7,886,768	7,756,175
Financial assets revaluation reserve	79,344,737	76,806,997
Profit reserve	8,854,067	8,854,067
Accumulated profits	(2,018,382)	3,762,550
Total shareholders' equity	127,613,114	130,725,713
Statement of comprehensive income		
Profit / (loss) for the year	(5,780,932)	(439,140)
Total comprehensive income for the year	25,324,700	(12,398,292)

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NOTE 28: PARENT COMPANY CONTINUED

At 30 June 2019, the Company's investments in associates and investments at fair value through other comprehensive income (excluding investments in Convertible Notes) are set out below.

Listed investment	Number of shares	Number of options/ warrants (unlisted)	Share price#	Quoted value $
Block X Capital Inc (previously Lions Gate Metals Inc)	17,500	-	C$0.05	951
SolGold plc	204,151,800	-	£0.32	117,947,478
Dark Horse Resources Ltd	330,613,371	-	$0.004	1,322,453
Aus Tin Mining Ltd	362,197,351	-	$0.009	3,259,776
Armour Energy Ltd	111,899,712	-	$0.067	7,497,281
IronRidge Resources Ltd	68,522,667	-	£0.1563	19,336,537
Lakes Oil NL	742,159,370	-	$0.001	742,159
Total quoted value				150,106,635

Share price represents the market quoted price for listed investments at 30 June 2019. All quoted values above are level 1 in the fair value heirarchy.

GUARANTEES

No guarantees have been entered into by the parent entity in relation to debts of its subsidiaries.

CONTRACTUAL COMMITMENTS

There were no contractual commitments for the acquisition of property, plant and equipment entered into by the parent entity at 30 June 2019 (2018: nil).

OPERATING LEASE COMMITMENTS

Refer note 23(b) to review operating lease commitments.

CONTINGENT LIABILITIES

The parent entity has no contingent liabilities.

NOTE 29: CASH FLOW INFORMATION

(a) Reconciliation of cash flow from operations with profit / (loss) after tax

	2019 $	2018 $
Profit / (loss) after tax	(4,432,875)	(74,792)
Depreciation	24,877	34,701
Exploration and evaluation assets written off	61,845	822,265
Share based payments expense	46,189	941,717
Share of losses associates	4,127,440	6,236,854
Reversal of impairment of investment in associate	(655,120)	(4,991,112)
Gain on loss of significant influence of Dark Horse Resources Ltd	-	(4,478,780)
Fair value movement on convertible note receivable	636,345	(636,345)
Fair value movement on convertible note payable	54,241	(200,096)
Interest converted to convertible notes	-	(733,406)
Interest capitalised to related party loans	-	(58,227)
Management fees converted to shares	-	(200,000)
Changes in operating assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
(Increase) / decrease in trade and other receivables	479,991	(610,374)
(Increase) / decrease in other assets	33,487	(9,053)
Increase / (decrease) in trade and other payables	117,431	(365,383)
Increase / (decrease) in deferred tax liabilities	(1,844,049)	523,219
Net cash flow from operations	(1,350,198)	(3,798,812)

	2019 $	2018 $
Non-cash investing and financing activities		
Issue of shares in lieu of cash for services	-	-
Conversion of receivables for shares and convertible notes	-	(243,679)
Conversion of loans with related parties for shares	-	(1,057,799)
Redemption of Armour convertible notes*	10,000,000	-
Investment in Armour corporate bonds	(10,000,000)	-
Conversion of loans to shares in subsidiaries	(140,000)	-

* Represents the principal amount of the convertible notes early redeemed. The early redemption premium and interest have been included in the net cash flows from operating activities.

(b) Reconciliation of liabilities arising from financing activities

	Opening balance	Financing cash flow	Non cash flow changes	Closing balance
		Proceeds from borrowings	Fair value movement of convertible notes	
	$	$	$	$
Convertible notes	7,799,904	2,000,000	54,241	9,854,145

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NOTE 30: FINANCIAL RISK MANAGEMENT

	2019 $	2018 $
Financial assets		
Cash and cash equivalents	1,671,891	2,841,511
Trade and other receivables	1,110,705	1,488,387
Financial assets at fair value through other comprehensive income	123,279,087	96,115,003
Financial assets at fair value through profit or loss	-	11,175,368
Cash on deposit	314,000	314,000
Security bonds	1,328,553	1,207,949
Corporate bonds	8,750,000	-
	136,454,236	113,142,218
Financial liabilities		
Trade and other payables	1,748,087	1,461,117
Other financial liabilities	9,854,145	7,939,904
	11,602,232	9,401,021

(a) General objectives, policies and processes

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note. The Group's financial instruments consist mainly of deposits with banks, receivables and payables, shares in listed corporations, investements in convertible notes and corporate bonds.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Group's risk management policies and objectives are designed to minimise the potential impacts of these risks on the results of the Group where such impacts may be material.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these matters are set out below.

(b) Credit risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when counterparties fail to settle their obligations owing to the Group. The Group's objective is to minimise the risk of loss from credit risk exposure.

The maximum exposure to credit risk, excluding the value of any collateral or other security, in the event other parties fail to discharge their obligations under financial instruments in relation to each class of financial asset at reporting date is the carrying amount in the statement of financial position which, for the relevant assets, is summarised in the table above.

Credit risk is reviewed regularly by the Board and the audit committee. It primarily arises from exposure to receivables as well as through deposits with financial institutions. There is no collateral held as security.

The Group's material credit risk exposure is to loans with related parties, related party debtors, investments in convertible notes and corporate bonds.

(c) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet financial obligations as they fall due. The objective of managing liquidity risk is to ensure, as far as possible, that the Group will always have sufficient liquidity to meets its liabilities when they fall due, under both normal and stressed conditions.

Liquidity risk is reviewed regularly by the Board and the audit committee.

The Group manages liquidity risk by monitoring forecast cash flows and liquidity ratios such as working capital. The Group's working capital, being current assets less current liabilities, has decreased from a surplus of $2,903,390 in 2018 to a surplus of $1,040,732 in 2019.

2019 MATURITY ANALYSIS	Carrying amount $	Contractual cash flows $	< 6 months $	6–12 months $	1–3 years $	> 3 years $
Financial liabilities						
Trade and other payables	1,748,087	1,748,087	1,748,087	-	-	-
Other financial liabilities	9,854,145	11,492,603	600,000	600,000	10,292,603	-
Total	11,602,232	13,240,690	2,348,087	600,000	10,292,603	-

2018 MATURITY ANALYSIS	Carrying amount $	Contractual cash flows $	< 6 months $	6–12 months $	1–3 years $	> 3 years $
Financial liabilities						
Trade and other payables	1,461,117	1,461,117	1,461,117	-	-	-
Other financial liabilities	7,939,904	9,265,096	480,000	480,000	8,305,096	-
Total	9,401,021	10,726,213	1,941,117	480,000	8,305,096	-

(d) Market risk

Market risk arises from the use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk). The Group does not have any material exposure to market risk other than interest rate risk and other equity securities price risk.

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NOTE 30: FINANCIAL RISK MANAGEMENT CONTINUED
(d) Market risk continued
Interest rate risk

The objective of interest rate risk management is to manage and control interest rate risk exposures with acceptable parameters while optimising the return. Interest rate risk is managed with a mixture of fixed and floating rate instruments. For further details on interest rate risk refer to the tables below.

2019	Floating interest rate	Fixed interest rate	Non-interest bearing	Total carrying amount	Weighted average effective interest rate
	$	$	$	$	%
(i) Financial Assets					
Cash and cash equivalents	1,671,891	-	-	1,671,891	0.75%
Trade and other receivables	-	-	1,110,705	1,110,705	N/A
Other financial assets	-	-	124,921,640	133,671,640	N/A
Corporate bonds	-	8,750,000	-	-	8.75%
Total financial assets	1,671,891	8,750,000	126,032,345	136,454,236	
(ii) Financial Liabilities					
Trade and other payables	-	-	1,748,087	1,748,087	N/A
Other financial liabilities	-	9,854,145	-	9,854,145	12%
Total financial liabilities	-	9,854,145	1,748,087	11,602,232	

2018	Floating interest rate	Fixed interest rate	Non-interest bearing	Total carrying amount	Weighted average effective interest rate
	$	$	$	$	%
(i) Financial Assets					
Cash and cash equivalents	2,841,511	-	-	2,841,511	1.02%
Trade and other receivables	-	-	1,483,286	1,483,286	-
Other financial assets	-	11,489,368	97,322,952	108,812,320	14.44%
Related party loans	-	-	-	-	-
Total financial assets	2,841,511	11,489,368	98,806,238	113,137,117	
(ii) Financial Liabilities					
Trade and other payables	-	-	1,461,117	1,461,117	
Other financial liabilities	-	7,799,904	140,000	7,939,904	12%
Total financial liabilities	-	7,799,904	1,601,117	9,401,021	

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk. This demonstrates the effect on the profit and equity which could result from a change in these risks.

At 30 June 2019 the effect on profit and equity as a result of changes in the interest rate at that date would be as follows:

	2019	2018
	$	$
Change in profit and equity		
Increase in interest rate by 1%	16,719	28,415
Decrease in interest rate by 1%	(16,719)	(28,415)

Equity securities price risk

The Group has performed a sensitivity analysis relating to its exposure to equity securities price risk. The sensitivity demonstrates the effect on pre-tax profit and equity which could result from a change in these risks.

At 30 June 2019 the effect on equity as a result of changes in equity security prices would be as follows:

	2019	2018
	$	$
Change in equity*		
Increase in equity security price by 10%	(12,327,909)	(9,611,500)
Decrease in equity security price by 10%	12,327,909	9,611,500

* Financial assets revaluation reserve/other comprehensive income

The analysis assumes all other variables remain constant. It also assumes the investment in SolGold plc, Lions Gate Metals Inc, Aus Tin Mining Ltd, Dark Horse Resources Ltd and Lakes Oil NL, were remeasured to fair value on 30 June 2019 (and that the 10% change had occurred as at that date).

It should be noted that the investment in associate is not included in the above analysis as it is outside the scope of Accounting Standard AASB 9 *Financial Instruments*, as it is accounted for in accordance with Accounting Standard AASB 128 *Investments in Associates and Joint Ventures*.

Foreign exchange risk

	Change in US dollar rate	Effect on profit before tax
	%	$
2019	+10%	71
	-5%	(35)
2018	+10%	103
	-5%	(51)

Financial report continued

Notes to the financial statements continued

NOTE 31: FAIR VALUE

FAIR VALUE HEIRARCHY

The following table details the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement being:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

(a) The following table presents the Group's assets and liabilities measured and recognised at fair value at 30 June:

	Level 1 $	Level 2 $	Level 3 $	Total $
2019				
Financial assets at fair value through other comprehensive income	123,279,087	-	-	123,279,087
Convertible note payable	-	-	9,854,145	9,854,145
2018				
Financial assets at fair value through other comprehensive income	96,115,003	-	-	96,115,003
Convertible note receivable	-	-	11,175,368	11,175,368
Convertible note payable	-	-	7,799,904	7,799,904

The financial assets at fair value through other comprehensive income and certain convertible note receivables are measured based on the quoted market prices at 30 June. The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(b) The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Description	Fair value at 30 June 2019 $	Unobservable inputs*	Range of inputs	Relationship of unobservable inputs to fair value
2019				
Convertible note payable	9,854,145	Share price volatility	62%	Higher volatility (+10 bps) would increase FV by $95,564; lower volatility (-10 bps) would decrease FV by $89,650.
		Risk-free interest rate	1.00%	Lower discount rate (-25 bps) would increase FV by $24,567; higher discount rate (+25 bps) would decrease FV by $24,468.

Description	Fair value at 30 June 2019 $	Unobservable inputs*	Range of inputs	Relationship of unobservable inputs to fair value
2018				
Convertible note receivable	11,175,368	Share price volatility	55%	Lower volatility (-10 bps) would increase FV by $362,084; higher volatility (+10 bps) would decrease FV by $315,500
		Risk-adjusted discount rate	22%	Lower discount rate (-100 bps) would increase FV by $102,414; higher discount rate (+100 bps) would decrease FV by $101,169.
Convertible note payable	7,799,904	Share price volatility	60%	Higher volatility (+10 bps) would increase FV by $103,257; lower volatility (+10 bps) would decrease FV by $78,915.
		Risk-free interest rate	1.96%	Lower discount rate (-25 bps) would increase FV by $23,820; higher discount rate (+25 bps) would decrease FV by $20,224.

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

(c) The following table presents the Group's assets and liabilities which are not carried at fair value at 30 June wherein their carrying values do not approximate their fair value at 30 June:

	Level 1 $	Level 2 $	Level 3 $	Carrying value $
2019				
Investments accounted for using the equity method	26,833,818	-	-	16,277,817
2018				
Investments accounted for using the equity method	41,731,267	-	-	17,991,832

The investments accounted for using the equity method displayed in the table above are measured based on the quoted market prices at 30 June.

NOTE 32. SIGNIFICANT EVENTS AFTER REPORTING DATE

On 20 September 2019, the Company provided a letter of funding support to Aus Tin Mining Ltd for an amout of up to $1,000,000 and for a term of up to 12 months, with funding requests to be accompanied by details of proposed expenditure and subject the Company's approval.

Subsequent to 30 June 2019, the Company has sold an additional $2,050,000 of Armour Energy Limited Corporate Bonds (**Corporate Bonds**), bringing the total of Corporate Bonds held to $6,700,000 at the date of this report.

The Directors are not aware of any other significant changes in the state of affairs of the Group or events after reporting date that would have a material impact on the consolidated financial statements.

Financial report continued
Directors' declaration

1. In the opinion of the Directors:

a) the financial statements and notes of DGR Global Ltd for the financial year ended 30 June 2019 are in accordance with the Corporations Act, including:

   i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and performance for the year then ended;

   ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations;

b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1;

c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, as disclosed in Note 1; and

d) the remuneration disclosures contained in the Remuneration Report comply with Section 300A of the Corporations Act.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act for the financial year ended 30 June 2019.

Signed in accordance with a resolution of the Directors.

Nicholas Mather
Managing Director
Brisbane
30 September 2019

Independent auditor's report

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INDEPENDENT AUDITOR'S REPORT

To the members of DGR Global Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of DGR Global Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Financial report continued
Independent auditor's report continued

Classification and carrying value of financial assets at fair value through other comprehensive income

Key audit matter	*How the matter was addressed in our audit*
Refer to Note 11 of the financial report. The Group carries investments in listed shares which are carried at fair value through other comprehensive income. The carrying amount of financial assets at fair value through other comprehensive income is a key audit matter due to the significance of the total balance.	**Our audit procedures, amongst others, included:** • Obtaining from management a schedule of investments held by the Group and vouching the movements to supporting documentation. • Agreeing a sample of the additions and disposals of investments during the year to supporting documentation, and ensuring that gains and losses arising were treated appropriately. • Reviewing management's assessment of the fair value of the investments by reference to quoted prices in active markets, ensuring that management have considered the effect of foreign exchange and that all gains and losses have been treated appropriately. • Reviewing the adequacy of the disclosures of investments, including the fair value disclosures, by comparing these disclosures to our understanding the nature of the investment and the applicable accounting standards.

Carrying value of convertible notes payable

Key audit matter	*How the matter was addressed in our audit*
Refer to Note 18 of the financial report. The Group issued convertible notes which are carried at fair value through profit or loss in accordance with AASB 9. The carrying value of the convertible notes at fair value through profit and loss is a key audit matter due to: • the significance of the total balance • the determination of the fair value of convertible notes involves significant judgement regarding the valuation methodology and the inputs and assumptions.	Our audit procedures, amongst others, included: • Obtaining an understanding of and assessing the terms and conditions of the convertible note agreement to determine the accounting treatment. • Providing the valuation model to our internal experts to assess the reasonableness of the methodology and assumptions applied in the model and evaluating the results of their work. • Assessing the reasonableness of the inputs to the valuation. • Reviewing management's assessment of the movements in fair value of the convertible notes, ensuring that all gains and losses have been treated appropriately. • Reviewing the adequacy of the disclosures in the financial report and agreeing these to the valuation model and the convertible note agreement.

Independent auditor's report

Classification and carrying value of investments accounted for using the equity method

Key audit matter	*How the matter was addressed in our audit*
Refer to Note 13 of the financial report. The Group holds investments in associates accounted for using the equity method. The classification of each asset as an associate and measurement thereof is a key audit matter due to: • the level of judgement management were required to make in assessing the classification of the investment • the significance of the closing balance • the significance of the share of loss of associates and gain arising from discontinuing the use of equity method.	Our audit procedures, amongst others, included: • Evaluating management's assessment of whether control, joint control or significant influence existed. • Agreeing the Group's share of associate losses to the audited financial reports of the Associates and assessing the adequacy of the disclosures. • Reviewing the financial information of the associate including assessing whether the accounting policies of the associates were consistent with DGR Global Limited. • Recalculating the impairment reversals recorded by reference to the fair value of the investments based on quoted prices in active markets and checking that the reversal was not in excess of previously recorded impairments. • Reviewing the adequacy of the disclosures of in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Financial report continued
Independent auditor's report continued

BDO

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 28 to 40 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of DGR Global Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

Tim Kendall

T J Kendall
Director

Brisbane, 30 September 2019

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5 FURTHER INFORMATION

Further information
Shareholder information

Additional information required by ASX and not shown elsewhere in this report is as follows

The information is current as at 23 September 2019.

(a) Distribution schedule

	Ordinary shares		Unlisted $0.20 options exercisable on or before 8 November 2020	
	Number of holders	Number of shares	Number of holders	Number of options
1 – 1,000	210	16,894	-	-
1,001 – 5,000	183	580,196	-	-
5,001 – 10,000	235	2,026,606	-	-
10,001 – 50,000	473	12,842,886	-	-
50,001 – 100,000	151	11,954,093	-	-
100,001 and over	405	585,761,202	16	19,375,000
Total	1,657	613,181,877	16	19,375,000

Unlisted $0.20 options exercisable on or before 28 November 2020		Unlisted $0.20 options exercisable on or before 12 February 2021		Unlisted convertible notes at $0.20 per convertible note	
Number of holders	Number of options	Number of holders	Number of options	Number of holders	Number of notes
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
		-		-	-
4	17,500,000	2	5,200,000	2	50,000,000
4	17,500,000	2	5,200,000	2	50,000,000

The number of shareholders holding less than a marketable parcel of shares is 404 (holding a total of 655,131 ordinary shares).

(b) Substantial shareholders

Name	Number of Shares	Percentage ownership %
Nicholas Mather*	112,142,553	18.29
Tenstar Trading Limited	110,012,044	17.94

* Includes indirect holdings

(c) Voting rights

All ordinary shares carry one vote per share without restriction.

(d) Restricted securities

As at the date of this report, there were no restrictions over the Company's shares.

(e) Twenty largest holders

The names of the twenty largest holders, in each class of quoted security in DGR Global Limited are set out below.

Ordinary shares

Rank	Name	Holding as at 23 Sep 2019	Issued capital %
1	CITICORP NOMINEES PTY LIMITED	116,678,844	19.03
2	SAMUEL HOLDINGS PTY LTD <THE SAMUEL DISCRETIONARY A/C>*	69,926,147	8.60
3	NICHOLAS MATHER & JUDITH MATHER <MATHER SUPER FUND>	41,310,000	6.74
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	25,456,218	4.15
5	MR YEE TECK TEO	16,616,367	2.71
6	MR JEFFREY DOUGLAS PAPPIN	10,000,000	1.63
8	MR VINCENT DAVID MASCOLO	9,650,000	1.57
9	PINEGOLD PTY LTD <GREG RUNGE FAMILY S/F A/C>	8,000,000	1.30
10	NATIONAL NOMINEES LIMITED	7,859,159	1.28
11	MATHER FOUNDATION LIMITED <THE MATHER FOUNDATION A/C>	7,020,788	1.14
12	BETA GAMMA PTY LTD <WALSH STREET S/FUND A/C>	6,700,000	1.09
13	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	5,662,025	0.92
14	AIKEN & ASSOCIATES LIMITED	5,430,144	0.89
15	3RD WAVE INVESTORS LTD	5,000,000	0.82
16	DR STEVEN G RODWELL	4,942,898	0.81
17	BRIAN MOLLER	4,775,000	0.78
18	MR WILLIAM STUBBS	4,650,000	0.76
19	MR WILLIAM GREGORY RUNGE & MRS WENDY KAY RUNGE <THE GREG RUNGE FUND A/C>	4,509,415	0.74
20	HAYES PASTORAL CORPORATION PTY LTD	4,114,007	0.67
	Total of top twenty shareholders	354,829,691	59.06
	Balance of register	258,352,186	40.94
	Total shares on issue	613,181,877	100.00

* These shareholders have more than one shareholding and these shareholdings have been merged for the purposes of this table.

Further information continued
Interest in tenements

As at the date of this report, the Group has an interest in tenements as set out below (and continued over the page).

Tenure type, number and name	Current holder	Registered interest of holder %	Date of expiry
EPM 26838 Jumna Creek	Albatross Bauxite Pty Ltd	100	14 October 2021
EPM 26839 Holland Creek	Albatross Bauxite Pty Ltd	100	9 December 2021
EPM 19379 Three Sisters	Auburn Resources Limited	100	29 January 2021
EPM 25948 Hawkwood	Auburn Resources Limited	100	10 February 2021
EPM 26013 Walkers Road	Auburn Resources Limited	100	13 March 2021
EPM 26245 Nerangy	Auburn Resources Limited	100	14 May 2020
EPM 26248 Titi Creek	Auburn Resources Limited	100	29 January 2020
EPM 26526 Auburn	Auburn Resources Limited	100	3 January 2021
EPM 26529 Therevale	Auburn Resources Limited	100	23 August 2021
EPM 26758 Hillgrove	Auburn Resources Limited	100	27 August 2021
EPM 18534 Quaggy Creek	Auburn Resources Limited	100	11 October 2020
EPM 26523 Calrossie	Auburn Resources Limited	100	10 December 2020
EPMA 27217 Quaggy Extended	Auburn Resources Limited	100	Under Application
EPM 15134 Gayndah	Barlyne Mining Pty Ltd	100	29 September 2021
EPM 18451 Calgoa	Barlyne Mining Pty Ltd	100	20 May 2020
EPM 19087 Mt Abbot	Barlyne Mining Pty Ltd	100	28 July 2020
EPM 26274 Euri Creek	Barlyne Mining Pty Ltd	100	28 May 2020
EPM 26607 Otter Ridge	Barlyne Mining Pty Ltd	100	12 July 2021
EPMA 27250 Kolbar	Barlyne Mining Pty Ltd	100	Under Application
EPM 19270 Pandanus Creek	Coolgarra Minerals Pty Ltd	100	17 September 2021
EPM 26265 Britannia	Coolgarra Minerals Pty Ltd	100	15 March 2020
EPMA 26355 Big Rush	Coolgarra Minerals Pty Ltd	100	Under Application
EPM 26382 Crooked Creek	Coolgarra Minerals Pty Ltd	100	8 May 2020
EPM 26386 Roebourne	Coolgarra Minerals Pty Ltd	100	23 November 2020
EPM 27061 Wade Creek	Coolgarra Minerals Pty Ltd	100	20 May 2022
ML 3678 United Reefs	DGR Global Limited	100	31 May 2022
ML 3741 Shamrock Extd.	DGR Global Limited	100	30 September 2030
ML 3749 North Chinaman	DGR Global Limited	100	31 July 2027
ML 3752 Shamrock Tailings	DGR Global Limited	100	31 January 2021
ML 3753 Shamrock Tailings Extended	DGR Global Limited	100	31 August 2021
ML 50099 Manumbar Extended	DGR Global Limited	100	31 August 2025
ML 50148 Tableland	DGR Global Limited	100	30 April 2029
ML 50291 Black Shamrock	DGR Global Limited	100	Under Application
EPM 26769 Stockhaven	Pennant Resources Pty Ltd	100	27 August 2021
MDL 409 Daddamarine	Pennant Resources Pty Ltd	100	31 December 2018
NT EL 31980 – Tanumbirini North	Pennant Resources Pty Ltd	100	6 May 2025
NT EL 31981 – Tanumbirini South	Pennant Resources Pty Ltd	100	6 May 2025

Tenure type, number and name	Current holder	Registered interest of holder %	Date of expiry
continued	continued	continued	continued
NT EL 32002 – Tanumbirini East	Pennant Resources Pty Ltd	100	6 May 2025
NT EL 32006 – Victoria River Downs	Pennant Resources Pty Ltd	100	6 May 2020
NT EL 32008 – Cooee Hill	Pennant Resources Pty Ltd	100	6 May 2025
NT EL 32009 – Williams Creek	Pennant Resources Pty Ltd	100	6 May 2025
NT EL 32010 – Lagoon Creek West	Pennant Resources Pty Ltd	100	6 May 2025
NT EL 32011 – Lagoon Creek	Pennant Resources Pty Ltd	100	6 May 2025
NT EL 32012 – Lansen Creek	Pennant Resources Pty Ltd	100	6 May 2025
NT EL 32013 – Parsons Creek	Pennant Resources Pty Ltd	100	6 May 2025
NT EL 32014 – Newcastle Creek	Pennant Resources Pty Ltd	100	6 May 2025
NT EL 32039 – Bullock Creek	Pennant Resources Pty Ltd	100	4 July 2025
EPM 25225 Mabel Jane	Pinnacle Gold Pty Ltd	100	14 January 2020
EPM 25963 Leyshonview	Pinnacle Gold Pty Ltd	100	23 December 2020
EPM 25964 Blind Freddy	Pinnacle Gold Pty Ltd	100	23 December 2020
EPM 25965 Black Knob	Pinnacle Gold Pty Ltd	100	23 December 2020
EPM 25966 Bulldog	Pinnacle Gold Pty Ltd	100	23 December 2020
EPM 27289 Rannes West	Pinnacle Gold Pty Ltd	100	Under Application
NT EL 32032 Blue Bush	Pinnacle Gold Pty Ltd	100	Under Application
NT EL 32031 Corella	Pinnacle Gold Pty Ltd	100	Under Application
NT EL 32042 Green Swamp West	Hartz Rare Earths Pty Ltd	100	Under Application
NT EL 32043 Green Swamp East	Hartz Rare Earths Pty Ltd	100	Under Application

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Corporate directory

Directors
William (Bill) Stubbs Chairman / Non-Executive Director
Nicholas Mather Managing Director / CEO
Brian Moller Non-Executive Director
Vincent Mascolo Non-Executive Director
Ben Cleary Non-Executive Director

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