

DGR Global Limited
18 August 2020
Auburn Resources Limited
Proposed Acquisition of Ripple Resources Pty Ltd

The Board of Directors of DGR Global Limited (**DGR**, the Company, ASX:DGR) is pleased to advise that a Term Sheet has been executed between public, unlisted Auburn Resources Limited (**Auburn**) and Armour Energy Limited (**Armour**, ASX: AJQ) for the acquisition of Armour's wholly owned subsidiary, Ripple Resources Pty Ltd (**Ripple**) by Auburn. Ripple currently holds a number of mineral exploration tenements in Queensland and the Northern Territory considered to be prospective for lead and/or zinc and gold.

Under the Term Sheet, in consideration for the issue of 5,600,000 fully-paid ordinary Auburn shares, Armour will transfer its legal, beneficial and unencumbered interest in 100% of the shares in Ripple to Auburn. Immediately following the transaction, Armour would hold approximately 12.5% of Auburn.

Auburn, which is currently 45% owned by DGR Global, holds interests in a range of mineral projects in Queensland and the Northern Territory prospective for copper, gold, lead, zinc, cobalt and nickel. Auburn holds an extensive lead-zinc focused exploration position in Northern Queensland and the Northern Territory, and the acquisition of Ripple's tenement holdings is considered complementary to Auburn's existing tenement holdings in the same states (refer **Figure 1** below). The parties have agreed to include overlapping tenure arrangements in the formal transaction documents to ensure the Armour's rights of access and development are preserved.

Completion of the transaction is subject to a number of conditions precedent, including:

- 1) Auburn completing due diligence on Ripple to its complete satisfaction;
- 2) Armour completing due diligence on Auburn to its complete satisfaction;
- 3) both parties obtaining any necessary shareholder and / or regulatory approvals for the proposed transaction (including ASX or ASIC approvals, if required);
- 4) Ripple having clear and unencumbered title to (and having successfully renewed, except for EPM 20618, EPM 20620 and EPM 20622) the exploration permit minerals and exploration licences;
- 5) the satisfaction of all outstanding loans to Ripple by the issue of shares in Ripple to Armour; and
- 6) If necessary, the:
 - a) granting of special approval by Noteholders for the Proposed Transaction. For the purposes of the Term Sheet, the Noteholders are holders of Australian Dollar Secured Amortising Notes issued to FIIG Securities Ltd (as Lead Manager and Initial Subscriber) by Armour Energy pursuant to an Information Memorandum dated 27 March 2019 (the Notes); or
 - b) removal or release of the Exploration Permits from a security perspective by the Security Trustee of the Notes.
- 7) The parties entering into formal transaction documentation.

The Board of DGR Global will keep shareholders and interested investors informed of further developments as this matter progresses.

Commenting on the announcement, DGR Global's General Manager, John Bierling said: ***"The acquisition by Auburn of Ripple Resources is a highly complementary and logical fit for Auburn, enhancing Auburn's diversified commodity portfolio, across a number of deposit types, and adding to Auburn's good spread of project maturity from extensive untested greenfields in the Tanumbirini Project to walk up high priority drill targets in the Nicholson Project."***

The acquisition provides a unique opportunity to add value and significant prospectivity to Auburn, and I look forward to factoring these projects into Auburn's forward exploration plans."

This Announcement has been authorised by the Board of Directors.

Karl Schlobohm
Company Secretary

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About DGR Global Limited

DGR Global's business is the creation of resource exploration development and mining companies. The business uses the skills of a core team of talented geoscientists to identify resource projects capable of yielding world class discoveries of attractive commodities.

This is achieved through:

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

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

Get Regular News from DGR Global on Social Media

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

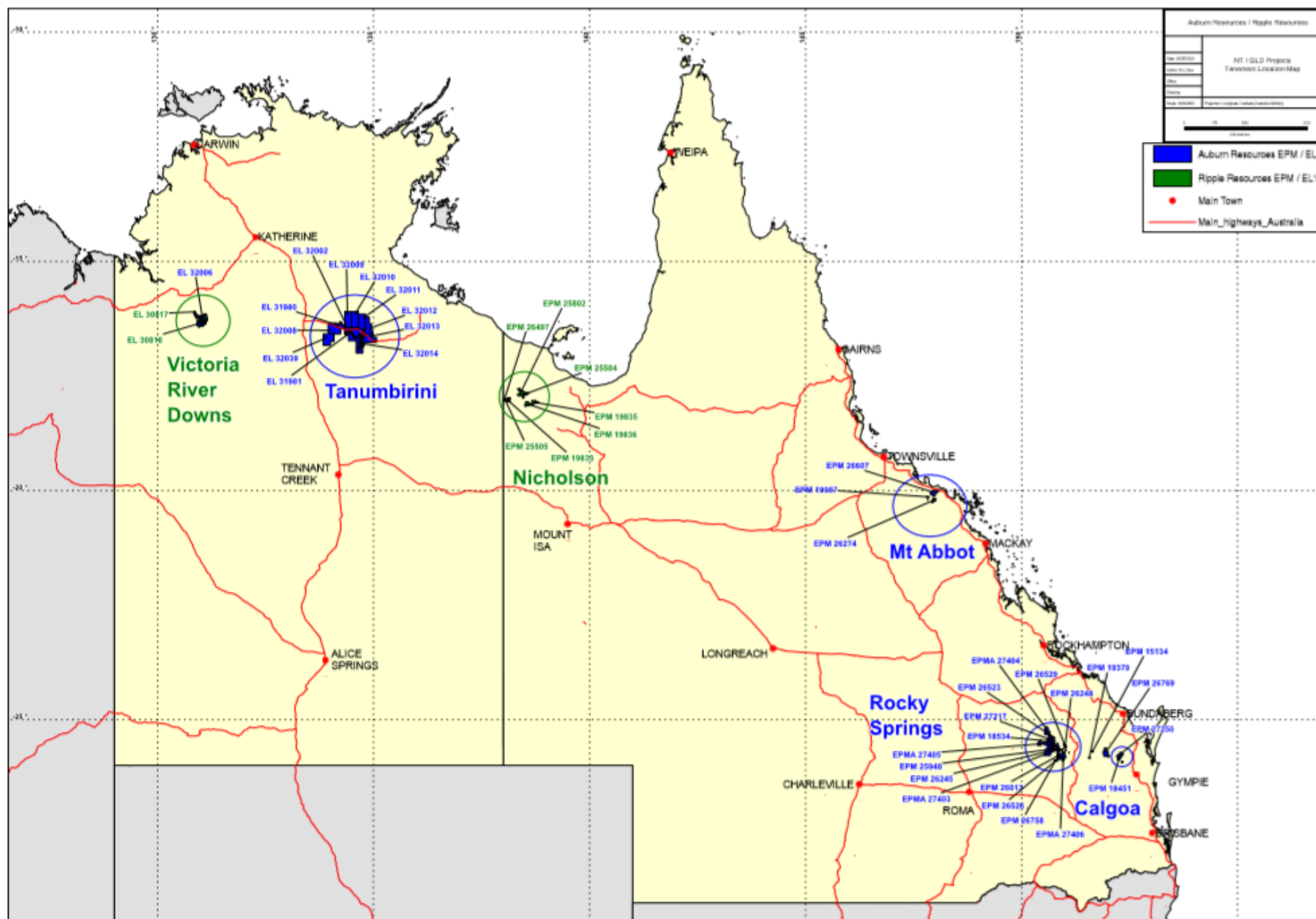


Figure 1 – Auburn’s Project Portfolio in Queensland and the Northern Territory inclusive of Ripple Resources tenements

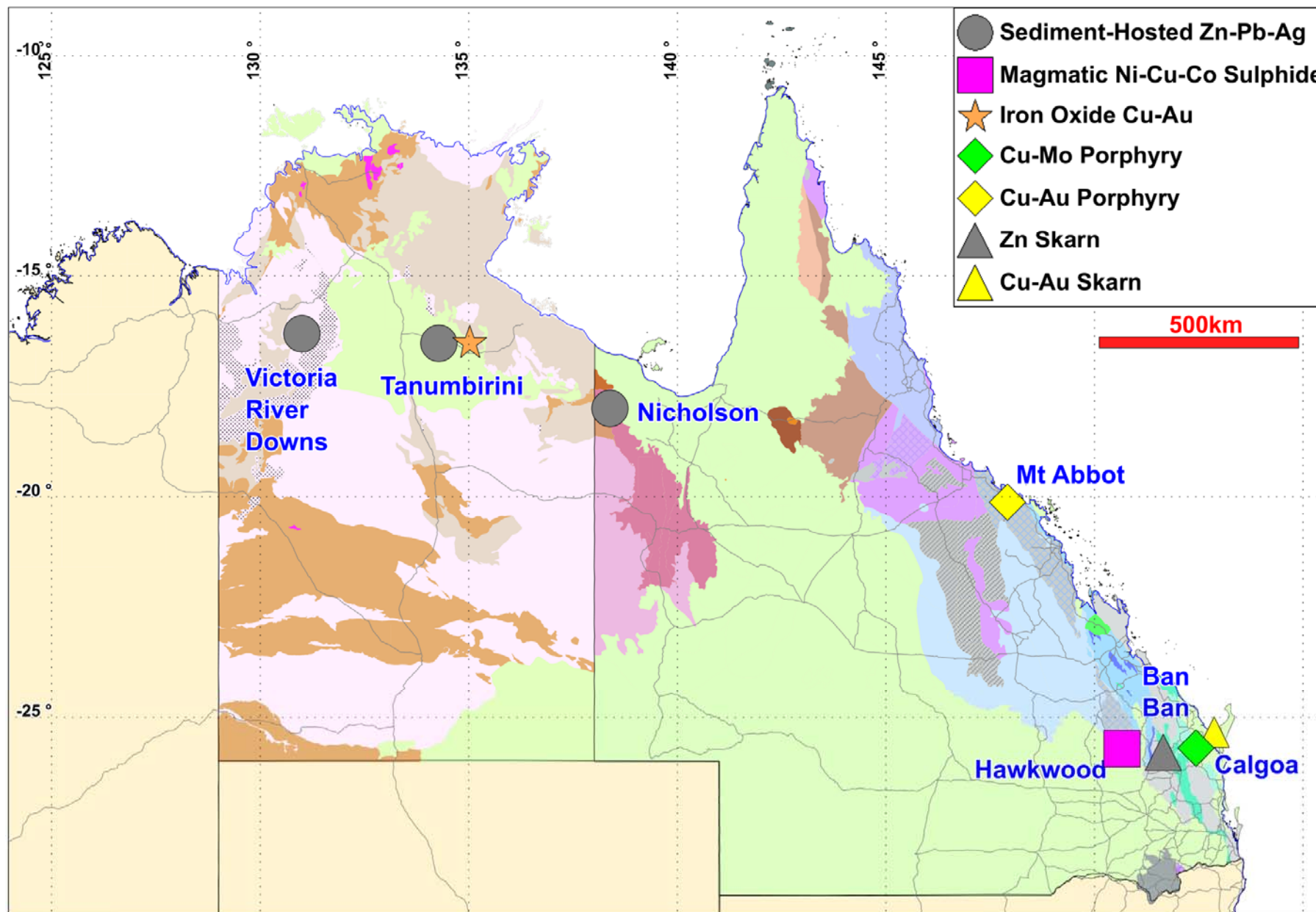


Figure 2 – Auburn's Project Portfolio by commodity and deposit type in Queensland and the Northern Territory inclusive of Ripple Resources tenements