



DGR Global Limited

30 September 2015

Armour Energy Finance Facility

Execution of Binding Term Sheet

The Board of Directors of DGR Global Limited (DGR Global or the Company) is pleased to advise of the execution of a binding Term Sheet for the provision of \$15 million in short-term, unsecured debt funding to Armour Energy Limited (Armour) for Armour's acquisition of the Surat Basin Assets of Origin Energy, as previously announced on 11 September 2015.

The term of the funding is a minimum of 4 months from satisfaction of all conditions precedent but provision is made for Armour to seek up to a 14 month extension if it is able to provide the following:

- (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.

The interest rate is 22 per cent per annum on an unsecured basis, but in the event the funding becomes secured the rate reduces to 15 per cent per annum.

The funding is subject to various conditions precedent including obtainment of Ministerial approvals for the transfer of the Surat Basin Assets to Armour.

In the event that Armour grants security rights to another financier, DGR Global shall be given a right to seek a first ranking security.

Armour has also agreed not to enter into other debt facilities without DGR Global's consent, which shall not be unreasonably withheld.

DGR Global is entitled to require repayment of the funding provided in the event of a change in control of Armour during the term of the funding.

The Board of DGR Global intends to have the terms approved by shareholders at an upcoming general meeting.

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On behalf of the Board
Karl Schlobohm
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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, Navaho Gold and Armour Energy and unlisted Archer Resources, are expected over the coming years.

The Company is currently involved in the search for safe high grade, high-yielding production operations in which to invest the bulk of its available cash resources.

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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