

## DGR Global Limited

12 January 2015

### ASX Announcement

#### DGR Global Secures Sumitomo Corporation as a Further Cornerstone Investor for IronRidge Resources IPO and AIM Listing

##### Highlights:

##### Conditional Subscription Agreement

- Conditional Agreement by Sumitomo to invest Y495m (currently approximately £2.6m) into IronRidge Resources Limited (IronRidge) at 10p per share which equates to a shareholding of 10.3%-11.7% of IronRidge's total issued share capital, subject to the final size of the IPO capital raising.
- Assore and Sumitomo's investment to provide conditional cornerstone backing for IronRidge's IPO and AIM listing.
- Minimum IPO size of £9.4m now met by Sumitomo and Assore commitments. Maximum IPO size of £12.54m.
- DGR Global holds 62.29m shares in IronRidge, which will represent a 23.5%–26.7% holding post IPO and AIM listing.
- Sumitomo is able to nominate one Non-Executive Director to the IronRidge Board.
- Sumitomo to have certain pre-emptive rights in respect of share issues for capital raisings (detail below).
- The Sumitomo Investment will complement Assore's conditional commitment of £6.7m, to provide a total cornerstone commitment of £9.3m at 10p per share. As part of the IPO IronRidge may raise up to £12.54m.

##### Project Highlights

- Highly prospective hematite rich iron targets are evident in IronRidge's 100% owned Tchibanga and Belinga Sud licence areas in Gabon, equatorial West Africa.
- 100km long belt of targets at Tchibanga.
- Tchibanga's prospectivity supported by previous 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 18 month work program is planned.

The Directors of DGR Global Limited (**DGR**) advise that IronRidge, in which DGR currently holds a 44.5% interest, has entered into a conditional agreement with Sumitomo Corporation to further cornerstone the IronRidge IPO and listing of IronRidge on the AIM market of the London Stock Exchange.

The agreement provides for Sumitomo to invest approximately £2.6m at 10p per share with certain conditions below.

The Sumitomo investment is in addition to, and complements, the Assore investment proposal previously announced by DGR in early December 2014. The Assore investment proposal comprises a subscription, in two tranches, for ordinary shares in IronRidge totalling £6,984,369.

Assore has now completed the first tranche of its investment, being £317,702 at 7.6p for the issue of 4,166,667 shares and now holds a registered interest of 2.97% in IronRidge. Assore has agreed to a second tranche of investment of £6,666,667 subject to and conditional on completion of amongst other things, a minimum capital raising of £9,363,218 at a price of 10p per share (which includes the IPO cornerstone funding to be invested by Assore and the proposed investment by Sumitomo).

Accordingly, the minimum sized raising is to be achieved by the combined Assore and Sumitomo raisings. The maximum raising of £12,540,242 is being pursued by IronRidge subject to market conditions.

Sumitomo holds a 49% interest in Oresteel Investments (Pty) Ltd ("Oresteel") and Oresteel in turn holds a 52.43% interest in Assore. Accordingly Sumitomo will in addition to its direct investment interest in IronRidge, hold a relevant interest in Assore's shares in IronRidge. Sumitomo's undiluted total actual and deemed relevant interest in IronRidge will, following the IPO, be between a minimum of 37.5% and 43% which will require shareholder approval. Sumitomo will also be able to nominate one Non-Executive Director to the Board of IronRidge. Sumitomo's subscription is also subject to, and conditional on, approval by shareholders of IronRidge in general meeting, completion of the minimum sized IPO capital raising and AIM listing in accordance with a completed and an agreed AIM Admission Document, by 31 March 2015.

IronRidge has completed the necessary documentation and anticipates issuing a Notice of Meeting to shareholders in the week commencing 12 January, for a meeting to be held in early February 2015. At the meeting IronRidge will (amongst other things) seek approval of the investments by both Sumitomo and Assore in IronRidge.

Sumitomo, like Assore, will have anti dilutionary rights which will, subject to specific requirements being met under the agreement and in accordance with standard AIM practices, entitle Sumitomo to maintain its equity level in IronRidge in future capital raisings.

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

**"DGR is obviously very pleased that IronRidge has entered this milestone agreement with Sumitomo. Apart from securing a further strong cornerstone investor in addition to Assore for the IPO, this deal sets IronRidge apart from other junior iron explorers in Africa. Sumitomo has an impeccable track record in mine development and metals trading and marketing 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 Sumitomo and Assore 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 Agreements with IronRidge are strong endorsements 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.

Sumitomo will also nominate one Non-Executive Director to the IronRidge Board.

The planned capital raising will be cornerstoned by Assore and Sumitomo which will constitute the minimum requirements to list in the agreements with Assore and Sumitomo. Any additional funds up to an extra US\$5m may be raised predominantly in Australia and the UK for a maximum capital raising of £12.54m

### **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 Global was attracted to iron and Africa by forecast strong macroeconomic growth driven by relentless urbanisation globally, underpinning the outlook for long term world iron and steel markets.

DGR Global, IronRidge, Assore and Sumitomo all 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 available for African projects. DGR Global 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 to future mineral processing projects.

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, several localities in 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 capital raising and listing on AIM.

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.

Assore has a very successful track record in mining and development in the African theatre. Assore has a 50% interest through Assmang in the combined 14mtpa production at the Beeshoek and Khumani iron ore mines.

#### **About Sumitomo**

Sumitomo Corporation is a leading Japanese global trading company, with 115 locations in 66 countries and 24 locations in Japan. The entire Sumitomo Corporation Group consists of nearly 800 companies and more than 70,000 personnel. The Sumitomo Corporation business is continuously expanding into a diverse range of products and services. Its core business units are Metal Products; Transportation & Construction Systems; Environment & Infrastructure; Media, Network, Lifestyle Related Goods & Services; and Mineral Resources, Energy, Chemical & Electronics.

Further information on Sumitomo Corporation is also available at:  
<http://www.sumitomocorp.co.jp/english/company/about/profile/>



On behalf of the Board  
Karl Schlobohm  
Company Secretary

**Competent Persons 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 Ltd (and a director of DGR Global Ltd's subsidiaries and associates, including IronRidge Resources).

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 2004 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.

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Electronic copies and more information are available on the Company website: [www.dgrglobal.com](http://www.dgrglobal.com)

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