



## DGR Global Limited

31 March 2016

### DGR Business Update

Further to its previous ASX releases, DGR Global Ltd (**DGR, ASX: DGR**) wishes to provide the following update in respect of the bridging loan facility (**DGR Global Loan Facility**) provided to Armour Energy Ltd (**Armour, ASX: AJQ**).

#### Extension of DGR Global Loan Facility

DGR advises that it has agreed to an extension of the DGR Global Loan Facility to 31 May 2016 (**New Termination Date**). This two month extension has been granted to Armour on the current terms of the facility, which is currently secured and has an interest rate of 15% per annum.

DGR and Armour have executed a Deed of Variation of the DGR Global Loan Facility today.

The DGR Global Loan Facility currently has an outstanding balance of \$11.11 million with \$1.84 million still available to be drawn under the facility by Armour. The facility limit was reduced from \$19 million to \$13 million earlier this month following a \$6 million repayment by Armour as disclosed in DGR's Half Year Financial Report released on 15 March 2016.

Armour retains its contractual rights to seek an extension of the DGR Global Loan Facility beyond the New Termination Date, upon the same terms as announced on 30 September 2015. That is, with Armour providing DGR with:

- (a) a first ranking security and mortgage over unsecured Surat Basin Assets and a fixed and floating charge over the assets of Armour and subsidiaries and the assets of those subsidiaries;
- (b) the grant of a 0.5 per cent gross sales royalty over production from the Surat Basin Assets;
- (c) the grant of 50,000,000 options; and
- (d) a right to convert no more than 50% of any part of the drawn part of the facility to share equity in Armour at any time, at 90% of the preceding 10 day volume weighted average in accordance with the provisions of the Corporations Law and ASX Listing Rules but subject to Armour having a right if conversion is requested to repay the funding early.

#### DGR Conversion Rights

In the event that prior to the New Termination Date Armour proceeds with a pro-rata capital raising, (**Capital Raising**) Armour has agreed to afford DGR, a major shareholder, the right to participate in any such Capital Raising through conversion of part of the funding provided to Armour under the DGR Global Loan Facility at the issue price for shares under the Capital Raising for an amount not exceeding its pro-rata entitlement. DGR is not obliged to participate or do so through any such debt conversion.



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### Third Party Funding Update

Armour continues to progress negotiations with other third party / commercial financiers. In the event that Armour is successful in these negotiations, it is expected that Armour would apply any funds received under such arrangement to repay funds provided by DGR under the DGR Global Loan Facility.

The parties will update the market in due course, as and when able to do so.



On Behalf of the Board  
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#### About DGR Global Limited

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

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

This is achieved through:

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

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

DGR Global has commenced an intended program of judicious dividend payments to its shareholders. The future of the dividend program will depend on circumstances from time to time.

The previous resource exploration and funding activities of DGR's key personnel underscore the opportunities provided by the DGR business model.



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