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18 October 2024

Mr Alan Zhao
Adviser, Listings Compliance
Australian Securities Exchange Ltd
20 Bridge Street
Sydney NSW 2000

Dear Alan,

Response to ASX Aware Letter

Reference is made to your ASX Aware correspondence of 15 October 2024. I duly respond as follows, using the same referencing system:

1 No.

2 Choice is a company associated with Wes Maas who is also a significant shareholder in DGR through his company W & E Maas Holdings Pty Ltd. The board of DGR formed the view that because of this it was highly unlikely Choice would take any action in relation to any non compliance with the loan covenants and therefore the non-compliance with the monthly reporting and minimum cash requirements under the Choice Facility did not constitute a matter which a reasonable person would expect to have a material effect on the price or value of the entity's securities. This view is very strongly borne out by the fact that, subsequent to disclosure of the matters in the Annual Return, there was no material change in the price or value of the entity's securities. At no time has Choice issued any notices in relation to breach of covenant and no demands for repayment have been made. The loan is due to be repaid in November 2024 and DGR is in discussion with a number of parties (including Choice) in relation to the repayment of the loan. These matters have been in discussion for a number of months and are expected to be concluded in the coming weeks to facilitate the repayment of the Choice facility and to provide continued working capital. These discussions are "commercial in confidence" subject to confidentiality deeds and remain uncertain until concluded.

If any demands for repayment of the loan had been made then DGR and Choice had the option of simply selling such number of shares as required to repay the moneys owing. This transaction would not have had a material impact on the price or value of DGR's securities as the transaction would simply have involved the sale of a current asset to settle a current liability and would simply have brought forward the repayment of the debt by a matter of weeks. The value of DGR's listed investments, as disclosed in the 2024 Annual Report (Note 31), is $39,446,621 with net assets of $30,108,301. With the company trading at a discount to net assets of 44% (market capitalisation of $16.7m), the sale of shares to settle a current liability a few weeks early would have no material impact on the price of DGR shares.

3 22 August 2024.

4 No.

5 As stated in 1 above, the board of DGR formed the view that the non-compliance with the monthly reporting and minimum cash requirements under the Choice Facility did not constitute a matter which a reasonable person would expect to have a material effect on the price or value of the entity's securities. As such, no disclosure was required.

6 Yes, the Company is of the view that it is in compliance with its disclosure commitments.

7 Yes, this written response has been authorised and approved in accordance with the Company's continuous disclosure policy.

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Yours sincerely

Geoff Walker
Company Secretary

DGR Global Limited

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15 October 2024

Reference: 101162

Mr Geoffrey Walker
Company Secretary and CFO
DGR Global Limited
Suite 9C London Offices,
30 Florence Street
Teneriffe, QLD 4005

By email only.

Dear Mr Walker

DGR Global Limited ('DGR'): ASX Aware Letter

ASX refers to the following:

A. DGR's annual report titled "Annual Report to shareholders" (the 'Announcement') released on the ASX Market Announcements Platform at 8:12 AM on 1 October 2024 disclosing on both pages 15 and 71:

"*Subsequent to 30 June 2024 the Group were in breach of certain loan covenants. Refer to note 17 for details.*"

B. Note 17 of the Notes to the consolidated financial statements in the Announcement, which relevantly states:

"*In January 2024, the Company entered into a Facility Agreement with Choice Investments (Dubbo) Pty Ltd (Choice). Under the Facility Agreement, Choice has agreed to provide funding in a number of tranches up to $10m, which can be provided by Choice and/or Co-Lenders. To date the Company has drawn down $5m on the facility…*

During the year ended 30 June 2024, DGR was in breach of the monthly reporting covenant and, subsequent to year end, was in breach of the minimum cash balance financial covenant, in relation to the Choice Loan Facility. The Directors note the following regarding the breaches:

(a) the non-compliance with the monthly reporting covenant is not an Event of Default unless Choice were to first give 5 business days' notice to DGR to remedy the non-compliance, failing which, if not remedied, Choice could then consider an Event of Default had arisen and demand repayment of all moneys owing under the loan agreement.
(b) The non-compliance post 30 June 2024 with the minimum cash balance requirement under the loan agreement is an Event of Default which allows Choice to demand repayment of all moneys owing under the loan agreement.
(c) Choice has not issued any formal notice under the loan agreement in respect of non-compliance with covenants under that agreement. Accordingly, it is presently unable to exercise any rights with respect to dealing in the SolGold plc shares subject to the Deed of Security given by DGR to Choice.

If demand for repayment was made by Choice, it has the following rights:

(a) It can exercise its rights as mortgagee to sell such number of Solgold plc shares as required to repay the moneys owing; and
(b) It can, inter alia, use the power of attorney contained in the Deed of Security to sell the SolGold plc shares in the name of DGR Global Ltd."

(the "Relevant Information")

C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."

E. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"

F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.

> *"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*
>
> *3.1A.1 One or more of the following 5 situations applies:*
>
> - *It would be a breach of a law to disclose the information;*
> - *The information concerns an incomplete proposal or negotiation;*
> - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
> - *The information is generated for the internal management purposes of the entity; or*
> - *The information is a trade secret; and*
>
> *3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*
>
> *3.1A.3 A reasonable person would not expect the information to be disclosed."*

G. The concept of "confidentiality" detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

> *"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it is no longer a secret and it ceases to be confidential information for the purposes of this rule."*

Request for information

Having regard to the above, ASX asks DGR to respond separately to each of the following questions:

1. Does DGR consider the Relevant Information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to any part of question 1 is "no", please advise the basis for that view.
3. When did DGR first become aware of the information referred to in question 1 above?
4. If DGR first became aware of the information referred to in question 1 before the date of the Announcement, did DGR make any announcement prior to that date which disclosed the information? If

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not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe DGR was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps DGR took to ensure that the information was released promptly and without delay.

Please answer separately for each of the items in question 1 above and provide details of the prior announcement if applicable.

5. Please confirm that DGR is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

6. Please confirm that DGR's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of DGR with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **3:00 PM AEDT Friday, 18 October 2024**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, DGR's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require DGR to request a trading halt immediately if trading in DGR's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in DGR's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to DGR's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that DGR's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

ASX Compliance

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