



## DGR Global Limited

28 April 2014

### DGR Global Secures Cornerstone Investor for IronRidge Resources

The Directors of DGR Global ("DGR"), wish to advise that its 45.84% owned iron exploration daughter company IronRidge Resources Limited ("IronRidge") has entered a conditional share subscription agreement with Assmang Proprietary Limited (Assmang), a South African Mining Company jointly owned by the Johannesburg Stock Exchange listed African Rainbow Minerals Limited and Assore Limited.

The agreement with Assmang constitutes a further step in the development of DGR Global's worldwide resource company generation business.

The agreement provides for Assmang to subscribe £11.74m for 46.96m shares at 25 pence per share in IronRidge, subject to conditions. The subscription will give Assmang a 19.9% interest in IronRidge following the completion of a £25m capital raising and listing on the London Stock Exchange Alternative Investment Market (AIM). DGR Global currently holds 62.29m shares or 45.84% in IronRidge which will dilute to a 26.41% holding in IronRidge following the proposed capital raising and AIM listing.

#### Highlights

##### Conditional Subscription Agreement

- Conditional Agreement by South African mining specialist Assmang to invest £11.74m into IronRidge for a 19.9% shareholding.
- Assmang investment to provide conditional cornerstone backing for IronRidge's £25m IPO and AIM listing.
- Assmang jointly owned by African Rainbow Minerals Limited and Assore Limited.
- DGR holds 62.29m shares in IronRidge, which will represent a 26.41% holding post IPO and AIM listing.
- Assmang to nominate one Non-executive Director to the IronRidge Board of five.
- Assmang to have certain pre-emptive rights in respect of share issues for capital raisings (detail below).

##### Project Highlights

- Highly prospective hematite rich iron targets are evident in IronRidge's 100% owned Tchibanga and Belinga Sud licence areas.
- 100km long belt of targets at Tchibanga.
- Tchibanga's prospectivity supported by airborne magnetic and Falcon gravity surveys.
- Low capital infrastructure opportunities with Tchibanga located 60km west of port of Mayumba targeting early stage direct shipping hematite ore production.
- An intense two year work program is planned.



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Commenting on the Assmang - IronRidge Agreement, DGR CEO and IronRidge Executive Chairman Mr Nick Mather said:

"DGR is obviously very pleased that IronRidge has entered this milestone agreement with Assmang. Apart from securing a strong cornerstone investor for the IPO, this deal sets IronRidge apart from other junior iron explorers in Africa. Assmang has an impeccable track record in mine development and operations and shows a strong willingness to be supportive and back IronRidge in its programs.

Subject to completion of the IPO and listing on AIM, the deal with Assmang will equip IronRidge with support, subject to exploration and ongoing technical success, through the evolution of IronRidge from explorer to developer which is where we want to go.

The Assmang - IronRidge deal is a strong endorsement for the DGR business model and the entire management and exploration team responsible for the generation of the company."

### **IronRidge IPO and Listing on AIM**

DGR CEO Nick Mather is the Executive Chairman of IronRidge and DGR Non-Executive Director Mr Vincent Mascolo will head up IronRidge as CEO and will be supported by the DGR administrative management under contract. Mr Mascolo, a professional mining engineer, has strong experience in major civil construction projects and these skills will assist with the development of early high grade direct shipping ore developments, one of IronRidge's important and immediate objectives.

Assmang will also nominate one Director to the IronRidge Board of five Directors.

DGR selected the London capital market and AIM board of the London Stock Exchange for listing IronRidge due to the high liquidity and appetite there for junior African iron exploration companies. Recent improvements in the benefits enjoyed by AIM investors have contributed significantly to the decision by IronRidge.

The planned £25m capital Raising will be cornerstoned by Assmang and the balance is to be raised predominantly in Australia and the UK.

### **IronRidge Exploration in Gabon and Africa**

IronRidge was created by DGR to focus on the exploration for and potential future development of iron ore resources and focus quickly turned to Africa. DGR was attracted to iron and Africa by forecast strong macroeconomic growth driven by relentless urbanisation globally, underpinning world iron and steel markets.

DGR and IronRidge believe that Africa offers several strategic advantages for mineral exploration generally and iron explorers specifically.

Importantly, strong improvements in sovereign and tenement security, and ground access is attracting increasing exploration funding to African projects. DGR considers Gabon to be at the forefront of this trend and has established a significant presence in Gabon. Of particular note is the Gabonese Government's commendable USD14Bn commitment to infrastructure development with a focus on road, rail and port facilities. Gabon's rich petroleum reserves are also considered advantageous for future mineral processing.

Gabon was selected as the exploration destination for IronRidge, owing to it hosting two iron rich Palaeozoic and Archean terrains both of which form part of the pre-continental breakup iron belt now evident in the Carajas region of Brazil, Equatorial West Africa, India and Western Australia's famous Pilbara iron ore regions. Persistent wet tropical environments have enriched the near surface iron profile in Gabon, forming thick iron ore caps over the iron rich substrate with samples up to 67 % iron, encountered by Iron Ridge in reconnaissance field sampling programs.

More specifically the presence of high grade iron ore samples, desirable hematite dominant mineralogy and advantageous short distances from the nearby port of Mayumba makes Iron Ridge's 100% owned Tchibanga project area covering 100km of strike length an outstanding strategic iron exploration asset. Relatively low intensity exploration activities conducted by previous explorers and access to and interpretation of Falcon gravity survey data and magnetic data collected by previous explorers and Government bodies have enabled IronRidge to outline a number of high priority targets which will be investigated following the £25m capital raising.

Field programs following the raising and listing will focus on the numerous targets in the wholly owned key Tchibanga Licence area in Southern Gabon, favourably located only 60km west of the port of Mayumba. Early drilling programs are also planned to investigate the outcropping hematite rich mineralisation on the Mont Pele target area in the south east of the area of interest. Additional works are planned for the Belinga Sud area on the southern edge of the massive Belinga Iron Ore project in Northern Gabon.

Assmang was selected as the IronRidge cornerstone due to its successful track record in mining and development in the African theatre. Assmang operates a combined 14mtpa production at the Beeshoek and Khumani iron ore mines as a joint venture between African Rainbow Minerals (listed on the Johannesburg Stock Exchange, market cap USD3Bn) and Assore Limited also listed on the Johannesburg Stock Exchange.

This generative initiative that has established IronRidge in Gabon was led by DGR Global's New Opportunities Group Exploration Managers and Business Development Managers.



On behalf of the Board  
Karl Schlobohm  
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Figure 1: Location Map – showing infrastructure, existing third-party projects and IronRidge tenement locations.

## **Summary of Assmang IronRidge Share Subscription Agreement Conditions**

Assmang's agreement to subscribe £11.74m to IronRidge is conditional upon, amongst other things:

- (a) IronRidge and Assmang obtaining all of the required regulatory consents and approvals required to complete the subscription, including the approval of Assmang's authorised dealer pursuant to the Exchange Control Regulations enforced by the Financial Surveillance Department of the South African Reserve Bank;
- (b) IronRidge successfully completing the Raising;
- (c) IronRidge being admitted to AIM by no later than 30 June 2014;
- (d) No material adverse change in respect of IronRidge having occurred prior to admission to AIM; and
- (e) the placing agreement to be entered into by IronRidge in respect of the Raising with its NOMAD and broker SP Angel, becoming unconditional.

Under the Agreement, Assmang shall on completion be entitled to appoint one (1) representative to the Board of IronRidge. Assmang's right to Board representation will fall away if its shareholding in IronRidge falls below 10% of IronRidge because of either a voluntary sale of shares or due to dilution in circumstances where Assmang has declined to maintain its shareholding under certain contractual pre-emptive rights afforded to Assmang.

IronRidge proposes to amend its Constitution to provide for implementation of pre-emptive rights for all shareholders similar to those available to UK incorporated public companies, whilst at the same time reserving the right to seek an annual "disapplication" of those rights, in accordance with usual UK listed company practice.

IronRidge proposes to seek approval to be able to issue up to 20% of its share capital in each of the first 2 years after listing on AIM (**Listing**) on a non pre-emptive basis and thereafter has agreed with Assmang to reduced this to 10%. If IronRidge wishes to increase this above 10% in subsequent years it will require Assmang's consent, which cannot be unreasonably or capriciously withheld.

Additionally, Ironridge has agreed to afford Assmang in the first 12 months after Listing, a right to maintain its initial 19.9% shareholding so long as Assmang has maintained its representation on the IronRidge Board and has not reduced its holding below 10% due to voluntary sale of shares or due to dilution where it has declined to maintain its shareholding under its contractual pre-emptive rights.

In the second year after Listing, Ironridge has agreed to afford Assmang a right to maintain its proportionate shareholding in the event that IronRidge undertakes in the second year any cash raising, so long as Assmang has maintained its representation on the IronRidge Board and has not reduced its holding below 10% due to voluntary sale of shares or due to dilution where it has declined to maintain its shareholding under its pre-emptive rights.

Assmang's contractual pre-emptive rights fall away after the conclusion of the second year after Listing.

## Notes to Editors About DGR Global

- DGR Global Limited is an ASX-listed diversified global resource project generator and investment company, focused on creating a single access point for investors seeking to invest in a rapidly growing and diversified range of resource exploration and development companies.
- DGR Global's business is the geo scientifically based generation of significant positions in companies equipped with independent invested management teams and funding; and a focus on world class projects in copper, gold, iron petroleum and agricultural minerals.
- DGRs listed assets currently total AUD\$32.5m before considering DGR's holding in IronRidge. DGR's market capitalisation is currently approximately AUD\$14m. DGR's asset position has been created since 2007 when it transformed from a porphyry copper gold explorer.
- DGR differentiates itself from listed investment trusts or other investment companies or funds in the resource sector by generating at very low cost rather than purchasing its substantial positions in the resource companies it creates.
- DGR's generative efforts are led by DGR Global's New Opportunities Group Exploration Managers and Business Development Managers, using state of the art airborne and/or deep sensing magnetic gravity and electrical geophysical techniques to determine the large scale size and extent of mineralising systems.
- DGR commences its creation of a new resource company with a top down analysis of global macroeconomic and geopolitical trends in order to select a commodity target with acceptable sovereign risks in tenure. DGR focuses on the commodities a rapidly growing and urbanizing world will most need over the next 35 years – copper iron petroleum and agricultural minerals.
- DGR's projects target extensive and new provinces with the potential to make world-class discoveries, thus focusing capital attention, obscuring competition regionally and commanding sovereign attention and infrastructure solutions. DGR Global projects emerge from detailed reassessment and reinterpretation of large databases.
- DGR subsidiary and created company executives are significantly invested and aligned to shareholder interests.

Within its portfolio of created investments in resource companies, DGR holds 75 million shares (25%) in **Armour Energy Limited (ASX: AJQ)** currently focused on the discovery and development of world class gas resources in a new petroleum province in northern Australia, 39 million shares (15.8%) in **Orbis Gold Limited (ASX: OBS)** currently exploring for gold and completing prefeasibility on the exciting Natougou Gold Project in Burkina Faso, 54.5 million shares (9%) in **SolGold plc (LSE-AIM: SOLG)** currently exploring for gold and copper on the promising Cascabel copper gold porphyry discovery in northern Ecuador, 83.7 million shares (12.5%) in **AusTin Mining Limited (ASX: ANW)** completing the prefeasibility study for the Taronga tin project in northern New South Wales and exploring for nickel sulphides, cobalt, gold and silver in Queensland and Tasmania, and 59 million shares (21%) in **Navaho Gold Limited (ASX: NVG)** exploring for Carlin style gold in Nevada and New Mexico, and with gas interests in South Australia and Queensland.

DGR Global is currently progressing the corporate development of Archer Resources Limited including its Zambian copper projects and promising copper gold porphyry projects in Queensland and Hartz Rare Earths focusing on heavy rare earths and uranium in Northern Queensland.

The recent conditional agreement with Assmang Proprietary limited to cornerstone the IronRidge Resources Limited IPO and listing will constitute the creation of DGRs next listed investment.