

# QUARTERLY REPORT



## ACTIVITIES REPORT FOR THE DECEMBER 2016 QUARTER

### Highlights

#### DGR Global (ASX: DGR)

- The company remains focussed on new project generation (see later sections) and reviewing investment opportunities. DGR has announced the terms of loans made available to Armour Energy and Dark Horse Resources.

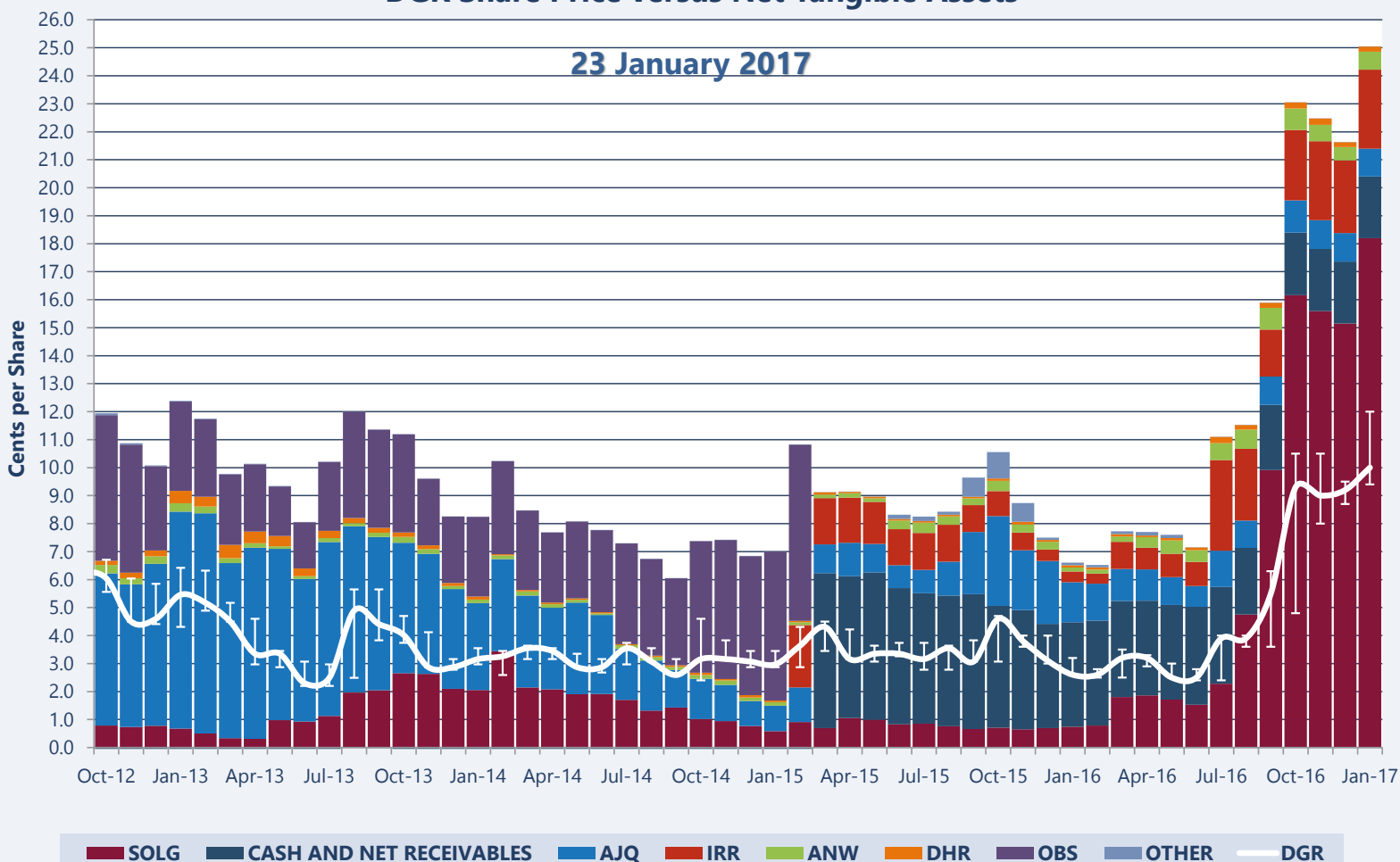
#### Armour Energy Ltd (ASX: AJQ) - DGR 23.25%, 75m shares

- Holds highly prospective whole basin **oil and gas** positions in Northern Territory and North West Qld covering 139,000 km<sup>2</sup>, and a track record of exploration success.
- Acquired the petroleum resources, tenures, and production and transportation infrastructure of the former Origin Energy assets on the Roma Shelf (**Kincora Project**), with production of oil from the Emu Apple well commencing in August<sup>1</sup>. Subsequently acquired the interests of Santos in the Kincora Project<sup>2</sup>.
- Announces a 510% increase in 2C Contingent Resources at the Kincora Project<sup>3</sup>.
- Welcomes M.H. Carnegie as a cornerstone investor in a progressive \$40 million capital raising (Convertible Notes and Rights issue) to fully develop the Kincora Project<sup>4</sup>.
- Executes initial **gas sales agreement** with Australian Pacific LPG to underpin restart at Kincora<sup>5</sup>.
- Wholly owned subsidiary Ripple Resources Pty Ltd emerges as a highly prospective lead-zinc explorer with over 20,000 km<sup>2</sup> under application or tenure in Northern Australia.

#### SolGold plc (LSE: SOLG) – DGR 14.51%, 207.3m shares

- Focus on high grade world class copper gold porphyry system at **Cascabel** in Ecuador. Cascabel is close to the capital and ports, is at low elevation, and has adequate water supplies and access to power.
- Assay results from 20 drill holes to date confirm discovery of a large scale, high grade porphyry system at the **Alpala** Prospect. Further significant long high grade drill intersections were announced to the London Stock Exchange during the last quarter and can be viewed on the LSE or SolGold company website. Hole 12 returned the longest and highest grade intercepts to date<sup>6</sup>.
- Strong copper gold surface mineralisation discovered at the **Aguinaga** and **Trivino** Prospects<sup>7</sup>, with Cascabel's true potential beginning to emerge with 14 porphyry targets identified to date, seven of which are close to drill ready status<sup>8</sup>.
- Substantial treasury (USD 44 million) built to accelerate drilling and exploration after capital raisings that brought significant new shareholders Maxit Capital (Canada) and Newcrest (10%) on to the register<sup>9</sup>.
- New drilling contracts signed to underpin aggressive four year exploration program. Three rigs now drilling with fourth rig due to start in February<sup>10</sup>.

### DGR Share Price versus Net Tangible Assets



# Highlights

## IronRidge Resources Ltd (LSE: IRR) – DGR 26.15% 62.3m shares

- Highly prospective **hematite rich iron** targets evident in **Tchibanga** and **Belinga Sud** licence areas in Gabon – total tenure 5,400 km<sup>2</sup>. Tchibanga is less than 70 km from the port of Mayumba.
- Wholly owned subsidiary Eastern Exploration Pty Ltd discovers high grade Direct Shipping Ore (DSO) **bauxite** mineralisation at the **Monogorilby** project in Queensland, Australia and announces JORC compliant inferred maiden resource estimate<sup>11</sup>.
- Initial drilling program at the May Queen **gold** prospect near Monogorilby confirms historical data and delivers multiple significant gold intersections<sup>12</sup>.
- Acquired 60% of Tekton Minerals Pte. Ltd (and holds a Board position) which has exclusive rights to an extensive land package and associated major new **gold** discovery in **Chad**, Central Africa<sup>13</sup>.
- Secured highly prospective **lithium** tenements (and rights to acquire historic lithium resource) in **Ghana**, West Africa<sup>14</sup> and added right to acquire highly prospective primary “hard rock” lithium exploration license in **Ivory Coast**, West Africa<sup>15</sup>.
- Additional highly prospective lithium tenement secured adjacent to lithium tenements already held in Ghana<sup>16</sup>.
- Gains access to highly prospective **gold** portfolio (six tenements) in Ivory Coast, and adds a further 3 tenements to the package at the end of the quarter<sup>17</sup>.
- 100% owned local subsidiary secures 3 highly prospective **lithium** pegmatite exploration permits in **Ivory Coast**<sup>18</sup>.

## Dark Horse Resources Ltd (ASX: DHR) – DGR 13.04% 113.5m shares

- Significant advancement of the highly prospective **Nirihuau Coal Project** in Rio Negro province in Argentina (DHR earning up to 75%).
- Progressing the development of a thermal power station at Nirihuau to supply low-cost base-load power to the Rio Negro region and into the main Argentinian electricity supply network<sup>19</sup>.
- Plans for low cost coal production and sale to local industries within the San Juan province in Argentina (**Marayes Coal Project**).
- Expanded the company Argentinian focus with the acquisition of Oronegro SA, with exclusive rights to explore for **lithium** and other strategic minerals in San Luis and Cordoba provinces. Subsequently Oronegro enters an exclusive agreement to acquire the Las Tapias Mine, the principal historic spodumene mine in Argentina<sup>20</sup>.

- Completed sale of subsidiary **NavGas Pty Ltd** (includes 6 PELAs in South Australia and ATP 1183 on the Roma Shelf in Qld.) to Lakes Oil NL (LKO) for shares in LKO to the equivalent of \$20M. Dark Horse emerges as the holder of over 40% of LKO<sup>21</sup>.
- Enters Exclusive Agreement to acquire 85% of the **Los Domos Gold Project** in Santa Cruz province, Argentina which hosts a number of world class, multi-million-ounce gold deposits (including Cerro Negro and Cerro Vanguardia)<sup>22</sup>.

## Aus Tin Mining Limited (ASX: ANW) – DGR 21.77% 360.8m shares

- Becomes the second listed tin producer on the ASX with resumption of tin production at the **Granville Tin Project** in Tasmania<sup>23</sup>.
- Maiden JORC resource estimate confirms **Taronga** as a world class tin project. The details of the resource (79% indicated) can be viewed on the ASX or on the company website.
- Metallurgical flow sheet completed for Taronga pre-feasibility study. Ore described as coarse grained, having simple metallurgy, and highly amenable to pre-concentration.
- Advancement of the Taronga Project with commitment to Stage 1 Development comprising trial mining and pilot plant operations.
- Field work confirms high grade **cobalt** results from target extension at the **Mt Cobalt Project** in Qld, and drilling program during the quarter confirms depth extensions of nickel and cobalt mineralisation<sup>24</sup>.

## Archer Resources | 63% DGR owned

- Rejuvenation as a zinc-copper-gold-nickel-cobalt company, with fundraising continuing for advancement towards ultimate listing.
- Potential for world class copper gold discoveries at Mt Abbott, Calgoa-Colo and Three Sisters Projects and nickel cobalt copper discoveries at Hawkwood.
- Exploration target defined for the Ban Ban Zinc Project – refer later section for details.

## NEW OPPORTUNITIES:

### Coolgarra Minerals | 100% DGR owned

- 2 Exploration Permits (EPMs) and 4 EPM applications for gold, nickel, cobalt and antimony in North Queensland

### Pinnacle Gold | 94% DGR owned

- 6 EPMs for gold (5 near Charters Towers) have now been granted.

### Albatross Bauxite | 100% DGR owned

- Wholly owned subsidiary, with 4 granted EPMs for bauxite in southern Queensland.

Footnotes: see page 8.

## DGR GLOBAL CREATES RESOURCE COMPANIES

**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 favourable 20-year demand, growth and price outlook

-Geological terranes with:

- A demonstrated strong endowment for that commodity
- An under-explored history
- Opportunity for the application of recently developed exploration and metallurgy techniques to define economic resources
- Jurisdictions with improving socio-economic and regulatory frameworks
- Extensive available tenures
- Existing data sets which provide the basis for novel reinterpretation

# DGR GLOBAL CREATES RESOURCE COMPANIES

**DGR Global** 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 in 2015 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.

DGR Global does not purchase its exploration projects. DGR's in house generative capabilities gives the Company a strong competitive edge.

DGR's focus on provincial tenement positions covering entire sedimentary basins or structural blocks where possible, delivers capital, government and major resource corporate attention.

**DGR Global** holds key equity positions in its subsidiary companies after listing. As shown in the DGR Global Group Corporate Structure (see Figure 1) at 23 January 2017, DGR Global holds:

- 23.25% Armour Energy Ltd (ASX:AJQ),
- 14.51% SolGold Plc (LSE:SOLG),
- 26.15% IronRidge Resources Ltd (LSE:IRR),
- 21.77% Aus Tin Mining Ltd (ASX:ANW),
- 13.04% Dark Horse Resources (ASX:DHR).

Figure 2 demonstrates how DGR Global continues to build value for shareholders.



Figure 1: DGR Global Group Corporate Structure at 23 January 2017

# Resource Company Factory



6. Production
5. Development
4. Resource definition, secondary raisings
3. Exploration programs
2. Seed raising, proof of concept, IPO
1. Choose commodity, region and country

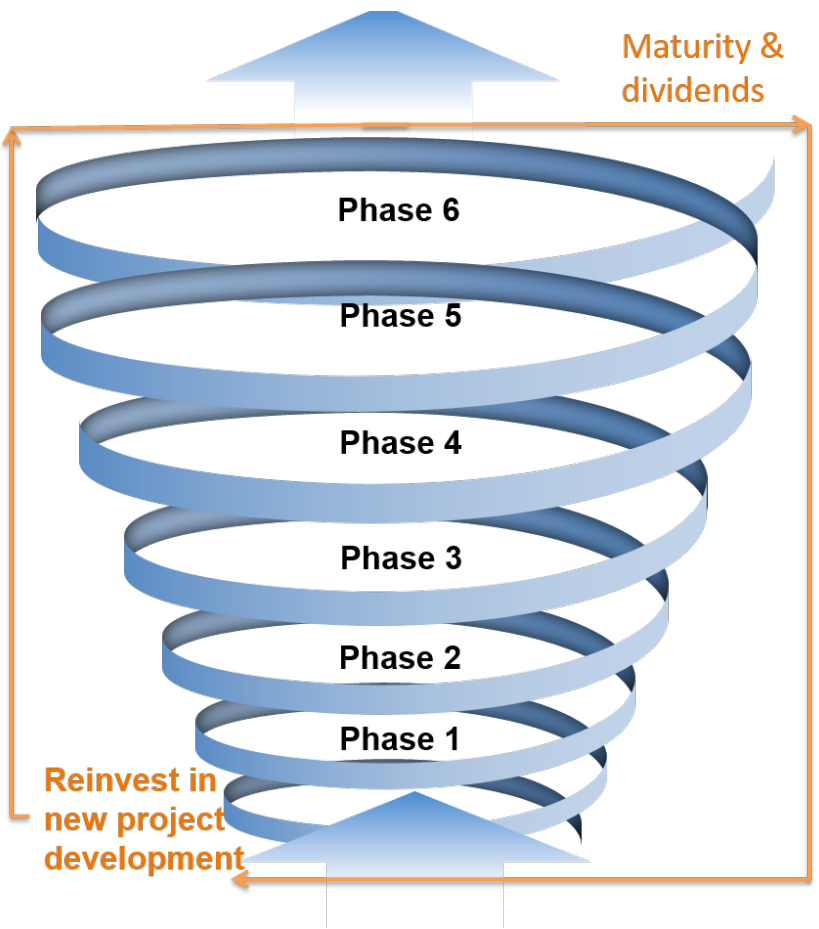


Figure 2: Company Creative Process

# ARCHER RESOURCES

## Copper-Gold-Zinc-Nickel-Cobalt

Archer is focused on the discovery and development of copper, gold, nickel, cobalt and zinc deposits in Eastern Queensland.

The company holds a portfolio of 5 very prospective exploration project areas and early-stage resources with huge upside potential. The five project areas (shown in Figure 3) contain at least 15 prospects, with several drill ready targets. The Mt Abbot Project area (see Figure 4) holds several walk up targets including Stockyard Creek, The Springs and Euri Creek. The Calgoa Project area (see Figure 5) has high-grade porphyry style mineralisation evident in historic workings within a large alteration zone of > 40 km<sup>2</sup>.

Archer and DGR geoscientists have reviewed all the historical drill data for the Ban Ban Zinc Deposit (held on MDL 409). The tenement has an orebody that has historically been deemed too small to be economic. For the first time the historic drilling data has been modelled in 3D and has revealed significant areas where little is known, and confirms that the deposit may be open to the north but most certainly is open at depth.

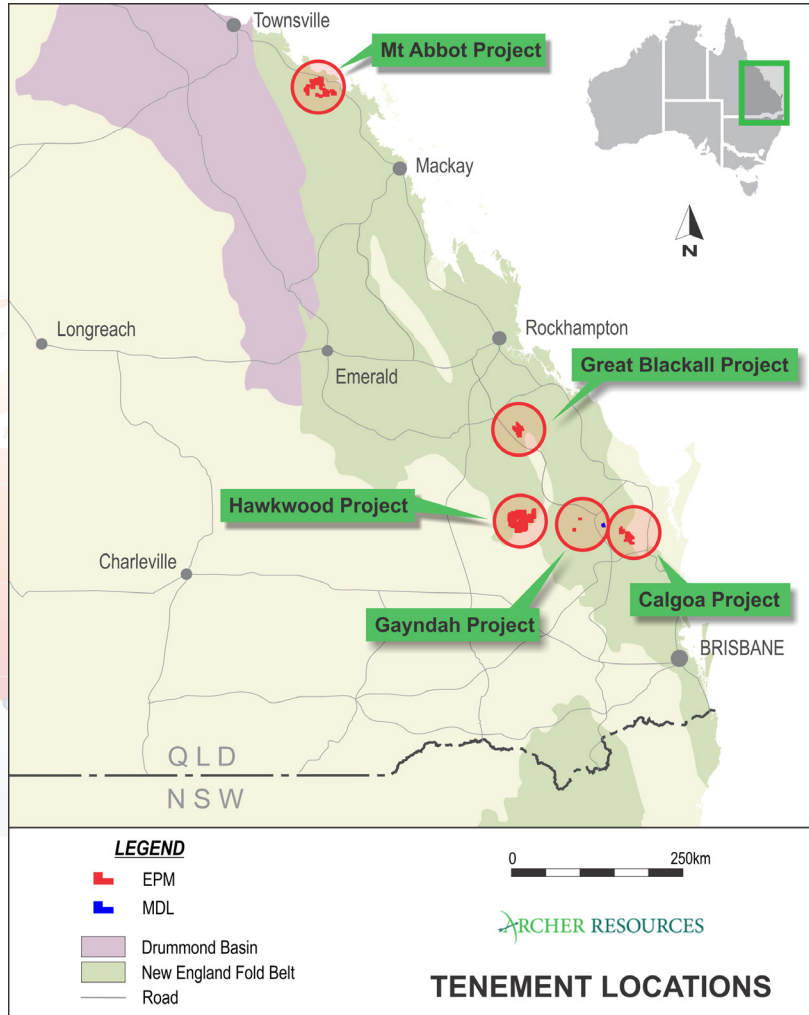


Figure 3: Archer Resources Project Locations



This is clearly evident in the long section shown in Figure 6. Based on 3D modelling of the historical drill data the company has internally generated an exploration target of approximately 2 million tonnes to approximately 5 million tonnes grading approximately 7% zinc to approximately 10% zinc and approximately 8 g/t silver to approximately 10 g/t silver. It should be noted that the potential grade and tonnage is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource, and that it is uncertain if future exploration drilling will result in the estimation of an economic Mineral Resource.

The Company is planning an exploration program to prove up the target over the next 12 months. Archer Resources has commenced a seed raising to raise \$1.5m by the issue of 30 million shares @ 5 cents per share. A significant portion of the funds raised will be used in a new drilling program at Ban Ban with the aim of delivering a JORC compliant resource within 12 months. Funds will also be spent to advance exploration at key project areas such as Mt. Abbot, Calgoa, Three Sisters, Gayndah and Pinnacle. Initial review will also be commenced on new tenements at Great Blackall and Hawkwood. Sophisticated Investors interested in participating in the Archer Resources seed raising can contact the Company Secretary for further information.

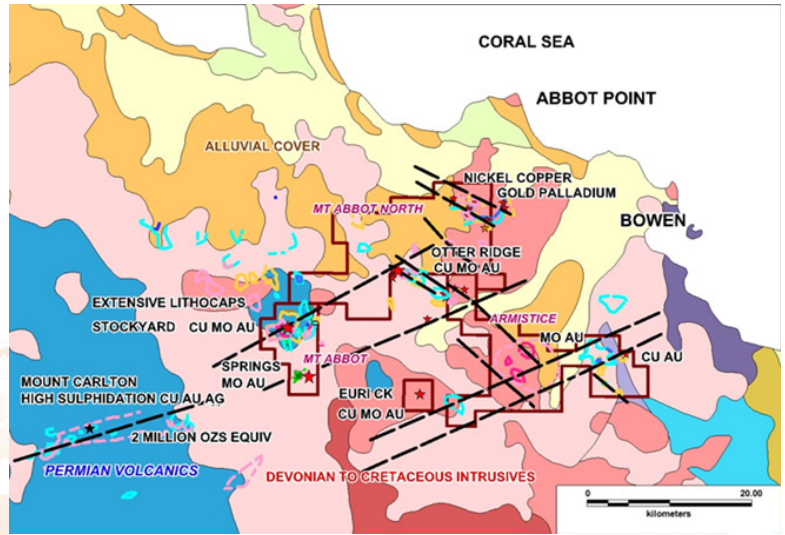


Figure 4: Mt Abbot Project Area-3 EPMs

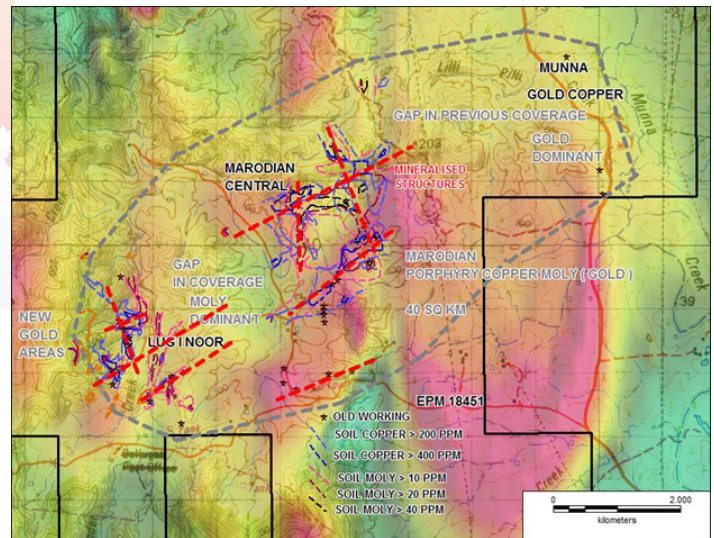


Figure 5: Central area - Calgoa Project - showing historic mining sites

## Ban Ban Zinc Deposit, Biggenden QLD

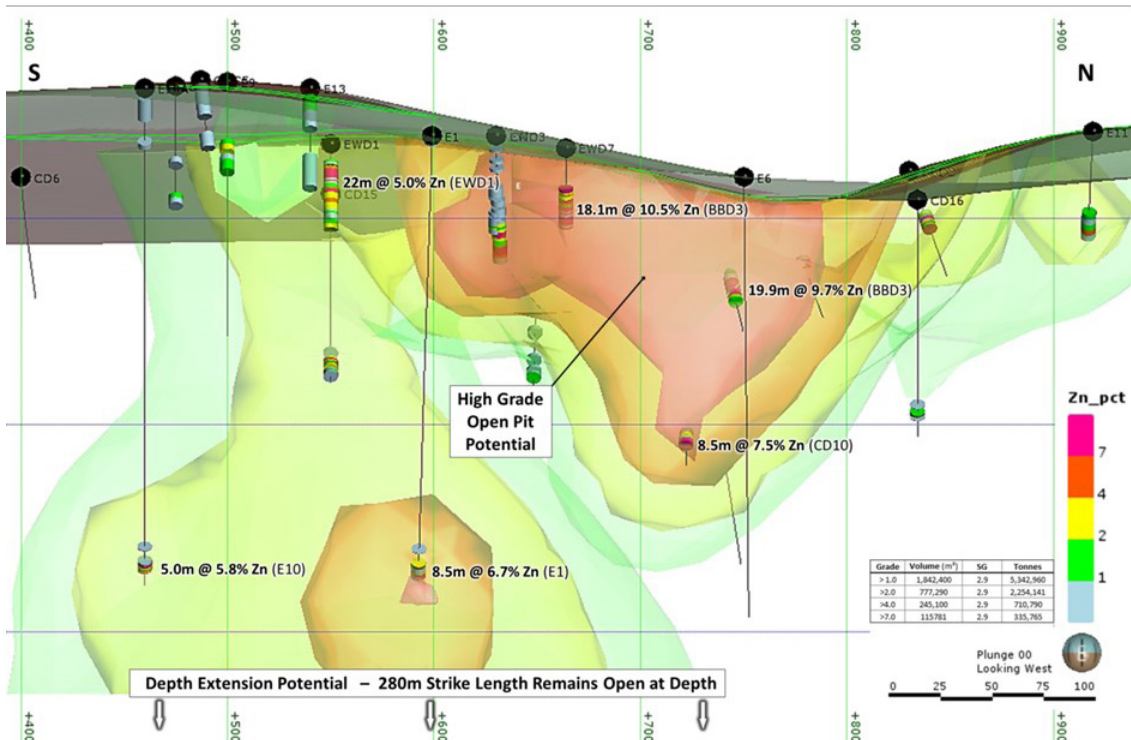


Figure 6: Long section showing kriging interpolation for 1%, 2%, 4% and 7% Zinc, modelled in 3D Software.

# Pinnacle Gold

As shown in Figure 7, Pinnacle Gold has now secured substantial and extensive 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 focussed on mapping and sampling known workings. Only two areas have been drilled.

No one has ever done a systematic geochemical survey yet the area clearly lies on potentially mineralising structures (Charters Towers – Black Jack – Mt Leyshon). It would appear that earlier explorers have been distracted by small high grade gold bearing quartz veins with no size potential. Significant steam anomalism (see Figure 8) may not all be due to “noise” from small veins.

After reviewing the historical exploration programs Pinnacle considers it is time to re-think how to explore this mostly soil covered area. Looking for large targets, Pinnacle will commence a field program of low gold detection limit soil lines on a grid pattern with infill gridding of any elevated results. Also, further investigation will be undertaken of some identified areas of high gold stream sediment geochemistry that have had limited follow up.

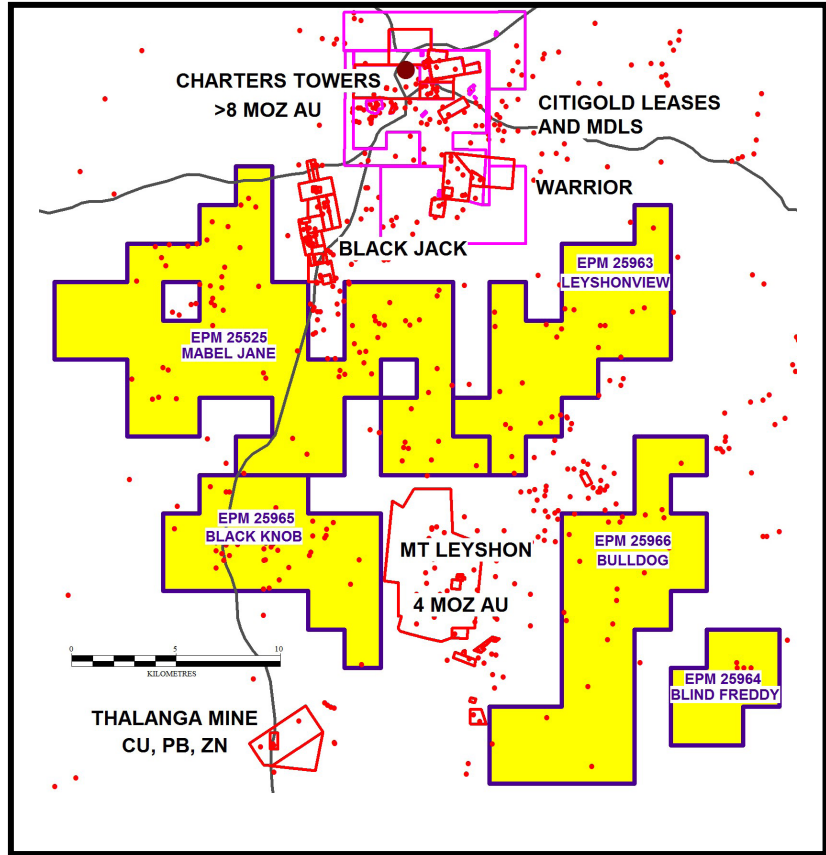


Figure 7: Pinnacle Gold Exploration Holdings south of Charters Towers, QLD

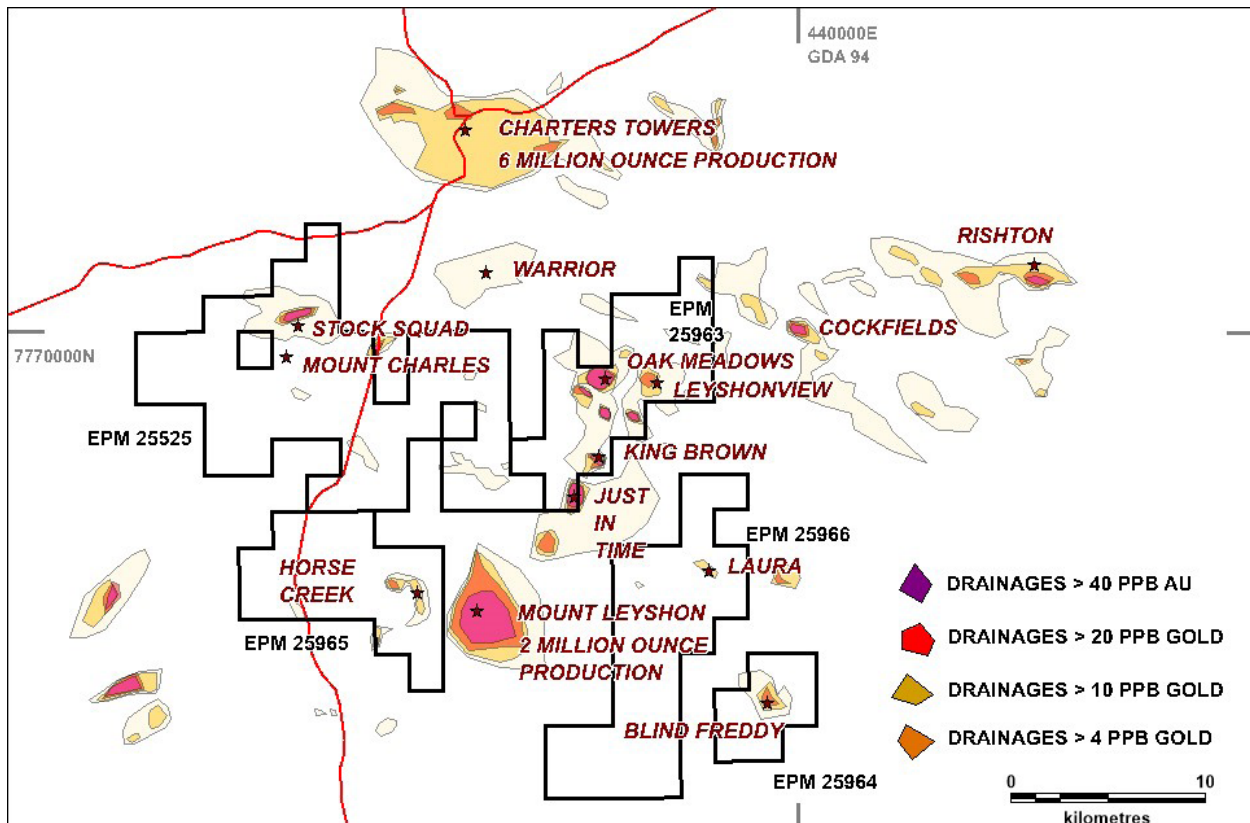


Figure 8: Overview of gold stream sediment geochemistry south of Charters Towers (compiled from historical data)



# COOLGARRA MINERALS PTY LTD

Coolgarrá Minerals now holds 2 granted EPMs and 3 EPM applications south of Greenvale, Qld and one EPM application west of Theodore in Central Qld as shown in Figure 9.

The exploration tenements south west of Greenvale are prospective for gold, cobalt and nickel. Field work (including soil sampling) has commenced on the granted EPM 19270, with particular focus on the areas around the Walley's Hope and Janelle's Hope Prospects in the south of the tenement and the Wade's Prospect in the northern sector.

EPMA 26386 (Roebourne Project) has been lodged over an area west of Theodore where an olivine gabbro has intruded into Surat Basin sediments. The tenement is highly prospective for cobalt, with historical records indicating the presence of asbolite float in the central eastern section, and rock chip samples to 1.2% Co to the western side. This historical data is from earlier exploration programs that were targeting base metals, with no focus on cobalt.

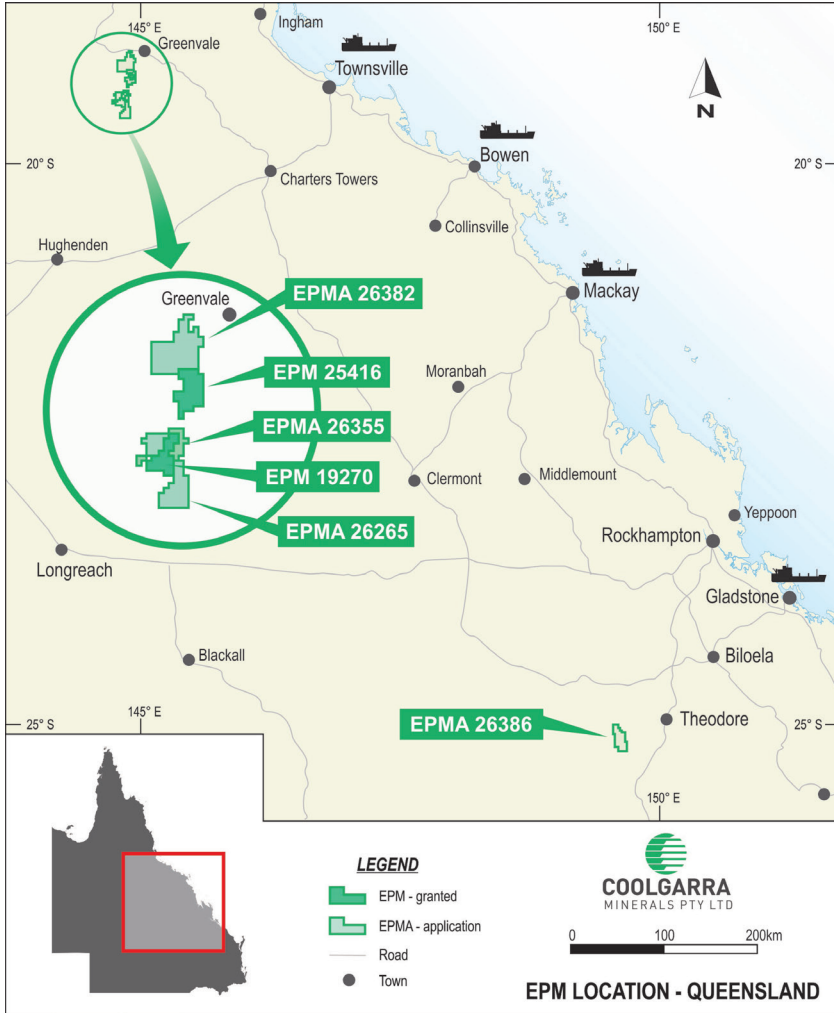


Figure 9: Coolgarrá Minerals Exploration Tenements

# Albatross Bauxite

Albatross Bauxite is a wholly owned subsidiary of DGR Global Ltd, formed in 2011 with the purpose of exploring and acquiring bauxite resources for export. Albatross' initial efforts were focussed in Cape York Peninsula (near Albatross Bay).

Since the recent discoveries of high quality bauxite in southern Queensland, and as a result of familiarity with SE Queensland geology, Albatross has applied for exploration rights over known bauxite occurrences and prospective laterite terrains.

Albatross Bauxite now holds 4 granted EPMs in south east Central Qld, all prospective for bauxite (see Figure 10). EPM 25976 (just granted) and EPM 25977 are located close to the Port of Bundaberg for potential export of bauxite to overseas markets. A field exploration program for these two EPMs is planned for the coming quarter.

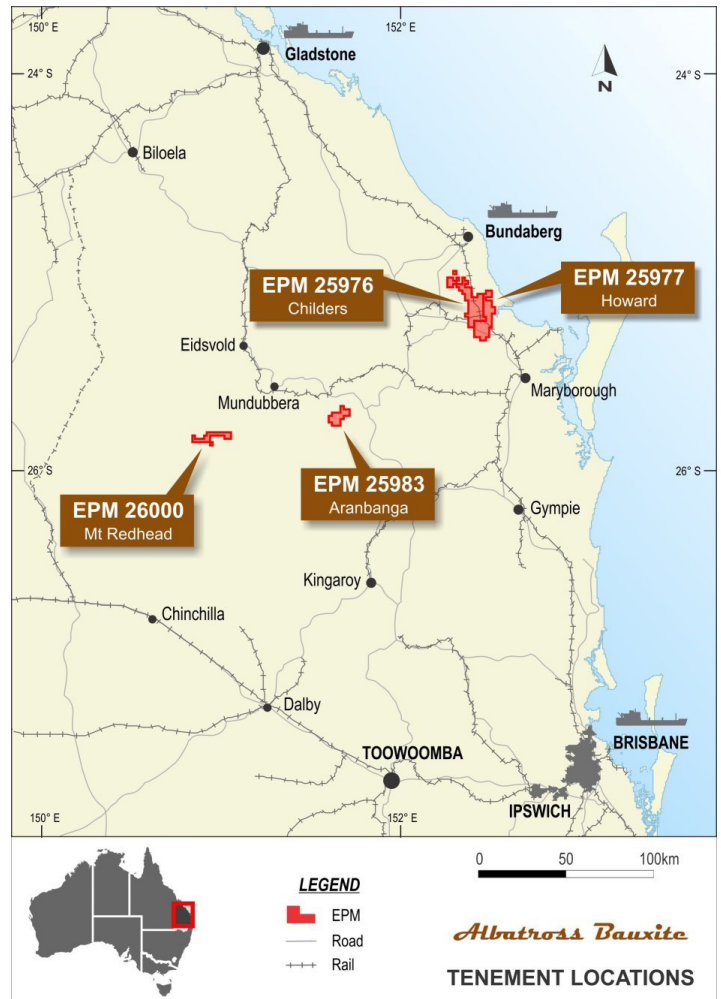


Figure 10: Albatross Bauxite Exploration Tenements



# Quarterly Report



## CORPORATE INFORMATION

### Directors

William Stubbs (Chairman)  
Nicholas Mather (Managing Director)  
Brian Moller  
Vincent Mascolo

### Company Secretary

Karl Schlobohm

### Exploration Manager

Neil Wilkins

### General Manager

Greg Runge

### Registered Office and Head Office

DGR Global Limited  
Level 27, 111 Eagle Street Brisbane QLD 4000  
Phone: +61 7 3303 0680 Fax: +61 7 3303 0681  
Website: [www.dgrglobal.com.au](http://www.dgrglobal.com.au)

### Australian Stock Exchange ("ASX")

ASX Code: DGR (Ordinary shares)

### Australian Business Number

ABN 67 052 354 837

### Internet Address

All Company announcements, reports and presentations are posted on our website [www.dgrglobal.com.au](http://www.dgrglobal.com.au) If you would like to receive news releases by email, please send an email to [info@dgrglobal.com.au](mailto:info@dgrglobal.com.au) with the subject line "email alerts" or register your details on our website by clicking "Contact Us" and entering your details.

### Issued Capital

At 23 January, DGR Global Ltd had the following securities on issue:

- 562,031,877 ordinary shares
- 9.5 million (unlisted) 12 cent options expiring 29/05/17
- 20.6 million (unlisted) 6.5 cent options expiring 30/09/17
- 22.95 million (unlisted) 6.5 cent options expiring 25/11/17
- 2 million (unlisted) 6.5 cent underwriting options expiring 14/12/17

### Shareholding Enquiries

Link Market Services Limited manages DGR Global Ltd's share registry. If you would like to monitor your shareholding online, you can do so by visiting Link Market Services website.

Link Market Services Limited  
Locked Bag A14 SYDNEY  
Phone: 1300 554 474

### Footnotes:

- |    |   |    |   |
|----|---|----|---|
| 1  | AJQ ASX Releases 18/7, 21/7, 22/8 and 22/9/16                 | 2  | AJQ ASX Release 9/12/16                                 |
| 3  | AJQ ASX Release 19/7/16                                       | 4  | AJQ ASX Releases 21/11/16 and 16/12/16                  |
| 5  | AJQ ASX Release 22/12/16                                      | 6  | SOLG LSE:AIM Release 20/10/15                           |
| 7  | SOLG LSE:AIM Releases 3/11/15 and 9/12/15                     | 8  | SOLG LSE:AIM Release 6/7/16                             |
| 9  | SOLG LSE:AIM Releases 25/8/16, 26/9/16, 13/10/16 and 17/10/16 | 10 | SOLG LSE:AIM Release 8/10/16 and 22/12/16               |
| 11 | IRR LSE:AIM Releases 15/12/15 and 0/7/16                      | 12 | IRR LSE:AIM Releases 20/9/16, 22/9/16 and 4/11/16       |
| 13 | IRR LSE:AIM Releases 12/8/16 and 21/9/16                      | 14 | IRR LSE:AIM Release 6/9/16                              |
| 15 | IRR LSE:AIM Release 13/9/16                                   | 16 | IRR LSE:AIM Release 20/10/16                            |
| 17 | IRR LSE:AIM Releases 24/11/16 and 5/1/17                      | 18 | IRR LSE:AIM Release 25/11/16                            |
| 19 | DHR ASX Releases 12/1/16 and 16/9/16                          | 20 | DHR ASX Releases 26/7/16, 15/8/16 and 5/10/16           |
| 21 | DHR ASX Releases 3/9/16, 9/10/16, 28/11/16 and 18/1/17        | 22 | DHR ASX Releases 22/11/16 and 16/12/16                  |
| 23 | ANW ASX Releases 17/8/16, 19/10/16 and 21/12/16               | 24 | ANW ASX Releases 5/7/16, 18/8/16, 17/10/16 and 23/11/16 |

### Exploration and Mining Tenements

DGR Global interests in mining and exploration tenements at the end of the Quarter are as shown in the attached Appendix.

### Competent Persons Statement

The information in this report that relates to Exploration Results and Exploration Targets 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 Holdings 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 its subsidiaries and associates. Mr Mather has sufficient experience which is relevant to the style of mineralisation and type of deposit being reported and to the activity which is he undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Mr Mather has consented in writing to the inclusion in this report of the matters based on information in the form and context in which it appears.





## Appendix

31-December-2016

### DGR Global - Group Mining and Exploration Tenements

Tenement	Type	Principal Holder	Location
ML 3678	Mining Lease	DGR Global Limited	Qld, Australia
ML 3741	"	"	Qld, Australia
ML 3749	"	"	Qld, Australia
ML 3752	"	"	Qld, Australia
ML 3753	"	"	Qld, Australia
ML 50059	"	"	Qld, Australia
ML 50099	"	"	Qld, Australia
ML 50148	"	"	Qld, Australia
MDL 409	Mineral Development Licence	"	Qld, Australia
EPM 15238	Exploration Permit for Minerals	"	Qld, Australia
EPM 25976	"	Albatross Bauxite Pty Ltd <sup>1</sup>	Qld, Australia
EPM 25977	"	"	Qld, Australia
EPM 25983	"	"	Qld, Australia
EPM 26000	"	"	Qld, Australia
EPM 19379	"	Archer Resources Limited <sup>2</sup>	Qld, Australia
EPM 19815	"	"	Qld, Australia
EPM 25266	"	"	Qld, Australia
EPM 25607	"	"	Qld, Australia
EPM 25948	"	"	Qld, Australia
EPM 26012	"	"	Qld, Australia
EPM 26013	"	"	Qld, Australia
EPM 26023	"	"	Qld, Australia
EPM 15134	"	Barlyne Mining Pty Ltd <sup>3</sup>	Qld, Australia
EPM 18451	"	"	Qld, Australia
EPM 19087	"	"	Qld, Australia
EPM 25157	"	"	Qld, Australia
EPM 25189	"	"	Qld, Australia
EPM 19270	"	Coolgarra Minerals Pty Ltd <sup>4</sup>	Qld, Australia
EPM 25416	"	"	Qld, Australia
EPM 19625	"	Pinnacle Gold Pty Ltd <sup>5</sup>	Qld, Australia
EPM 25525	"	"	Qld, Australia
EPM 25963	"	"	Qld, Australia
EPM 25964	"	"	Qld, Australia
EPM 25965	"	"	Qld, Australia
EPM 25966	"	"	Qld, Australia

#### Notes

- 1 100% owned by DGR Global
- 2 63% owned by DGR Global
- 3 100% owned by Archer Resources
- 4 100% owned by DGR Global
- 5 94% owned by DGR Global

#### Legend

	Granted or acquired during the quarter
	Change in Ownership % (eg: Farm-in) or transfer during the quarter
	Surrendered, Expired or Sale/Disposal during the quarter