

DGR Global Limited ACN 052 354 837

Notice of Extraordinary General Meeting and Explanatory Memorandum

Date of Meeting: 2 April 2025

Time of Meeting: 10.00 am (Brisbane time)

Place of Meeting: Level 7, Waterfront Place
1 Eagle Street
Brisbane QLD 4000

This Notice of Meeting requires the provision of a report prepared by an Independent Expert as to whether the proposed transactions the subject of the Notice of Meeting are fair and reasonable to the non-associated Shareholders of the Company.

The Independent Expert engaged by the Company has concluded that:

- (a) the grant of the Security Interest pursuant to Resolution 1 is fair and reasonable to non-associated Shareholders;**
- (b) the grant of the Upside Sharing Fee pursuant to Resolution 2 is not fair but reasonable to non-associated Shareholders of the Company; and**
- (c) the grant of the Litigation Fee pursuant to Resolution 3 is not fair but reasonable to non-associated Shareholders.**

This Notice of Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their financial adviser or other professional adviser.

Important Information

Notice is given that DGR Global Limited ACN 052 354 837 (**Company**) will hold an Extraordinary General Meeting of its Shareholders on 2 April 2025 at 10.00am (Brisbane time) at the offices of HopgoodGanim Lawyers, Level 7 Waterfront Place, 1 Eagle St, Brisbane, Queensland 4000.

In accordance with the *Corporations Act 2001* (Cth) (**Corporations Act**), the Company will not be sending hard copies of the Notice of Meeting and Explanatory Memorandum to Shareholders (except for any Shareholder who has provided an election to the Company to receive a hard copy document only pursuant to the Corporations Act). Instead, Shareholders can view and download the Notice of General Meeting and accompanying Explanatory Memorandum at <https://au.investorcentre.mpms.mufg.com> using your secure access information or from the ASX Market Announcement Platform under the Company's code: DGR.

Each Resolution will be decided by poll, based on proxy votes and by votes from Shareholders in attendance at the Meeting. The outcome of the resolutions, including details of votes received by poll, will be released to the ASX Market Announcement Platform following conclusion of the Meeting.

Proxy forms

Based on Shareholders' registered election for communications (mail or electronically by email) each Shareholder will receive, a copy of their personalised proxy form. **Shareholders are encouraged to complete and lodge their proxies online or otherwise in accordance with the instructions set out in the proxy form and the Notice.** Your proxy voting instruction must be received by 10.00am (Brisbane time) on 31 March 2025, being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

The Notice Meeting and Explanatory Memorandum is an important document and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser or other professional adviser. If you have any difficulties obtaining a copy of the documents please contact the Company's share registry, MUFG Corporate Markets (AU) Limited, a division of MUFG Pension & Market Services, on +61 1300 554 474.

Voting entitlements

For the purposes of determining voting entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 6.00pm (Brisbane time) on 31 March 2025. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Notice of Extraordinary General Meeting

Notice is given that an Extraordinary General Meeting of the Shareholders of the Company will be held on 2 April 2025 at 10.00am (Brisbane time) at the offices of HopgoodGanim Lawyers, Level 7, Waterfront Place, 1 Eagle Street, Brisbane, Queensland 4000.

Terms used in this Notice of Meeting are defined in Section 7 (Interpretation) of the accompanying Explanatory Memorandum.

The Explanatory Memorandum and the Proxy Form accompanying this Notice of Meeting are incorporated in and comprise part of this Notice of Meeting.

Notice of Extraordinary General Meeting

Agenda

Ordinary business

1. Resolution 1 - Grant of Security Interest to Samuel under Facility Agreement

To consider and, if thought fit, pass the following Resolution, with or without amendment, as an Ordinary Resolution of the Company:

That, subject to and conditional upon the passing of Resolutions 2, 3 and 4, for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.1 and for all other purposes, approval is given for the Company to grant the Security Interest over its assets and undertakings in favour of Samuel (or its nominee) on the terms and conditions set out in the Explanatory Memorandum.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Samuel (or its nominee) and any other person who will obtain a material benefit as a result of the grant of the Security Interest (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons.

However, this does not apply to a vote if it is cast by:

- a person as a proxy or attorney for a person who is entitled to vote on this Resolution in accordance with the directions given to the proxy or attorney on this Resolution in that way on the Proxy Form; or
- it is cast by the chair of the meeting as proxy for a person who is entitled to vote on this Resolution, in accordance with a direction to the chair to vote on this Resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- the proxy is either:
 - a member of the Key Management Personnel; or
 - a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- the proxy is the Chair; and
- the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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Independent Expert's Report – Resolution 1

Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of Shareholder approval required under Chapter 2E of the Corporations Act and Listing Rule 10.1 (in relation to the grant of the Security Interest to Samuel). The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of Resolution 1 to the non-associated Shareholders of the Company.

The Independent Expert considers the transaction the subject of Resolution 1 to be fair and reasonable to non- associated Shareholders.

2. Resolution 2 - Grant of Upside Sharing Fee to Samuel under Facility Agreement

To consider and, if thought fit, pass the following Resolution, with or without amendment, as an Ordinary Resolution of the Company:

That, subject to and conditional upon the passing of Resolutions 1, 3 and 4, for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.1 and for all other purposes, approval is given for the Company to grant the Upside Sharing Fee to Samuel (or its nominees) on the terms and conditions set out in the Explanatory Memorandum.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Samuel (or its nominee) and any other person who will obtain a material benefit as a result of the grant of the Security Interest (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons.

However, this does not apply to a vote if it is cast by:

- a person as a proxy or attorney for a person who is entitled to vote on this Resolution in accordance with the directions given to the proxy or attorney on this Resolution in that way on the Proxy Form; or
- it is cast by the chair of the meeting as proxy for a person who is entitled to vote on this Resolution, in accordance with a direction to the chair to vote on this Resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- the proxy is either:
 - a member of the Key Management Personnel; or
 - a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- the proxy is the Chair; and

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- the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Independent Expert's Report – Resolution 2

Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of Shareholder approval required under Chapter 2E of the Corporations Act and Listing Rule 10.1 (in relation to the grant of the Upside Sharing Fee to Samuel). The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of Resolution 2 to the non-associated Shareholders of the Company.

The Independent Expert considers the transaction the subject of Resolution 2 to be not fair but reasonable to non- associated Shareholders.

3. Resolution 3 - Grant of Litigation Fee to Samuel under Facility Agreement

To consider and, if thought fit, pass the following Resolution, with or without amendment, as an Ordinary Resolution of the Company:

That, subject to and conditional upon the passing of Resolutions 1, 2, and 4, for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.1 and for all other purposes, approval is given for the Company to grant the Litigation Fee to Samuel (or its nominees) on the terms and conditions set out in the Explanatory Memorandum.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Samuel (or its nominee) and any other person who will obtain a material benefit as a result of the grant of the Security Interest (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons.

However, this does not apply to a vote if it is cast by:

- a person as a proxy or attorney for a person who is entitled to vote on this Resolution in accordance with the directions given to the proxy or attorney on this Resolution in that way on the Proxy Form; or
- it is cast by the chair of the meeting as proxy for a person who is entitled to vote on this Resolution, in accordance with a direction to the chair to vote on this Resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- the proxy is either:
 - a member of the Key Management Personnel; or

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- a Closely Related Party of such a member; and
 - the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- the proxy is the Chair; and
 - the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Independent Expert's Report – Resolution 3

Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of Shareholder approval required under Chapter 2E of the Corporations Act and Listing Rule 10.1 (in relation to the grant of the Litigation Fee to Samuel). The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of Resolution 3 to the non-associated Shareholders of the Company.

The Independent Expert considers the transaction the subject of Resolution 3 to be not fair but reasonable to non- associated Shareholders.

4. Resolution 4 - Issue of Options to Samuel under Facility Agreement

To consider and, if thought fit, pass the following Resolution, with or without amendment, as an Ordinary Resolution of the Company:

That, subject to and conditional upon the passing of Resolutions 1, 2, and 3, for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 180,000,000 Options to Samuel (or its nominee) on the terms and conditions set out in the Explanatory Memorandum.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Samuel (or its nominee) and any other person who will obtain a material benefit as a result of the grant of the Security Interest (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons.

However, this does not apply to a vote if it is cast by:

- a person as a proxy or attorney for a person who is entitled to vote on this Resolution in accordance with the directions given to the proxy or attorney on this Resolution in that way on the Proxy Form; or
- it is cast by the chair of the meeting as proxy for a person who is entitled to vote on this Resolution, in accordance with a direction to the chair to vote on this Resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- the proxy is either:
 - a member of the Key Management Personnel; or
 - a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- the proxy is the Chair; and
- the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

5. Other Business

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By order of the Board

Geoffrey Walker
Company Secretary

27 February 2025

Explanatory Memorandum

1. Introduction

The following information is provided to Shareholders of the Company in connection with the business to be considered at the Extraordinary General Meeting to be held on 2 April 2025 commencing at 10.00am (Brisbane time) at the offices of HopgoodGanim Lawyers, Level 7, Waterfront Place, 1 Eagle Street, Brisbane, Queensland 4000.

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions to be put at the Meeting.

Unless otherwise defined, terms used in this Explanatory Memorandum are defined in Section 7 (Interpretation).

2. Background

2.1 Facility Agreement

As announced by the Company on 25 November 2024, the Company was proposing to enter into a facility agreement with Samuel Holdings Pty Ltd ACN 063 693 747 as trustee for the Manumbar Pastoral Trust (**Samuel**), to fund the refinancing of the Company's existing debt facilities provide funds to meet ongoing operational expenses and to pay ongoing legal fees for the Supreme Court of Queensland case of DGR Global Ltd -v- P.T. Limited & Ors - BS 15575/2023 (**Litigation**).

The Company intends to enter into the Facility Agreement with Samuel and the material terms of the Facility Agreement are set out in Schedule 1. A condensed summary of the material terms of the Facility Agreement are set out in the below table:

Item No.	Term	Details
1.	Amount of Loan	Samuel will provide the Company with a loan up to \$23,500,000.00 (Loan).
2.	Term	Expiring 18 November 2026,
3.	Interest Rate	Interest on the Loan will accrue at the rate of 14.60% per annum.
4.	Establishment Fee	An establishment fee of \$680,000.00 will be payable by the Company.
5.	Security and Arranger Fee	<p>A security and arranger's fee of 5.00% per annum calculated with reference to the Total Commitment (being \$23,500,000) will be payable by the Company by way of either:</p> <p>(a) a payment of the full amount of the Security & Arranger Fee then owing in cash; or</p> <p>(b) if the Company requests in writing by notice, at the election of Samuel, a transfer to the Company of an amount of SolGold Shares calculated using a 10% discount to the 3 day VWAP for SolGold Shares on LSE prior to the interest payment date of up to 50% of the full amount of the Samuel</p>

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		Security Fee then owing with the balance of the Samuel Security Fee to be paid in cash.
6.	Shareholder Approval	The Company must obtain all necessary Shareholder or regulatory approvals required by the Corporations Act, the Listing Rules or other applicable laws for entry into the Facility Agreement.
7.	Break Fee	If Shareholder approval is not obtained on or before 2 April 2025 (or such later date approved by Samuel in writing) a break fee of \$1,000,000 will be payable to Samuel by the Company.
8.	Security	<p>On and from the date of receipt of the Shareholder approvals, and in order to secure the Company's obligations under the Facility Agreement, the following security will be provided to Samuel:</p> <p>(a) First ranking general security deed granted by the Company and each Corporate Guarantor over all of each of their assets and undertakings.</p> <p>(b) English law specific security over all present and future SolGold Shares that the Company holds of which 149,151,800 shares will be subject to a first ranking security in favour of Samuel with any other shares subject to security in favour of other creditors, including Equities First, to be subject to a second ranking security in favour of Samuel.</p> <p>(c) First ranking security over any account holding the funds to pay interest on the Loan, or otherwise those funds are held in an account controlled by the Company.</p> <p>(d) Deed of priority with Equities First in respect of the security that both Samuel and Equities First hold in the SolGold Shares.</p> <p>(e) Further security: Any further security Samuel reasonably requests.</p>
9.	Litigation Fee	<p>On and from the date of receipt of the Shareholder approvals, the Company will grant Samuel the right to receive the Litigation Fee.</p> <p>The Litigation Fee will be payable to Samuel in the event of any win or settlement of the Litigation (at any time, including after the expiry or earlier repayment of the Facility Agreement), and will be calculated on the following basis:</p> <p>(a) 15% of any amount up to \$35,000,000 (after the deduction of any amount awarded in respect of the Company's legal costs) paid to the Company in connection with the Litigation; and</p> <p>(b) 10% of any amount in excess of \$35,000,000 paid to the Company in connection with the Litigation.</p>
10.	Upside Sharing Fee	<p>On and from the date of receipt of the Shareholder approvals, the Company will grant Samuel the right to receive the Upside Sharing Fee.</p> <p>The Upside Sharing Fee will be payable to Samuel in the event of any disposal of SolGold Shares held by the Company (at any time, including</p>

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		<p>after the expiry or earlier repayment of the Facility Agreement), and will be calculated on the following basis:</p> <p>(a) for the period from the date of the Facility Agreement until the date which is 6 years after the date of Facility Agreement, 15% of any increase in the 10 day volume weighted average price for SolGold Shares on the London Stock Exchange, as determined by Samuel at its sole discretion; and</p> <p>(b) for the period from the date which is 6 years after the date of the Facility Agreement until the date which is 10 years after the date of the Facility Agreement, an amount equal to 7.5% of any increase in the 10 day volume weighted average price for SolGold Shares on the London Stock Exchange, as determined by Samuel at its sole discretion.</p>
11.	Options	<p>On and from the date of receipt of the Shareholder approvals, the Company will issue 180,000,000 Options to Samuel each exercisable at \$0.03 on or before 3 years from their date of issue. The full terms of the Options are set out in Schedule 2.</p>

2.2 Samuel

Samuel is a related party to the Company. Samuel is controlled by Nicholas Mather, the Managing Director and Chief Executive Office of the Company, and also has a 16.34% interest in the Company.

As Mr Mather and Samuel are related parties to the Company, there are a number of terms under the Facility Agreement (including the payment of certain fees and issues of securities) that require Shareholder approval. Further details in relation to these approvals are set out below.

2.3 Choice Loan

As announced on 31 January 2024 in the Company's quarterly report, the Company is currently pursuing legal action in the Supreme Court of Queensland in the matter of DGR Global Ltd -v- P.T. Limited & Ors - BS 15575/2023, with respect to appointment of receivers to Armour Energy Limited ACN 141 198 414.

These proceedings are being funded, in part, under an existing loan facility the Company entered into with Choice Investments (Dubbo) Pty Ltd ACN 112 796 237 (**Choice**) on or about 17 January 2024 (**Choice Loan**).

On 25 November 2024, the Company, Samuel and Choice entered into a Deed of Assignment and Novation of the Choice Loan which assigned and novated the Choice Loan from Choice to Samuel. There were no material changes to the Choice Loan, other than an agreed extension of the term of the loan to 31 January 2025 and which has subsequently been extended to 17 March 2025. As at the date of this notice, the independent Directors intend to request a further extension to the term of the Choice Loan to align with the first drawdown under the Facility Agreement.

Subject to receipt of the requisite Shareholder approvals at the Meeting, it is proposed that the Choice Loan will be repaid from the proceeds of the Facility Agreement.

2.4 Shareholder approval

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The Company requires Shareholder approval pursuant to Chapter 2E of the Corporations Act and Listing Rule 10.1 and 10.11 in relation to the grant or issue of the following benefits to Samuel (or its nominee) under the terms of the Facility Agreement:

- (a) the grant of the Security Interest (Resolution 1);
- (b) the grant of the Upside Sharing Fee (Resolution 2);
- (c) the grant of the Litigation Fee (Resolution 3); and
- (d) the issue of the Options (Resolution 4).

Further details in relation to these Resolution are set out in Sections 3 to 6 below.

2.5 Conditionality of Resolutions

Resolutions 1, 2, 3, and 4 are each conditional upon Shareholders approving the other Resolutions. If any of Resolutions 1, 2, 3, and 4 are not approved by Shareholders, then all Resolutions will fail and the Company will not grant or issue the Security Interest, Upside Sharing Fee, Litigation Fee or the Options to Samuel under the Facility Agreement.

2.6 Independent Expert's Report

The Independent Expert's Report prepared by BDO Corporate Finance Ltd (a copy of which is attached as an Annexure to this Explanatory Memorandum) assesses whether the grant of the Security Interest the subject of Resolution 2, the grant of the Upside Sharing Fee the subject of Resolution 2, the grant of the Litigation Fee the subject of Resolution 3 are fair and reasonable to the non-associated Shareholders of the Company.

Shareholders are urged to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

3. Resolution 1 - Grant of Security Interest to Samuel under Facility Agreement

3.1 Background

As set out above, the Company intends to enter into the Facility Agreement with Samuel on the terms set out in Schedule 1.

The Facility Agreement provides that the Company will secure its obligations under the Facility Agreement by:

- (a) the Company and each of the Corporate Guarantors granting Samuel a first ranking general security over all of their assets and undertakings; and
- (b) the Company granting Samuel an English law share pledge over all present and future shares the Company owns in SolGold (**Solgold Shares**), of which 149,151,800 SolGold Shares will be subject to a first ranking security in favour Samuel with any other SolGold Shares subject to security in favour of other creditors (including Equities First) to be subject to a second ranking security in favour of Samuel.

(together, the **Security Interest**).

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The grant of the Security Interest to Samuel under the Facility Agreement is subject to receipt of Shareholder approval by the Company.

3.2 Disposal of “substantial asset”

ASX deems the granting of a security interest over the assets and undertaking of a listed entity to be a “disposal” of a substantial asset for the purposes of Listing Rule 10.1, and as outlined in Section 3.6 below, Shareholder approval is required for an entity to dispose of a substantial asset to a related party of the Company. Samuel is related party of the Company as it is controlled by Nicholas Mather, the Managing Director and Chief Executive Office of the Company. Samuel (and its associates) also have a 16.34% interest in the Company.

3.3 General Security Deed and Share Pledge

The Company will enter into a general security deed (**General Security Deed**) and a share pledge (**Share Pledge**) pursuant to which it has granted the Security Interest in favour of Samuel. The Security Interest secures the Company's obligations to pay amounts due to Samuel under the Facility Agreement. Both the General Security Deed and the Share Pledge are subject to receipt of Shareholder approval pursuant to Resolution 1.

3.4 Key terms of General Security Deed

(a) Grant of Security Interest

The Company and the Corporate Guarantors will grant Samuel a security interest in all of their present and after-acquired property, including:

- (1) their assets and undertakings and unpaid capital;
- (2) anything in respect of which the Company and the Corporate Guarantors have a sufficient right or interest to grant a security interest under the *Personal Properties Security Interest Act 2009* (Cth) or any other law; and
- (3) anything else in which the Company the Corporate Guarantors have a sufficient right to be able to grant a security interest.

(b) Priority

Each security interest granted by the Company and the Corporate Guarantors under the General Security Deed ranks in priority before any other security interest other than those mandatorily preferred by law and any permitted security that ranks in priority to it.

(c) Enforcement

While an event of default subsists, Samuel or a controller has the power to do anything in respect of the property subject to a security interest that an absolute beneficial legal owner of the property could do. To the extent permitted by law, at any time while an event of default subsists, Samuel may also (among other things) appoint any person or any two or more persons jointly or severally or both to be a receiver or receiver and manager of all or any of the collateral.

(d) Application of money received

At any time while an event of default is continuing, all money received by Samuel or its controller or attorney or any other person acting on their behalf may be appropriated and applied towards any amount and in any order that Samuel or its controller or

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attorney or that other person determines in its absolute discretion, to the extent not prohibited by law.

(e) **Discharge**

At the Company and the Corporate Guarantors' written request, Samuel must discharge the security interest created under the General Security Deed if the secured money has been paid in full under the Facility Agreement.

3.5 Key terms of Share Pledge

(a) **Grant of Security and Priority**

The Company will grant Samuel:

- (1) a first ranking fixed charge over 149,151,800 of the SolGold Shares and any additional future acquired SolGold Shares (excluding those mentioned in the subparagraph below); and
- (2) a second ranking fixed charge over any SolGold Shares subject to a first ranking fixed charge in favour of Equities First.

(together, the **Share Pledge Security**)

to secure all liabilities and obligations of the Company under the Facility Agreement.

(b) **Default and Enforcement**

Upon an event of default, Samuel can enforce the Share Pledge and sell the Share Pledge Security and retain the proceeds to the extent of the amounts owing under the Share Pledge or Facility Agreement (noting that the enforcement powers and rights of Samuel to exercise these powers and rights may be affected by UK and Australian laws.

To the extent permitted by law, at any time while an event of default subsists, Samuel may also (among other things) appoint any person persons jointly or severally or both to be a receiver or receiver and manager of all or any of the Share Pledge Security.

The receiver is empowered to (among other things) take possession of, and effect the realisation of the Share Pledge Security.

The Company agrees to pay all dividends paid with respect to the Share Pledge Security to Samuel where an event of default is continuing and a dividend is paid.

(c) **Undertakings**

The Company gives Samuel a number of warranties, undertakings (including not selling or granting additional security interests in Share Pledge Security) and indemnities which are customary for an agreement of this nature.

The Company agrees to pay all costs, charges and expenses incurred by Samuel in relation to the Share Pledge and enforcing its rights under it.

(d) **Application of money received**

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At any time while an event of default is continuing, all money received by Samuel or its or any other person acting on their behalf may be appropriated and applied towards in the following order of priority:

- (1) Payment of amounts owing to the Receiver (if appointed) in connection with their appointment under the Share Pledge and expenses incurred by Samuel in connection with the realisation or enforcement of the Share Pledge Security;
- (2) Payment of the secured liabilities under the Facility Agreement; and
- (3) Payment of any remaining amounts (if any) are to be paid to the Company.

(e) **Discharge**

At the Company written request, Samuel must discharge the Share Pledge Security created under the Share Pledge if all amounts owing under the Facility Agreement have been paid in full.

3.6 Listing Rule 10.1

Chapter 10 of the Listing Rules deals with transactions between an entity (or any of its subsidiaries) and persons in a position to influence the entity.

(a) **Persons of influence**

Listing Rule 10.1 provides that an entity (or any of its subsidiaries) must not acquire a substantial asset from, or dispose of a substantial asset to, any of the following persons without the approval of the entity's security holders:

- (1) a related party;
- (2) a child entity (subsidiary);
- (3) a substantial holder, if the person and the person's associates have a relevant interest, or had a relevant interest at any time in the 6 months before the transaction, in at least 10% of the total votes attached to the voting securities;
- (4) an associate of a person referred to in (1) to (3) above; or
- (5) a person whose relationship to the entity is such that, in ASX's opinion, the transaction should be approved by security holders.

Samuel is a related party of the Company as it is controlled by Nicholas Mather, the Managing Director and Chief Executive Office of the Company. Samuel (and its associates) also have a 16.34% interest in the Company.

(b) **What is a substantial asset?**

Under Listing Rule 10.2, an asset is "substantial" if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the company as set out in the latest accounts given to ASX under the Listing Rules.

ASX considers that the grant of a mortgage, charge or other security interest over an asset of a listed entity amounts to a 'disposal' of that asset for the purposes of Listing Rule 10.1. Having regard to the value of the assets secured by the Security Interest (being all the assets of the Company and the Corporate Guarantors under the General

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Security Deed and all of the Company's shares in SolGold under the Share Pledge), Shareholder approval in accordance with Listing Rule 10.1 is required for the Company to grant the Security Interest to Samuel.

3.7 Technical information required by Listing Rule 10.5

Pursuant to and in accordance with Listing Rule 10.5, the following information is provided to Shareholders in relation to Resolution 1:

(a) **10.5.1: Name of person to whom the entity is disposing of the substantial asset**

Samuel is the person to whom the Company is granting the Security Interest. For the reasons set out above, the grant of the Security Interest is considered to be a disposal of a substantial asset by the Company.

(b) **10.5.2: Categorisation of person under Listing Rule 10.1**

Samuel is related party of the Company (under Listing Rule 10.1.1) as it is an entity controlled by Nicholas Mather, the Managing Director and Chief Executive Officer of the Company. Samuel (and its associates) also have a 16.34% interest in the Company and is a substantial (10%+) holder in the Company (under Listing Rule 10.1.3).

(c) **10.5.3: Details of the asset being disposed of**

Using an asset as collateral in a related party transaction is considered a disposal under the ASX Listing Rules. The asset being disposed of is the Security Interest. Details of the Security Interest are set out above in Sections 3.1 to 3.5 above.

(d) **10.5.4: Consideration for the disposal**

The consideration provided by Samuel to DGR is the grant of the Loan to the Company representing the outstanding amount on the Facility Agreement that will be reduced/satisfied from the sale of the Security Interest in the event of a default in relation to the Facility Agreement.

(e) **10.5.6: Intended use of funds received for the disposal**

As per the terms of the Facility Agreement, the Loan will be used by the Company to repay the Choice Loan, to provide funds for ongoing operational expenses and to fund ongoing legal fees for the Litigation.

(f) **10.5.7: Timetable for completing the disposal**

The actions contemplated by this Resolution are expected to occur as follows:

Action	Date
Execution of Facility Agreement and related documents (including General Security Deed and Share Pledge)	2 April 2025 (following receipt of Shareholder approval at the Meeting)
Shareholder meeting to approve grant of Security Interest to Samuel	2 April 2025

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Security Interest takes effect	2 April 2025 (following receipt of Shareholder approval at the Meeting)
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(g) **10.5.8: Summary of material terms of relevant agreement**

The Security Interest is being granted under the terms of the Facility Agreement. The material terms of the Facility Agreement are summarised in Schedule 1 and Section 2.1.

(h) **10.5.9: Voting exclusion statement**

A voting exclusion statement is set out in Resolution 1.

(i) **10.5.10: Independent Expert's Report**

The report from the Independent Expert is discussed at Section 3.11 below.

3.8 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, and assuming Resolutions 2, 3 and 4 are also passed, the General Security Deed and the Share Pledge will become effective in accordance with their terms and the Security Interest will be granted to Samuel (or its nominee).

If Resolution 1 is not passed, the Company will not grant the Security Interest to Samuel (or its nominee) and:

- (a) the condition relating to receipt of all necessary approvals in respect of the Facility Agreement will not be satisfied and Company will not be entitled to drawdown the Loan;
- (b) the Company's ability to retain its key assets, and pursue its strategic objectives, including long-term value creation from the SolGold Shares, may be significantly constrained;
- (c) the Choice Loan will immediately become due and payable by the Company;
- (d) the Company will be required to sell SolGold Shares to fund the repayment of the Choice Loan. The Board considers this will be detrimental to Shareholders of the Company as they believe the SolGold Shares are presently undervalued;
- (e) the failure to secure the Facility Agreement and the subsequent need to sell a portion of the SolGold Shares to fund operations could signal a lack of confidence in the Company's long term business strategy, leading to a further decline in the Company's share price and market standing;
- (f) a break fee of \$1,000,000.00 will become payable by the Company under the Facility Agreement; and
- (g) no alternative funding options that align with the Company's strategic objective to retain control over, and its stake in SolGold exists

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3.9 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Security Interest to Samuel constitutes the giving a financial benefit and Samuel is a related party of the Company by virtue of being controlled by Nicholas Mather, a Director of the Company. Accordingly, Shareholder approval for the grant of the Security Interest is also sought in accordance with Chapter 2E of the Corporations Act.

3.10 Technical Information required by section 219 of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided to Shareholders in relation to Resolution 1:

(a) s 219(1)(a): Identity of related party

The Security Interest is being granted to Samuel, a related party of the Company by virtue of being an entity controlled by Nicholas Mather, a Director of the Company.

(b) s 219(1)(b): Nature of the financial benefit

The financial benefit being given to Samuel is the grant of the Security Interest. Details of the Security Interest are set out in Sections 3.1 to 3.5 above.

(c) s 219(1)(c): Director's recommendations

Each Director (other than Nicholas Mather and Ben Hassell) recommends that Shareholders vote in favour of Resolution 1 for the reasons set out under "Advantages" in Section 3.12 below.

Nicholas Mather has a material personal interest in the outcome of Resolution 1 on the basis he controls Samuel, which will receive the Security Interest. For this reason, Mr Mather does not believe that it is appropriate to make a recommendation on Resolution 1.

Ben Hassell is the General Manager of Samuel and considers this to amount to a conflict of interest given Samuel is a party to the Facility Agreement and will receive the Security Interest. For this reason, Mr Hassell does not believe that it is appropriate to make a recommendation on Resolution 1.

(d) s 219(d): Directors' interest in outcome

No Director (other than Nicholas Mather) has a material personal interest in the outcome of Resolution 1

Nicholas Mather has a material personal interest in the outcome of Resolution 1 on the basis he controls Samuel, which is to receive the benefit of the Security Interest.

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The relevant interests of Nicholas Mather (and his associates) in the securities of the Company as at the date of this Notice are set out below:

Shareholder	Shares held ¹	% of total Shares on issue
Samuel Holdings Pty Ltd <Samuel Discretionary A/C>	116,122,676	11.13%
Nicholas and Judith Mather <Mather Super Fund A/C>	53,839,375	5.16%
Judith Mather	568,077	0.05%
Total	170,530,128	16.34%

Notes:

1. Fully paid ordinary shares.
2. Nicholas Mather (and his associates) do not hold any options or performance rights in the Company.

(e) **s 219(e): Other information**

The Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolution 1.

3.11 Independent Expert's Report

The Independent Expert has been asked to prepare a report, for the purpose of Listing Rule 10.10.2 and Chapter 2E of the Corporations Act, on whether the grant of the Security Interest to Samuel is fair and reasonable to the non-associated Shareholders of the Company.

The Independent Expert has concluded that the grant of the Security Interest to Samuel pursuant to the terms of the Facility Agreement is fair and reasonable to the non-associated Shareholders of the Company.

Shareholders are asked to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

3.12 Advantages and Disadvantages – Security Interest

The Independent Expert considers the advantages and disadvantages of the grant of the Security Interest to be as follows:

(a) **Advantages**

- (1) The Security Interest is Fair – in the view of the Independent Expert, the Security Interest is fair to the non-associated Shareholders
- (2) Assuming all other condition precedents to the Facility Agreement are satisfied or waived, the Company will be able to draw down on the Facility Agreement

If all of the conditions precedent to the initial drawdown of the Facility Agreement are satisfied, DGR will gain access to the debt funding required to

Explanatory Memorandum

repay the existing debt, meet operational expenses and fund the ongoing litigation.

- (3) It is common for companies to grant security over their assets across the life of the loan when raising debt finance.

It is common for companies to grant security over their assets across the life of the loan when raising debt finance. In many cases, the granting of security assists a company to obtain the funding on terms that are more favourable than they otherwise would have acquired (if at all) if no security was granted. This is because the granting of security assists to reduce the risk to the financier of the borrower defaulting on their obligations.

(b) **Disadvantages**

- (1) The Company may lose control over its assets

In the event of default, the security providers (i.e. the Company) may have those assets, which they have provided as security, enforced against and sold in order to settle the Secured Liabilities.

In this circumstance, the Company could lose the potential future profits that may otherwise accrue to them from having ownership of the assets it has secured in favour of the Secured Parties, other than as realised in the sale proceeds from the enforcement of the Security Interest.

For completeness, the Independent Expert notes that where a borrower defaults on a facility which is unsecured, a liquidator or receiver is likely to be appointed and they may still sell the assets of the borrower to repay priority creditors and then unsecured creditors.

- (2) The Company's ability to raise additional debt funding may be reduced

Granting of security under the Security Interest may reduce the Company's ability to raise any additional debt financing in the future as any security the Company is able to give would likely only be permitted by the Secured Parties if it ranks below the security provided for the Facility Agreement.

For completeness, the Independent Expert notes the capital to be provided from the Facility Agreement may not be available if the Company were not willing to secure the Facility Agreement. By securing the Facility Agreement, the Company is able to access a portion of the funding it requires for ongoing operations.

- (3) The Company's ability to realise gains from certain key assets may be reduced

Granting of security under the Security Interest will enact the terms of the Facility Agreement outlined in Section 2.5 of the Independent Expert's Report. The terms under the Facility Agreement impose unique obligations that reduce the Company's ability to realise 100% of gains from both SolGold shares (Upside Sharing Fee) and the Litigation (Litigation Fee).

assets

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4. Resolution 2 - Grant of Upside Sharing Fee to Samuel under Facility Agreement

4.1 Background

As set out above, the Facility Agreement between the Company and Samuel provides for the grant of the Upside Sharing Fee to Samuel. The grant of the Upside Sharing Fee to Samuel is subject to receipt of Shareholder approval by the Company.

The Upside Sharing Fee is the right to receive:

- (a) for the period from the date of the Facility Agreement until the date which is 6 years after the date of Facility Agreement, an amount equal to 15% of any increase in the 10 day volume weighted average price for SolGold Shares on the London Stock Exchange, as determined by Samuel at its sole discretion; and
- (b) for the period from the date which is 6 years after the date of the Facility Agreement until the date which is 10 years after the date of the Facility Agreement, an amount equal to 7.5% of any increase in the 10 day volume weighted average price for SolGold Shares on the London Stock Exchange, as determined by Samuel at its sole discretion.

Although the amount of the Upside Sharing Fee cannot be determined at this time, having regard to the current value of the SolGold Shares (being approximately £13.5 million at the date of the Notice), it is possible that the Upside Sharing Fee (if paid by the Company) may exceed the value of 5% of the Company's equity interests.

In addition, the Company considers that the grant the Upside Sharing Fee may constitute the grant of an interest in the SolGold Shares, and may therefore be "disposal" of a substantial asset for the purposes of Listing Rule 10.1. As outlined in Section 3.6 above, Shareholder approval is required for an entity to dispose of a substantial asset to persons in a position to influence the entity.

Samuel is persons in a position of influence in relation to the Company as Samuel is an entity controlled by Nicholas Mather, the Managing Director and Chief Executive Office of the Company. Samuel (and its associates) also have a 16.34% interest in the Company.

Having regard to the potential value of the Upside Sharing Fee and to the current value of the SolGold Shares, the Company considers that Shareholder approval in accordance with Listing Rule 10.1 is required for the Company to grant the Upside Sharing Fee to Samuel.

4.2 Listing Rule 10.1

A summary of Listing Rule 10.1 is set out in Section 3.6 above.

As the grant of the Upside Sharing Fee involves the potential disposal of a substantial asset of the Company, Shareholder approval in accordance with Listing Rule 10.1 is required to grant the Upside Sharing Fee to Samuel.

4.3 Technical information required by Listing Rule 10.5

Pursuant to and in accordance with Listing Rule 10.5, the following information is provided to Shareholders in relation to Resolution 2:

- (a) **10.5.1: Name of person to whom the entity is disposing of the substantial asset**

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Samuel is the person to whom the Company is granting the Upside Sharing Fee. For the reasons set out above, the grant of the Upside Sharing Fee is considered to be a disposal of a substantial asset by the Company.

(b) **10.5.2: Categorisation of person under Listing Rule 10.1**

Samuel is related party of the Company (under Listing Rule 10.1.1) as it is an entity controlled by Nicholas Mather, the Managing Director and Chief Executive Office of the Company. Samuel (and its associates) also have a 16.34% interest in the Company and is a substantial (10%+) holder in the Company (under Listing Rule 10.1.3).

(c) **10.5.3: Details of the asset being disposed of**

The asset being disposed of is the Upside Sharing Fee. Details of the Upside Sharing Fee are set out Section 4.1 above.

(d) **10.5.4: Consideration for the disposal**

The consideration for the disposal of the Upside Sharing Fee is the grant of the Loan to the Company under the Facility Agreement.

(e) **10.5.6: Intended use of funds received for the disposal**

As per the terms of the Facility Agreement, the Loan will be used by the Company to repay the Choice Loan, to provide funds for ongoing operational expenses and to fund ongoing legal fees for the Litigation.

(f) **10.5.7: Timetable for completing the disposal**

The actions contemplated by this Resolution are expected to occur as follows:

Action	Date
Execution of Facility Agreement and related documents	2 April 2025 (following receipt of Shareholder approval at the Meeting)
Shareholder meeting to approve grant of Upside Sharing Fee to Samuel	2 April 2025
Upside Sharing Fee takes effect	2 April 2025 (following receipt of Shareholder approval at the Meeting)

As at the date of this Notice, it cannot be determined if or when the Upside Sharing Fee will be payable to Samuel.

(g) **10.5.8: Summary of material terms of relevant agreement**

The Upside Sharing Fee is being granted under the terms of the Facility Agreement. The material terms of the Facility Agreement are summarised in Schedule 1 and Section 2.1..

(h) **10.5.9: Voting exclusion statement**

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A voting exclusion statement is set out in Resolution 2.

(i) **10.5.10: Independent Expert's Report**

The report from the Independent Expert is discussed at Section 4.7 below.

4.4 **Technical information required by Listing Rule 14.1A**

If Resolution 2 is passed, and assuming Resolutions 1, 3 and 4 are also passed, Samuel (or its nominee) will be entitled to receive the Upside Sharing Fee.

If Resolution 2 is not passed, Samuel (or its nominee) will not be able to receive the Upside Sharing Fee and:

- (a) the condition relating to receipt of all necessary approvals in respect of the Facility Agreement will not be satisfied and Company will not be entitled to drawdown the Loan;
- (b) the Company's ability to retain its key assets, and pursue its strategic objectives, including long-term value creation from the SolGold Shares, may be significantly constrained;
- (c) the Choice Loan will immediately become due and payable by the Company;
- (d) the Company will be required to sell SolGold Shares to fund the repayment of the Choice Loan. The Board considers this will be detrimental to Shareholders of the Company as they believe the SolGold Shares are presently undervalued;
- (e) the failure to secure the Facility Agreement and the subsequent need to sell a portion of the SolGold Shares to fund operations could signal a lack of confidence in the Company's long term business strategy, leading to a further decline in the Company's share price and market standing;
- (f) a break fee of \$1,000,000.00 will become payable by the Company under the Facility Agreement; and
- (g) no alternative funding options that align with the Company's strategic objective to retain control over, and its stake in SolGold exists.

4.5 **Chapter 2E of the Corporations Act**

A summary of the relevant provisions of Chapter 2E of the Corporations Act is set out in Section 3.9 above.

The grant of the Upside Sharing Fee to Samuel constitutes the giving a financial benefit and Samuel is a related party of the Company by virtue of being controlled by Nicholas Mather, a Director of the Company. Accordingly, Shareholder approval for the grant of the Upside Sharing Fee is also sought in accordance with Chapter 2E of the Corporations Act.

4.6 **Technical Information required by section 219 of the Corporations Act**

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided to Shareholders in relation to Resolution 1:

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(a) **s 219(1)(a): Identity of related party**

The Upside Sharing Fee is being granted to Samuel, a related party of the Company by virtue of being controlled by Nicholas Mather, a Director of the Company.

(b) **s 219(1)(b): Nature of the financial benefit**

The financial benefit being given to Samuel is the grant of the Upside Sharing Fee. Details of the Upside Sharing Fee are set out in Section 4.1 above.

(c) **s 219(1)(c): Director's recommendations**

Each Director (other than Nicholas Mather and Ben Hassell) recommends that Shareholders vote in favour of Resolution 2 for the reasons set out under "Advantages" in Section 4.8 below.

Nicholas Mather has a material personal interest in the outcome of Resolution 2 on the basis he controls Samuel, which will receive the Upside Sharing Fee. For this reason, Mr Mather does not believe that it is appropriate to make a recommendation on Resolution 2.

Ben Hassell is the General Manager of Samuel and considers this to amount to a conflict of interest given Samuel is a party to the Facility Agreement and will receive the Upside Sharing Fee. For this reason, Mr Hassell does not believe that it is appropriate to make a recommendation on Resolution 2.

(d) **s 219(d): Directors' interest in outcome**

No Director (other than Nicholas Mather) has a material personal interest in the outcome of Resolution 2

Mr Mather has a material personal interest in the outcome of Resolution 2 on the basis he controls Samuel, which is to receive the Upside Sharing Fee.

The relevant interests of Nicholas Mather (and his associates) in the securities of the Company as at the date of this Notice are set out below:

Shareholder	Shares held ¹	% of total Shares on issue
Samuel Holdings Pty Ltd <Samuel Discretionary A/C>	116,122,676	11.13%
Nicholas and Judith Mather <Mather Super Fund A/C>	53,839,375	5.16%
Judith Mather	568,077	0.05%
Total	170,530,128	16.34%

Notes:

1. Fully paid ordinary shares.
2. Nicholas Mather (and his associates) do not hold any options or performance rights in the Company.

(e) **s 219(e): Other information**

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The Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolution 2.

4.7 Independent Expert's Report

The Independent Expert has been asked to prepare a report, for the purpose of Listing Rule 10.10.2 and Chapter 2E of the Corporations Act, on whether the grant of the Upside Sharing Fee to Samuel is fair and reasonable to the non-associated Shareholders of the Company.

The Independent Expert has concluded that grant of the Upside Sharing Fee to Samuel pursuant to the terms of the Facility Agreement is not fair but reasonable to the non-associated Shareholders of the Company.

Shareholders are asked to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

4.8 Advantages and Disadvantages – Upside Sharing Fee

The Independent Expert considers the advantages and disadvantages of the grant of the Upside Sharing Fee to be as follows:

(a) Advantages

(1) Retention of Full SolGold Parcel

The Facility Agreement allows the Company to retain its full holding of SolGold shares, potentially preserving the opportunity to benefit from long-term appreciation in SolGold's value (albeit less the percentage uplift payable, if applicable). This likely avoids the need for a potentially premature sale of assets, at least in the near term.

To provide context on the relevance of this advantage, consider the Company's immediate funding need of \$5.2 million. Based on the December 2024 average exchange rate of \$0.5011 per GBP, this equates to approximately £2.6 million. Based on the 10-day VWAP at inception of the Facility Agreement (£0.0737), the Company would need to sell approximately 35.4 million shares to meet its funding requirements which represents 17.3% of their current holding in SolGold.

If SolGold's share price were to rise to the highest analyst forecast of £0.63, retaining the shares under the Facility Agreement would enable the Company to achieve £111.6 million⁷ in total proceeds upon disposal of their entire position, even after accounting for the maximum 15% uplift payable to Samuel (£17.0 million) provided share disposal is within six years of the Facility Agreement's inception. This retained value represents 86.8% of the total gain from the share price appreciation and far exceeds the immediate value of the Company's SolGold current position of £15.0 million (based on December 2024 VWAP of £0.0737 per share).

As highlighted in Section 7.2 of the Independent Expert's Report, SolGold has previously traded at significantly higher levels and continues to be the subject of analyst forecasts indicating substantial upside potential. These forecasts give some credence to potential share price appreciation and the non-associated Directors' strategy of retaining the SolGold holding.

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These scenarios demonstrate that retaining SolGold shares under the Facility Agreement aligns with the Company's strategic objective of capturing long-term market value while avoiding the need to lock in what the Non-Executive Directors expect will be lower returns through immediate asset sales.

(2) Access to Critical Funding

The Upside Sharing Fee forms part of a broader funding arrangement under the Facility Agreement, providing the Company with access to liquidity to meet operational, legal and ongoing operational expenses.

Section 2.2.6 of the Independent Expert's Report sets out the rationale of the non-associated Directors for forming the view that debt funding is the most appropriate course of action to take to fund the Company.

In Section 9 of the Independent Expert's Report, the Independent Expert has provided an overview of the process used by the Company to source additional debt funding and also set out a comparison of the funding that was able to be sourced by companies broadly similar to the Company. In relation to this research conducted, we note the Facility Agreement provides the Company with immediate access to the capital required without any loss of stake or voting control in SolGold shares. The interest rate broadly aligns to the debt metrics sourced by companies broadly similar to the Company, albeit at the higher end.

(3) Alignment of Samuel's Interests

The Upside Sharing Fee only provides a benefit to Samuel if the realised value of SolGold shares increases above the SolGold Baseline VWAP of £0.0737, broadly aligning Samuel's financial interest with the market performance of SolGold shares and the Company's ability to achieve higher disposal prices.

All else equal, the Independent Expert expects the value of the Company to have increased (as a result of the increase in SolGold shares held) in circumstances that the Upside Sharing Fee is being paid.

(4) Flexibility in Disposal Timing

By avoiding immediate asset sales, the Company gains flexibility in deciding the timing of SolGold share disposals to maximise value, particularly if market conditions or project developments enhance SolGold's valuation over time.

(5) Strategic Focus on Long-Term Upside

The arrangement supports the Company's broader strategic focus on realising value from high-potential, long-term resource assets, rather than liquidating holdings to address short-term funding needs.

(b) Disadvantages

(1) Fairness

The Independent Expert has concluded that the Upside Sharing Fee is not fair to the non-associated Shareholders.

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(2) Ongoing financial obligation

The Upside Sharing Fee introduces a long-term obligation for the Company to pay Samuel a percentage of the increase (if any) between the disposal price and £0.0737 per share on any disposed SolGold shares within 10 years from the Facility Agreement. This creates a long-term financial obligation, even after the Facility Agreement is repaid.

(3) Impact on Bargaining Position

The Upside Sharing Fee obligation adds complexity to the use of SolGold shares as a financial asset for future funding needs, potentially limiting DGR's ability to leverage these shares in the future to their full potential in securing funding.

(4) Potential reduction in shareholder returns

The obligation to pay the Upside Sharing Fee reduces the net proceeds from SolGold share disposals for the next decade (where the sale proceeds exceed £0.0737 per share, potentially lowering the returns available to the Shareholders from future value appreciation in SolGold).

(5) Uncertain quantum of benefit

The quantum of the financial obligation is inherently uncertain, as it depends on the future disposal price and date of the sale of the SolGold shares. This lack of certainty makes it difficult to determine the total amount the Company will be required to pay Samuel (if anything).

(6) Alternative Funding Options

Individual Non-Associated Shareholders may be of the view that the financial obligation associated with the Upside Sharing Fee may not necessarily represent the most cost-effective funding option, particularly when compared to alternatives such as equity raising or outright asset sales.

(7) Selective Treatment of Samuel

The Upside Sharing Fee provides a direct financial benefit to Samuel as a related party, which may create perceived inequity among shareholders and raise concerns about selective treatment of stakeholders.

5. Resolution 3 – Grant of Litigation Fee to Samuel under Facility Agreement

5.1 Background

As set out above, the Facility Agreement between the Company and Samuel provides for the grant of the Litigation Fee to Samuel. The grant of the Litigation Fee to Samuel is subject to receipt of Shareholder approval by the Company.

The Litigation Fee becomes payable by the Company in the event of any win or settlement of the Litigation (at any time, including after the expiry or earlier repayment of the Facility Agreement), and is calculated on the following basis:

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- (a) 15% of any amount up to \$35,000,000 (after the deduction of any amount awarded in respect of the Company's legal costs) paid to the Company's in connection with the Litigation; and
- (b) 10% of any amount in excess of \$35,000,000 paid to the Company in connection with the Litigation.

Although the Litigation Fee is conditional upon the outcome of the Litigation, and the amount payable (if any) is not yet known, having regard to the nature of the claims being dealt with as part of the Litigation and the quantum involved, it is possible that the amount of the Litigation Fee may exceed the value of 5% or more of the Company's equity interests.

In addition, the Company considers that the grant of the Litigation Fee may constitute the grant of an interest in the Litigation, and may therefore be a "disposal" of a substantial asset of the Company for the purposes of Listing Rule 10.1. As outlined in Section 3.6 above, Shareholder approval is required for an entity to dispose of a substantial asset to persons in a position to influence the entity.

Samuel is a person in a position of influence in relation to the Company as Samuel is an entity controlled by Nicholas Mather, the Managing Director and Chief Executive Office of the Company. Samuel (and its associates) also have a 16.34% interest in the Company.

Having regard to the potential value of the Litigation Fee and to the nature and quantum of the claims being dealt with as part of the Litigation, the Company considers that Shareholder approval in accordance with Listing Rule 10.1 is required for the Company to grant the Litigation Fee to Samuel.

5.2 Listing Rule 10.1

A summary of Listing Rule 10.1 is set out in Section 3.6 above.

As the grant of the Litigation Fee involves the potential disposal of a substantial asset of the Company, Shareholder approval in accordance with Listing Rule 10.1 is required to grant the Litigation Fee to Samuel.

5.3 Technical information required by Listing Rule 10.5

Pursuant to and in accordance with Listing Rule 10.5, the following information is provided to Shareholders in relation to Resolution 3:

(a) 10.5.1: Name of person to whom the entity is disposing of the substantial asset

Samuel is the person to whom the Company is granting the Litigation Fee. For the reasons set out above, the grant of the Litigation Fee is considered to be a disposal of a substantial asset by the Company.

(b) 10.5.2: Categorisation of person under Listing Rule 10.1

Samuel is related party of the Company (under Listing Rule 10.1.1) as it is an entity controlled by Nicholas Mather, the Managing Director and Chief Executive Office of the Company. Samuel (and its associates) also have a 16.34% interest in the Company and is a substantial (10%+) holder in the Company (under Listing Rule 10.1.3).

(c) 10.5.3: Details of the asset being disposed of

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The asset being disposed of is the Litigation Fee. Details of the Litigation Fee are set out Section 4.1 above.

(d) **10.5.4: Consideration for the disposal**

The consideration for the disposal of the Litigation Fee is the grant of the Loan to the Company under the Facility Agreement.

(e) **10.5.6: Intended use of funds received for the disposal**

As per the terms of the Facility Agreement, the Loan will be used by the Company to repay the Choice Loan, to provide additional funds for ongoing operational expenses and to fund ongoing legal fees for the Litigation.

(f) **10.5.7: Timetable for completing the disposal**

The actions contemplated by this Resolution are expected to occur as follows:

Action	Date
Execution of Facility Agreement and related documents	2 April 2025 (following receipt of Shareholder approval at the Meeting)
Shareholder meeting to approve grant of Litigation Fee to Samuel	2 April 2025
Litigation Fee takes effect	2 April 2025 (following receipt of Shareholder approval at the Meeting)

As at the date of this Notice, it cannot be determined if or when the Litigation Fee will become payable to Samuel.

(g) **10.5.8: Summary of material terms of relevant agreement**

The Litigation Fee is being granted under the terms of the Facility Agreement. The material terms of the Facility Agreement are summarised in Schedule 1 and Section 2.1.

(h) **10.5.9: Voting exclusion statement**

A voting exclusion statement is set out in Resolution 3.

(i) **10.5.10: Independent Expert's Report**

The report from the Independent Expert is discussed at Section 4.7 below.

5.4 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, and assuming Resolutions 1, 3 and 4 are also passed, Samuel (or its nominee) will be entitled to receive the Litigation Fee (if it becomes payable).

If Resolution 3 is not passed, Samuel (or its nominee) will not be entitled to receive the Litigation Fee and:

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- (a) the condition relating to receipt of all necessary approvals in respect of the Facility Agreement will not be satisfied and Company will not be entitled to drawdown the Loan;
- (b) the Company's ability to retain its key assets, and pursue its strategic objectives, including long-term value creation from the SolGold Shares, may be significantly constrained;
- (c) the Choice Loan will immediately become due and payable by the Company;
- (d) the Company will be required to sell SolGold Shares to fund the repayment of the Choice Loan. The Board considers this will be detrimental to Shareholders of the Company as they believe the SolGold Shares are presently undervalued;
- (e) the failure to secure the Facility Agreement and the subsequent need to sell a portion of the SolGold Shares to fund operations could signal a lack of confidence in the Company's long term business strategy, leading to a further decline in the Company's share price and market standing;
- (f) a break fee of \$1,000,000.00 will become payable by the Company under the Facility Agreement; and
- (g) no alternative funding options that align with the Company's strategic objective to retain control over, and its stake in SolGold exists.

5.5 Chapter 2E of the Corporations Act

A summary of the relevant provisions of Chapter 2E of the Corporations Act is set out in section 3.9 above.

The grant of the Litigation Fee to Samuel constitutes the giving a financial benefit and Samuel is a related party of the Company by virtue of being controlled by Nicholas Mather, a Director of the Company. Accordingly, Shareholder approval for the grant of the Litigation Fee is also sought in accordance with Chapter 2E of the Corporations Act.

5.6 Technical Information required by section 219 of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided to Shareholders in relation to Resolution 3:

(a) **s 219(1)(a): Identity of related party**

The Litigation Fee is being granted to Samuel, a related party of the Company by virtue of being controlled by Nicholas Mather, a Director of the Company.

(b) **s 219(1)(b): Nature of the financial benefit**

The financial benefit being given to Samuel is the grant of the Litigation Fee. Details of the Litigation Fee are set out in Section 5.1 above.

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(c) s 219(1)(c): Director's recommendations

Each Director (other than Nicholas Mather and Ben Hassell) recommends that Shareholders vote in favour of Resolution 3 for the reasons set out under "Advantages" in Section 5.8 below.

Nicholas Mather has a material personal interest in the outcome of Resolution 3 on the basis he controls Samuel, which will receive the Litigation Fee. For this reason, Mr Mather does not believe that it is appropriate to make a recommendation on Resolution 3.

Ben Hassell is the General Manager of Samuel and considers this to amount to a conflict of interest given Samuel is a party to the Facility Agreement and will receive the benefit of the Litigation Fee. For this reason, Mr Hassell does not believe that it is appropriate to make a recommendation on Resolution 3.

(d) s 219(d): Directors' interest in outcome

No Director (other than Nicholas Mather) has a material personal interest in the outcome of Resolution 3.

Mr Mather has a material personal interest in the outcome of Resolution 3 on the basis he controls Samuel, which is to receive the Litigation Fee.

The relevant interests of Nicholas Mather (and his associates) in the securities of the Company as at the date of this Notice are set out below:

Shareholder	Shares held ¹	% of total Shares on issue
Samuel Holdings Pty Ltd <Samuel Discretionary A/C>	116,122,676	11.13%
Nicholas and Judith Mather <Mather Super Fund A/C>	53,839,375	5.16%
Judith Mather	568,077	0.05%
Total	170,530,128	16.34%

Notes:

1. Fully paid ordinary shares.
2. Nicholas Mather (and his associates) do not hold any options or performance rights in the Company.

(e) s 219(e): Other information

The Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolution 3.

5.7 Independent Expert's Report

The Independent Expert has been asked to prepare a report, for the purpose of Listing Rule 10.10.2 and Chapter 2E of the Corporations Act, on whether the grant of the Litigation Fee to Samuel is fair and reasonable to the non-associated Shareholders of the Company.

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The Independent Expert has concluded that grant of the Litigation Fee to Samuel pursuant to the terms of the Facility Agreement is not fair but reasonable to the non-associated Shareholders of the Company.

Shareholders are asked to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

5.8 Advantages and Disadvantages – Litigation Fee

The Independent Expert considers the advantages and disadvantages of the grant of the Litigation Fee to be as follows:

(a) Advantages

(1) Preservation of the Company's legal rights

The arrangement assists to ensure the Company has the financial resources to pursue its legal claims, allowing the Company to attempt to recover significant potential value from the Litigation, which might otherwise be abandoned or underfunded.

(2) Alignment with strategy to hold core assets

The arrangement enables the Company to focus on maximising the value of its core assets by providing the funding needed to pursue the Litigation without resorting to alternative funding methods (such as asset sales or equity raises) that could dilute shareholder value or compromise long-term objectives.

(3) Potential for substantial recovery if the litigation is successful

If successful, the Litigation could yield significant financial returns for the Company. These proceeds may offset the Litigation Fee and provide net benefits to Shareholders, supporting the Company's financial position and long-term strategy.

(4) The terms of the Litigation Fee align with standard market practices

The Litigation Fee of 10% to 15% under the Facility Agreement is lower than the average fees charged by litigation funders, which typically range from 20% to 40% (with an industry average of approximately 27%). While the Facility Agreement introduces a secured structure with ongoing interest obligations, the inclusion of the Litigation Fee provides Samuel with a proportionate upside in the litigation's success, aligning with the higher risk associated with funding such proceedings.

This structure, where the funder shares in the outcome's upside, is not unusual in litigation funding arrangements. However, it is important to note that traditional litigation funders do not typically receive interest on the funds provided or take security over the funded party's assets. By contrast, the Facility Agreement secures Samuel's interests through ongoing interest payments and collateral, which reduces their risk relative to traditional funders while still offering upside participation through the Litigation Fee.

By keeping the Litigation Fee below market averages, the arrangement allows the Company to retain a greater portion of any proceeds from a favourable

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litigation outcome while also securing the immediate funding required to pursue the case.

(b) **Disadvantages**

(1) Fairness

The Independent Expert does not consider that the Litigation Fee is fair to the Non-Associated Shareholders.

(2) Ongoing financial obligation

The Litigation Fee introduces an indefinite obligation for the Company to pay Samuel an agreed portion of any proceeds recovered from the Litigation. This creates an ongoing financial burden, even after the Facility Agreement is repaid, tied to the uncertain outcomes of the legal proceedings.

(3) Uncertain quantum on costs

The quantum of the financial obligation is inherently uncertain, as it depends on the outcome of the Litigation, the amount of any recoveries, and the timing of resolution. This lack of certainty makes it difficult to estimate the total amount the Company will be required to pay Samuel.

(4) Impact on bargaining position

The Litigation Fee creates additional complexity for the Company when considering future funding arrangements involving the Litigation recoveries. Financiers may view litigation recoveries as a higher-risk form of security due to their contingent nature and the obligation to Samuel. This commitment reduces the unencumbered portion of any recoveries, potentially deterring lenders or resulting in less favourable terms.

The arrangement could restrict the Company's ability to fully leverage potential recoveries as a financial asset, as lenders may demand additional collateral or impose higher costs to account for the Litigation Fee obligation. This complexity is particularly relevant given the inherent uncertainties of litigation outcomes, which already make such recoveries less predictable compared to more conventional forms of collateral.

By committing a portion of any future recoveries to Samuel, the Litigation Fee may limit the Company's flexibility to use litigation proceeds to secure competitive financing or meet other strategic financial needs.

(5) Alternative funding options

Individual Shareholders may be of the view that the financial obligation associated with the Litigation Fee may not necessarily represent the most cost-effective funding option, particularly when compared to alternatives such as equity raising or outright asset sales.

The Independent Expert has discussed these alternative funding options in Section 2.2 the Independent Expert's Report and notes that there are positives and negatives to each.

(6) Selective treatment of Samuel

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The Litigation Fee provides a direct financial benefit to Samuel as a related party, which may create perceived inequity among shareholders and raise concerns about selective treatment of stakeholders.

6. Resolution 4 - Issue of Options to Samuel under Facility Agreement

6.1 General

As set out above, the Facility Agreement between the Company and Samuel provides for the grant of 180,000,000 options to Samuel on the terms and conditions set out below. The issue of the Options is subject to receipt of Shareholder approval by the Company.

6.2 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed entity must not issue or agree to issue equity securities to:

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the entity;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the entity and who has nominated a director to the board of the entity pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in (a) to (c) above; or
- (e) a person whose relationship with the entity is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders

The issue of Options falls within Listing Rule 10.11 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 4 seeks the required Shareholder approval for the issue of the Options under and for the purposes of Listing Rule 10.11 and Chapter 2E of the Corporations Act.

6.3 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolution 4:

(a) 10.13.1: Name of person to whom the securities will be issued

The Options will be issued to Samuel (or its nominee).

(b) 10.13.2: Categorisation of person under Listing Rule 10.11

Samuel is related party of the Company (under Listing Rule 10.1.1) as it is an entity controlled by Nicholas Mather, the Managing Director and Chief Executive Officer of the

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Company. Samuel (and its associates) also have a 16.34% interest in the Company and is a substantial (10%+) holder in the Company (under Listing Rule 10.1.3).

(c) **LR 10.13.3: Number and class of securities to be issued**

180,000,000 Options will be issued to Samuel (or its nominee).

(d) **10.13.4: Summary of material terms of securities**

The material terms of the Options are set out in Schedule 2.

(e) **10.13.5: Date by which the securities will be issued**

The Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that this will occur on the one date.

(f) **LR 10.13.6: Price or consideration the entity will receive for issue of the securities**

The issue price of the Options will be nil. The Company will not receive any consideration for the issue of the Options (other than in respect of the advance of the Loan under the Facility Agreement).

(g) **LR 10.13.7: Purpose of the issue**

The purpose of the issue is to pay the consideration due Samuel under the Facility Agreement. As per the terms of the Facility Agreement, the Loan will be used by the Company to repay the Choice Loan, to provide funds for ongoing operational expenses and to fund ongoing legal fees for the Litigation.

(h) **LR 10.13.8: Director's current remuneration package**

Not relevant as the issue is not intended to remunerate or incentivise a Director of the Company.

(i) **LR 10.13.9: Summary of material terms of agreement**

The Options are being issued pursuant to the Facility Agreement. A summary of the material terms of the Facility Agreement is set out in Schedule 1.

(j) **LR 10.13.10: Voting exclusion statement**

A voting exclusion statement is included in Resolution 4.

6.4 Technical Information required by Listing Rule 14.1A

If Resolution 4 is passed, and assuming Resolutions 1, 2 and 3 are also passed, the Company will proceed with the issue of the Options to Samuel (or its nominee). The Options will be issued within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Options (because approval is being obtained under Listing Rule 10.11), the issue of the Options will not use up any of the Company's 15% annual placement capacity.

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If Resolution 4 is not passed, the Company will not be able to issue the Options to Samuel (or its nominee) and:

- (a) the condition relating to receipt of all necessary approvals in respect of the Facility Agreement will not be satisfied and Company will not be entitled to drawdown the Loan;
- (b) the Company's ability to retain its key assets, and pursue its strategic objectives, including long-term value creation from the SolGold Shares, may be significantly constrained
- (c) the Choice Loan will immediately become due and payable by the Company;
- (d) the Company will be required to sell SolGold Shares to fund the repayment of the Choice Loan. The Board considers this will be detrimental to Shareholders of the Company as they believe the SolGold Shares are presently undervalued;
- (e) the failure to secure the Facility Agreement and the subsequent need to sell a portion of the SolGold Shares to fund operations could signal a lack of confidence in the Company's long term business strategy, leading to a further decline in the Company's share price and market standing;
- (f) a break fee of \$1,000,000.00 will become payable by the Company under the Facility Agreement; and
- (g) no alternative funding options that align with the Company's strategic objective to retain control over, and its stake in SolGold exists.

6.5 Chapter 2E of the Corporations Act

A summary of the relevant provisions of Chapter 2E of the Corporations Act is set out in section 3.9 above.

The issue of the Options to Samuel constitutes the giving a financial benefit and Samuel is a related party of the Company by virtue of being controlled by Nicholas Mather, a Director of the Company. Accordingly, Shareholder approval for the issue of the Options is also sought in accordance with Chapter 2E of the Corporations Act.

6.6 Technical Information required by section 219 of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act and ASIC Regulatory Guide 76, the following information is provided to Shareholders in relation to Resolution 4:

(a) s 219(1)(a): Identity of related party

The Options will be issued to Samuel (or its nominee). Samuel is a related party of the Company by virtue of being controlled by Nicholas Mather, a Director of the Company.

(b) s 219(1)(b): Nature of the financial benefit

180,000,000 Options will be issued to Samuel (or its nominee). The material terms of the Options are set out in Schedule 2.

(c) s 219(1)(c): Director's recommendations

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Each Director (other than Nicholas Mather and Ben Hassell) recommends that Shareholders vote in favour of Resolution 4 for those reasons set out at paragraph 6.4 outlining the consequences for the Company if the Resolution is not passed. Nicholas Mather has a material personal interest in the outcome of Resolution 4 on the basis he controls Samuel, which will receive the Options. For this reason, Mr Mather does not believe that it is appropriate to make a recommendation on Resolution 4.

Ben Hassell is the General Manager of Samuel and considers this to amount to a conflict of interest given Samuel is a party to the Facility Agreement and will receive the Options. For this reason, Mr Hassell does not believe that it is appropriate to make a recommendation on Resolution 4.

(d) **s 219(1) (d): Directors' interest in outcome**

No Director (other than Nicholas Mather) has a material personal interest in the outcome of Resolution 4.

Mr Mather has a material personal interest in the outcome of Resolution 4 on the basis he controls Samuel, which will receive the Options.

The relevant interests of Nicholas Mather (and his associates) in the securities of the Company as at the date of this Notice are set out below:

Shareholder	Shares held ¹	% of total Shares on issue
Samuel Holdings Pty Ltd <Samuel Discretionary A/C>	116,122,676	11.13%
Nicholas and Judith Mather <Mather Super Fund A/C>	53,839,375	5.16%
Judith Mather	568,077	0.05%
Total	170,530,128	16.34%

Notes:

1. Fully paid ordinary shares.
2. Nicholas Mather (and his associates) do not hold any options or performance rights in the Company.

(e) **Regulatory Guide 76: Valuation of financial benefit**

The value of the Options has been independently determined by BDO Corporate Finance Ltd at a deemed grant date of 20 February 2025. The Options have been valued using the Black Scholes methodology, under the assumption that the majority of the Options will be exercised towards the end of their term.

The key input assumptions to the Black Scholes model include:

Input variable	Value
Deemed Grant date	20 February 2025
Term	3 years
Spot price at grant date	\$0.010

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Exercise price	\$0.030
Expected volatility	80.0% to 120.0%
Risk free rate	3.805%
Expected dividend yield	Nil

Based on this methodology and assumptions, the value attributed to the Options is \$0.004 per Option or \$745,805.00 in total.

(f) **Regulatory Guide: Related party's existing interest**

Refer to Section 6.6(d) above for the relevant interests of Samuel (and its associates) in the securities of the Company as at the date of this Notice.

(g) **Regulatory Guide 76: Dilutionary effect on existing Shareholders**

The Company proposes to issue a total of 180,000,000 Options. In the event the Options convert into Shares, this would increase the number of Shares on issue from 1,043,695,978 (being the total number of Shares on issue as at the date of this Notice) to 1,223,695,978 (assuming that all of the Options are converted and no other convertible securities currently on issue vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by 14.71%.

(h) **Regulatory Guide 76: Trading history**

The trading history of the Company's Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.030	16 July 2024
Lowest	\$0.008	30 January 2025
Last	\$0.009	19 February 2025

(i) **s 219(1)(e): Other information**

The Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolution 4.

7. Interpretation

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange (as applicable).

Board means the board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

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Chair means the person who chairs the Meeting.

Choice means Choice Investments (Dubbo) Pty Ltd ACN 112 796 237.

Choice Loan has the meaning given to it in Section 2.3.

Company means DGR Global Limited ACN 052 354 837.

Constitution means the constitution of the Company from time to time.

Corporations Act means the *Corporations Act 2001* (Cth) as amended, varied or replaced from time to time.

Corporate Guarantors means the following subsidiaries of the Company:

- (a) DGR Energy Pty Ltd ACN 152 604 521;
- (b) Coolgarra Minerals Pty Ltd ACN 151 731 010;
- (c) Hartz Rare Earths Pty Ltd ACN 147 226 622;
- (d) Tinco Australia Pty Ltd ACN 147 181 271; and
- (e) DGR Bolivia Pty Ltd ACN 626 131 360..

Director means a director of the Company.

Explanatory Memorandum means this explanatory memorandum accompanying the Notice of Meeting.

Extraordinary General Meeting or Meeting means the extraordinary general meeting to be held at Level 7, Waterfront Place, 1 Eagle Street, Brisbane Queensland 4000 on 2 April 2025 as convened by the accompanying Notice of Meeting.

Independent Expert means BDO Corporate Finance Ltd.

Independent Expert's Report means the Independent Expert's Report prepared by BDO Corporate Finance Ltd which is attached as an Annexure to this Explanatory Memorandum.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the ASX Listing Rules.

Litigation has the meaning given to it in Section 2.1.

Litigation Fee means the Litigation Fee payable under clause 6.6 of the Facility Agreement.

Loan means the loan being advanced by Samuel to the Company under the Facility Agreement.

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Facility Agreement means the facility agreement the Company intends to enter into on or around 2 April 2025 between Samuel as lender, the Company as borrower and the Corporate Guarantors as guarantors.

Notice of Meeting or **Notice** means the notice of meeting giving notice to Shareholders of the Meeting, accompanying this Explanatory Memorandum.

Options has the meaning given to it in Section 6.1.

Ordinary Resolution means a resolution passed by more than 50% of the votes cast at a general meeting of shareholders.

Proxy Form means the proxy form accompanying the Notice of Meeting.

Resolution means a resolution as set out in the Notice of Meeting.

Samuel means Samuel Holdings Pty Ltd ACN 063 693 747 as trustee for the Manumbar Pastoral Trust.

Share means an ordinary fully paid share in the issued capital of the Company.

Shareholder means a holder of Shares in the Company.

SolGold means SolGold Plc (Company No. 05449516) (LSE:SOLG) (TSX:SOLG)

Any inquiries in relation to the Notice of Meeting or the Explanatory Memorandum should be directed to the Company Secretary, Geoffrey Walker at:

GPO Box 5261, Brisbane QLD 4000

+617 3303 0680

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Schedule 1 – Terms of Facility Agreement

The material terms of the Facility Agreement are as follows:

1. **Amount of loan**

Samuel will provide the Company with a loan up to \$23,500,000.00 (**Loan**).

2. **Use of Funds**

The Loan may be used as follows:

- (a) to refinance the principal and interest owing under the Choice Loan;
- (b) \$5,129,412 to fund a payment into an interest and fee reserve account in respect of the Company's obligations to pay interest and the security and arrangers fee in respect of the Loan;
- (c) \$614,250 to fund the payment by the Company of the establishment fee and broker's fees and the Samuel's legal costs and expenses in respect of the acquisition by Samuel of the Choice Loan and the preparation, negotiation and settlement of the Finance Documents;
- (d) \$7,756,338 to finance the Company's general operational expenditure requirements, to pay outstanding tax liabilities and to pay legal fees incurred by the Company in respect of the Litigation.

3. **Availability**

The Loan will be available for drawdown once the Shareholder approvals referred to at item 10 are obtained.

4. **Term**

5. **Commencing on and from the date of the Facility Agreement till 18 November 2026. Interest rate**

Interest on the Loan will accrue at the rate of 14.60% per annum.

6. **Establishment fee**

An establishment fee of \$680,000.00 will be payable by the Company.

7. **Security and arranger fee**

A security and arranger's fee of 5.00% per annum calculated with refer the Total Commitment (being \$23,500,000) will be payable by the Company by way of either:

- (a) a payment of the full amount of the Security & Arranger Fee then owing in cash; or
- (b) if the Company requests in writing by notice, at the election of Samuel, a transfer to the Company of an amount of SolGold Shares calculated using a 10% discount to the 3 day VWAP for SolGold Shares on LSE prior to the interest payment date of up to 50% of the full amount of the Samuel Security Fee then owing with the balance of the Samuel Security Fee to be paid in cash.

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8. **Early repayment fee**

An early repayment fee of between 0.75% to 1.50% of the Loan (depending upon the time of any early repayment) will be payable should the Company wish to repay the Loan before the end of the term.

9. **Repayments**

Interest and the security and arranger fees will be payable monthly in arrears, with the principal and all other fees and charges in respect of the Loan payable at the expiry of the term.

10. **Shareholder approval**

The Company must obtain all necessary Shareholder or regulatory approvals required by the Corporations Act, the Listing Rules or other applicable laws for entry into the Facility Agreement.

11. **Break fee**

If Shareholder approval is not obtained by 2 April 2025 (or such later date approved by Samuel in writing) a break fee of \$1,000,000 will be payable to Samuel by the Company.

12. **Security**

On and from the date of receipt of the Shareholder approvals, and in order to secure the Company's obligations under the Facility Agreement, the following security will be provided to Samuel:

(a) **First ranking general security**

First ranking general security deed granted by the Company and each Corporate Guarantor over all of each of their assets and undertakings.

(b) **Share pledge**

English law specific security over all present and future SolGold Shares that the Company holds of which 149,151,800 shares will be subject to a first ranking security in favour of Samuel with any other shares subject to security in favour of other creditors, including Equities First, to be subject to a second ranking security in favour of Samuel.

(c) **Interest reserve account**

First ranking security over any account holding the funds to pay interest on the Loan, or otherwise those funds are held in an account controlled by the Company.

(d) **Deed of priority**

Deed of priority with Equities First in respect of the security that both Samuel and Equities First hold in the SolGold Shares.

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(e) **Further security**

Any further security Samuel reasonably requests.

13. **Litigation Fee**

On and from the date of receipt of the Shareholder approvals, the Company will grant Samuel the right to receive the Litigation Fee.

The Litigation Fee will be payable to Samuel in the event of any win or settlement of the Litigation (at any time, including after the expiry or earlier repayment of the Facility Agreement), and will be calculated on the following basis:

- (a) 15% of any amount up to \$35,000,000 (after the deduction of any amount awarded in respect of the Company's legal costs) paid to the Company's in connection with the Litigation; and
- (b) 10% of any amount in excess of \$35,000,000 paid to the Company in connection with the Litigation.

14. **Upside Sharing Fee**

On and from the date of receipt of the Shareholder approvals, the Company will grant Samuel the right to receive the Upside Sharing Fee.

The Upside Sharing Fee will be payable to Samuel in the event of any disposal of SolGold Shares held by the Company (at any time, including after the expiry or earlier repayment of the Facility Agreement), and will be calculated on the following basis:

- (a) for the period from the date of the Facility Agreement until the date which is 6 years after the date of Facility Agreement, 15% of any increase in the 10 day volume weighted average price for SolGold Shares on the London Stock Exchange, as determined by Samuel at its sole discretion; and
- (b) for the period from the date which is 6 years after the date of the Facility Agreement until the date which is 10 years after the date of the Facility Agreement, an amount equal to 7.5% of any increase in the 10 day volume weighted average price for SolGold Shares on the London Stock Exchange, as determined by Samuel at its sole discretion.

15. **Options**

On and from the date of receipt of the Shareholder approvals, the Company will issue 180,000,000 Options to Samuel each exercisable at \$0.03 on or before 3 years from their date of issue. The full terms of the Options are set out in Schedule 2.

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Schedule 2 – Option terms

The terms and conditions of the Options are as follows:

1. Exercise Price

The lower of:

- (a) \$0.03 per Option; and
- (b) if, while any amounts owing under the Facility Agreement remain outstanding, the Company makes an issue of Equity Securities (other than the Options and any Equity Securities issued pursuant to an ESOP, capped at 5% of the issued Shares of the Company as at the date of this document) and the issue price of the Equity Security (or in the case of options or convertible securities, the price at which Shares would be issued under the Equity Security) is less than \$0.03, and the diluted percentage of those Equity Securities exceeds 15% of the number of Shares on issue as at the date of this document:
 - (1) the Adjusted Price; or
 - (2) in the case of a series of issuances, the volume weighted Adjusted Price in relation to those issuances.

Adjusted Price means the price calculated in accordance with the following formula:

$(A + B) / C$, where:

A = market capitalisation of the Company on the Trading Day immediately prior to the issue of the Equity Securities.

B = the number of Equity Securities the subject of the issue, multiplied by their issue price; and

C = the number of Shares on issue immediately prior to the issue of Equity Securities plus the fully diluted number of the issued Equity Securities.

Paragraph (ii) above may apply on more than one occasion and in respect of any set of consecutive issuances (in which case the lowest value will apply).

2. Exercise period and Expiry Date

The Options may be exercised during the period (**Exercise Period**) commencing on the date of the Option issuance and expiring on the date that is 3 years after the later of:

- (a) the date funds are first drawn under the Facility Agreement (**Expiry Date**); and
- (b) the date of the Option issuance.

3. Lapse of Options

Any Options not exercised by the Expiry Date will automatically lapse.

4. Terms of exercise

- (a) The Options may be exercised in whole or in part. The minimum number of Options that can be exercised is an amount equal to \$250,000 divided by the applicable

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Exercise Price for the Options unless the Option holder holds a number of Options that can be exercised is an amount less than \$250,000 divided by the applicable Exercise Price for the Options in which case all Options must be exercised at one time.

- (b) Options may be exercised by giving written notice to the Company, together with payment of an amount equal to the Exercise Price multiplied by the number of Options being exercised, at any time during the Exercise Period.

5. **Rights to participate**

Holders of Options do not have any right to participate in new issues of securities in the Company made to Shareholders generally during the currency of the Options without exercising the Option. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be as set forth under the Listing Rules after the issue is announced, giving the holders of Options the opportunity to exercise the Options prior to the date for determining entitlements to participate in any such issue.

6. **Quotation**

The Options will not be quoted. The Company will apply for listing of the resultant shares of the Company issued upon exercise of any Option.

7. **Transfer**

Holders of Options may transfer the Options to a Related Party or nominate a Related Party to receive Shares issued upon exercise of Options. The Options may not otherwise be transferred during the term of the Facility Agreement.

8. **Capital reorganisation**

If, at any time, the issued capital of the Company is reconstructed (including consolidation, sub-division, reduction or return), all rights of holders of Options will be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

9. **Bonus issues**

If the Company makes a bonus issue to Shareholders and no Share has been issued in respect of any Options before the record date for determining entitlements to the bonus issue, then the number of Shares over which that Option is exercisable will be increased in the manner permitted by the Listing Rules applying at the time of the bonus issue.

10. **Pro rata issues**

If the Company makes a pro rata issue (other than a bonus issue) to existing Shareholders and no Share has been issued in respect of any Options before the record date for determining entitlements to the pro rata issue, then the Exercise Price will be changed in the manner permitted by the Listing Rules applying at the time of the pro rata issue.

11. **Change of Option terms**

The terms of the Options will only be changed, if agreed between the Company and all holders of Options, if Shareholders (whose votes are not to be disregarded) approve of such a change. However, the Exercise Price, increase the number of Options or change any period for exercise of the Options must not be changed other than in accordance with the Listing Rules and these terms and conditions.

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Annexure - Independent Expert's Report

Enclosed.

Proxy form

Proxy, representative and voting entitlement instructions

Proxies and representatives

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a Shareholder is entitled to cast two or more votes at the Meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the Shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a Shareholder of the Company.

The proxy form must be signed by the Shareholder or their attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the *Corporations Act 2001* (Cth).

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be deposited at, posted to, or sent to the Company's share registry, MUFG Corporate Markets, in the manner set out in the table below, not less than 48 hours before the time for holding the Meeting, or the adjourned Meeting as the case may be, at which the individual named in the proxy form proposes to vote.

Online:	https://au.investorcentre.mpms.mufg.com
By post:	DGR Global Limited C/- MUFG Corporate Markets (AU) Limited Locked Bag A14 Sydney South NSW 1235 Australia
By hand:	MUFG Corporate Markets (AU) Limited Level 12, 680 George Street, Sydney NSW 2000
By facsimile:	+61 7 3303 0681

A proxy form is attached to this notice. The Company reserves the right to declare invalid any proxy not received in the manner specified above.

Shareholders who are a body corporate, or which has been appointed as a proxy, are able to appoint representatives to attend and vote at the Meeting under section 250D of the *Corporations Act 2001* (Cth). If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry or online at <https://au.investorcentre.mpms.mufg.com>

Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 6.00pm (Brisbane time) on [31 March 2025]. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Signing instructions

You must sign the proxy form as follows in the spaces provided:

Proxy form

- Individual: Where the holding is in one name, the holder must sign.
- Joint Holding: Where the holding is in more than one name, all of the security holders should sign.
- Power of Attorney: To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001* (Cth)) does not have a Company Secretary, a Sole Director can also sign alone.
- Otherwise, this form must be signed by a Director jointly with either another Director or a Company Secretary.
- Please indicate the office held by signing in the appropriate place.

LODGE YOUR VOTE

ONLINE
<https://au.investorcentre.mpms.mufg.com>

BY MAIL

DGR Global Limited
C/- MUFG Corporate Markets (AU) Limited
Locked Bag A14
Sydney South NSW 1235 Australia


BY FAX

+61 7 3303 0681


BY HAND

MUFG Corporate Markets (AU) Limited
Level 12, 680 George Street, Sydney NSW 2000


ALL ENQUIRIES TO

Telephone: 07 3303 0680

Overseas: +61 7 3303 0680

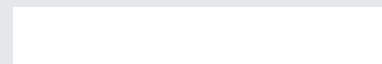

X99999999999
PROXY FORM

I/We being a member(s) of DGR Global Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy



or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **10:00am (Brisbane time) on Wednesday, 2 April 2025 at Level 7, Waterfront Place, 1 Eagle Street, Brisbane Qld 4000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 2, 3 & 4: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 2, 3 & 4, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒
Resolutions
For Against Abstain*

- 1 Grant of Security Interest to Samuel under Facility Agreement
- 2 Grant of Upside Sharing Fee to Samuel under Facility Agreement
- 3 Grant of Litigation Fee to Samuel under Facility Agreement
- 4 Issue of Options to Samuel under Facility Agreement

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



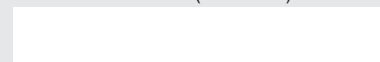
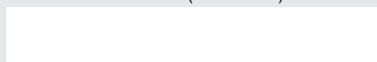
* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)



Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be received at support@cm.mpms.mufig.com prior to admission in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.mpms.mufig.com/en/mufig-corporate-markets.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (Brisbane time) on Monday, 31 March 2025**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

<https://au.investorcentre.mpms.mufig.com>

Login to the Investor Centre using the holding details as shown on the Voting/Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your vote by scanning the QR code adjacent or enter the voting link

<https://au.investorcentre.mpms.mufig.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

DGR Global Limited
C/- MUFG Corporate Markets (AU) Limited
PO BOX 91976
Auckland 1142



BY FAX

+61 2 9287 0309



BY HAND

delivering it to MUFG Corporate Markets (AU) Limited*
Level 12
680 George Street
Sydney NSW 2000

*During business hours Monday to Friday (9:00am - 5:00pm)

IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.

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DGR Global Limited

Independent Expert's Report

Opinions:

The granting of Security Interest is Fair and Reasonable

The granting of the Upside Sharing fee is Not Fair but Reasonable

The granting of the Litigation Fee is Not Fair but Reasonable

20 February 2025

Important Note

The Finance Documents (Facility Agreement, Share Pledge, General Security Deed and other transaction related documents) provided by HopgoodGanim will remain in draft until shareholder approval is obtained. This report assumes they will be executed as currently drafted.

In circumstance that the final form of these documents have materially different term(s) then we will be required to reconsider the analysis set out in this Report.

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FINANCIAL SERVICES GUIDE

Dated: 20 February 2025

The Financial Services Guide ('FSG') is provided to comply with the legal requirements imposed by the Corporations Act 2001 and includes important information regarding the general financial product advice contained in this report ('this Report'). The FSG also includes general information about BDO Corporate Finance Ltd ABN 54 010 185 725, Australian Financial Services Licence No. 245513 ('BDOCF' or 'we', 'us' or 'our'), including the financial services we are authorised to provide, our remuneration and our dispute resolution.

BDOCF holds an Australian Financial Services Licence to provide the following services:

- a) Financial product advice in relation to deposit and payment products (limited to basic deposit products and deposit products other than basic deposit products), securities and interests in managed investment schemes excluding investor directed portfolio services;
- b) Arranging to deal in financial products in relation to securities; and
- c) Applying for, acquiring, varying or disposing of a financial product in relation to interests in managed investment schemes, excluding investor directed portfolio services, and securities.

General Financial Product Advice

This Report sets out what is described as general financial product advice. This Report does not consider personal objectives, individual financial position or needs and therefore does not represent personal financial product advice. Consequently, any person using this Report must consider their own objectives, financial situation and needs. They may wish to obtain professional advice to assist in this assessment.

The Assignment

BDOCF has been engaged to provide general financial product advice in the form of a report in relation to a financial product. Specifically, BDOCF has been engaged to provide an independent expert's report to the shareholders of DGR Global Limited ('DGR' or 'the Company') in relation to the proposed facility agreement ('Facility Agreement') with Samuel Holdings Pty Ltd as trustee for the Manumbar Pastoral Trust ('Samuel') to fund the refinancing of existing debt facilities, provide working capital and fund ongoing legal fees for the Supreme Court of Queensland ('Court') case of DGR Global Ltd -v- P.T. Limited & Ors - BS 15575/2023 ('the Existing Litigation').

Further details of the Facility Agreement are set out in Section 2. The scope of this Report is set out in detail in Section 6.3. This Report provides an opinion on whether or not each of the grant of the security interest to Samuel ('the Security Interest'), the SolGold Plc ('SolGold') share uplift ('the Upside Sharing Fee'), and the litigation uplift ('the Litigation Fee') under the Facility Agreement (together, 'the ASX Approvals') are 'fair and reasonable' to the DGR shareholders who are not associated with Samuel ('the Non-Associated Shareholders'). The assessment of the ASX Approvals is set out in Sections 3, 4 and 5. This report has been prepared to provide information to the Non-Associated Shareholders to assist them to make an informed decision on whether to vote in favour of or against the ASX Approvals. Other important information relating to this Report is set out in more detail in Section 6.

This Report cannot be relied upon for any purpose other than the purpose mentioned above and cannot be relied upon by any person or entity other than those mentioned above, unless we have provided our express consent in writing to do so. A shareholder's decision to vote in favour of or against the ASX Approvals is likely to be influenced by their particular circumstances, for example, their taxation considerations and risk profile. Each shareholder should obtain their own professional advice in relation to their own circumstances.

Fees, Commissions and Other Benefits we may Receive

We charge a fee for providing reports. The fees are negotiated with the party who engages us to provide a report. We estimate the fee for the preparation of this Report will be approximately \$130,000.00 plus GST. Fees are usually charged as a fixed amount or on an hourly basis depending on the terms of the agreement with the engaging party. Our fees for this Report are not contingent on the outcome of the transaction.

Except for the fees referred to above, neither BDOCF, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of this Report.

Directors of BDOCF may receive a share in the profits of BDO Group Holdings Limited, a parent entity of BDOCF. All directors and employees of BDO Group Holdings Limited and its subsidiaries (including BDOCF) are entitled to receive a salary. Where a director of BDOCF is a shareholder of BDO Group Holdings Limited, the person is entitled to share in the profits of BDO Group Holdings Limited.

Associations and relationships

From time-to-time BDOCF or its related entities may provide professional services to issuers of financial products in the ordinary course of its business. These services may include audit, tax and business advisory services. While BDOCF has not provided any professional services to DGR in the last two years, we note that related entities have provided professional services including BDO Audit Pty Ltd as DGR's external auditor.

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The signatories to this Report do not hold any shares in DGR and no such shares have ever been held by the signatories.

To prepare our reports, including this Report, we may use researched information provided by research facilities to which we subscribe or which are publicly available. Reference has been made to the sources of information in this Report, where applicable. Research fees are not included in the fee details provided in this Report.

Complaints Resolution

Internal Complaints Resolution Process

We are committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

Referral to External Dispute Resolution Scheme

BDO Corporate Finance is a member of the Australian Financial Complaints Authority ('AFCA') (Member Number 10236).

Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to AFCA using the contact details set out below.

Australian Financial Complaints Authority Limited
Mail: GPO Box 3, Melbourne VIC 3001
Online Address: <http://www.afca.org.au>
Email: info@afca.org
Phone: 1800 931 678
Fax: (03) 9613 6399
Interpreter Service: 131 450

Compensation Arrangements

BDOCF and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDOCF or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDOCF satisfy the requirements of section 912B of the Corporations Act 2001.

Contact Details

BDO Corporate Finance Ltd

Location Address:	Postal Address:
Level 10 12 Creek Street BRISBANE QLD 4000	GPO Box 457 BRISBANE QLD 4001
Phone: (07) 3237 5999	Email: cf.brisbane@bdo.com.au
Fax: (07) 3221 9227	

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PART I: ASSESSMENT OF THE ASX APPROVALS

The Non-Associated Shareholders
C/- The Non-associated Directors
DGR Global Limited
Suite 9C, London Offices, 30 Florence Street
Teneriffe, QLD Australia, 4005

20 February 2025

Dear Non-Associated Shareholders,

1.0 Introduction

BDO Corporate Finance Ltd ('BDOCF', 'we', 'us' or 'our') has been engaged to provide an independent expert's report ('this Report') to the non-associated shareholders ('the Non-Associated Shareholders') of DGR Global Limited ('DGR' or 'the Company') in relation to the proposed facility agreement ('Facility Agreement') with Samuel Holdings Pty Ltd as trustee for the Manumbar Pastoral Trust ('Samuel') to fund the refinancing of existing debt facilities, provide working capital and fund ongoing legal fees for the Supreme Court of Queensland ('Court') case of DGR Global Ltd -v- P.T. Limited & Ors - BS 15575/2023 ('the Existing Litigation').

This Report provides an opinion on whether or not the grant of the security interest to Samuel ('the Security Interest'), the SolGold share uplift ('the Upside Sharing Fee'), and litigation uplift ('the Litigation Fee') under the Facility Agreement (together, 'the ASX Approvals') are 'fair and reasonable' to the Non-Associated Shareholders. A more detailed description of Facility Agreement is set out in Section 2.

This Report has been prepared to be included in the Notice of Meeting and Explanatory Memorandum dated on or around 20 February 2025 ('Notice of Meeting') prepared by DGR in relation to the general meeting to be held on or around 2 April 2025 ('the Meeting'). The Notice of Meeting has been prepared to provide information to the Non-Associated Shareholders to assist them to form a view on whether to vote in favour of or against each of the ASX Approvals.

In this Report, BDOCF has expressed an opinion as to whether or not each of the ASX Approvals are 'fair and reasonable' to the Non-Associated Shareholders. This Report has been prepared solely for use by the Non-Associated Shareholders to provide them with information relating to the ASX Approvals. The scope and purpose of this Report are detailed in Sections 6.3 and 6.4 respectively.

This Report, including Part I, Part II and the appendices, should be read in full along with all other documentation provided to the Non-Associated Shareholders including the Notice of Meeting.

2.0 Overview of the Facility Agreement and the ASX Approvals Assessed in this Report

This section sets out an overview of the ASX Approvals assessed in this Report and is structured as follows:

- ▶ Section 2.1 provides a brief background to the Facility Agreement;
- ▶ Section 2.2 summarises the funding alternatives available to the directors of DGR;
- ▶ Section 2.3 summarises DGR's position if key assets do not meet milestones for value accretion;
- ▶ Section 2.4 provides a brief description of Samuel;
- ▶ Section 2.5 summarises the key terms of the Facility Agreement; and
- ▶ Section 2.6 concludes by summarising the ASX Approvals assessed in this Report.

This section is a summary only and should not be treated as a complete description of either the Facility Agreement or the ASX Approvals. The Non-Associated Shareholders should refer to the Notice of Meeting and any subsequent disclosures for additional information.

2.1 Background to the Facility Agreement

DGR's financial position is underpinned by two key assets that the directors of DGR, who are not associated with Samuel ('the Non-Associated Directors'), believe hold significant value: its stake in SolGold and its ongoing litigation, which has the potential to yield a favourable settlement or judgment. However, realising the value of these assets requires sufficient funding to support the Company's immediate financial obligations, operational and legal costs, and ongoing working capital requirements. The SolGold shares represent a long-term investment with upside potential, while the litigation offers the prospect of material recovery, contingent on its success. To potentially realise value from these opportunities, DGR has sought financing through the Facility Agreement, structured to provide the liquidity needed to retain its SolGold stake and pursue its litigation strategy.

The Facility Agreement, announced to the market on 25 November 2024, aims to refinance the facility owed to Choice Investments (Dubbo) Pty Ltd ('Choice'), and provide working capital and ongoing legal fees for the ongoing litigation. The Choice facility agreement ('Choice Facility Agreement'), announced to the market on 17 January 2024, was originally secured to fund DGR's proposed Deed of Company Arrangement ('DOCA') for Armour Energy Limited ('Armour'), which had entered receivership and administration in November 2023. The Choice Facility Agreement's primary purpose was to enable DGR to provide funding to Armour's Receivers and Administrators, ensuring the continued operation of Armour and its subsidiaries during this period.

As part of the 17 January 2024 announcement, DGR outlined its nine interdependent DOCA proposals aimed at acquiring Armour and its group companies ('Armour Group'). However, following the creditors' meeting on 19 January 2024, DGR announced that the Armour creditors voted against its proposals, resolving instead to place Armour into liquidation. In response, DGR acknowledged the need to evaluate the implications of this decision and pursue potential legal actions, which remain ongoing as at the date of this Report (further details in Section 7.2.3).

With the DOCA proposals no longer viable, DGR revised its priorities. DGR stated in a 13 March 2024 announcement that funds from the Choice Facility Agreement, previously intended for the Armour DOCA, would instead be redirected toward its own working capital needs and general corporate purposes.

The Choice Facility Agreement, originally set to mature on 30 November 2024, was subsequently extended to 17 March 2025 or such later date as may be agreed in writing by Samuel and DGR, following DGR's execution of a Deed of Assignment and Novation of the Choice Facility Agreement with Samuel and Choice. Consequently, DGR now require the Facility Agreement to refinance the Choice Facility Agreement, fund ongoing working capital requirements, and cover legal fees associated with the Existing Litigation.

2.2 Summary of the Funding Alternatives Available to DGR

This section outlines our understanding of funding options available to DGR along with a discussion on each option's feasibility, cost-effectiveness, and alignment with DGR's strategic objectives. Management have advised that in the absence of the Facility Agreement, DGR would need to pursue alternative measures to address the anticipated cash shortfall expected over the next six months.

It is anticipated that DGR will require approximately \$17.8m¹, net of any fee and interest reserve accounts, to provide the necessary funding to continue its litigation against various parties relating to the Armour Group administration, settle near-term financing commitments and support its current working capital deficiency.

¹ Refer Schedule 1, Note 2 of the Notice of Meeting that states approximately \$10.0 million required to repay the Choice Loan and \$7.8 million required to finance the Company's general working capital and operational expenditure requirements, and pay outstanding tax liabilities and legal fees incurred by the Company in respect of the Litigation.

2.2.1 Operating Cash Flow and Current Assets

DGR is not structured to generate consistent operating cash flows. The Company's primary focus is on identifying, developing, and funding resource exploration and mining projects through its subsidiaries, rather than generating operational revenues. This approach prioritises long-term value creation over immediate income and is inherently reliant on capital-intensive activities such as geological exploration, project development and asset management.

From FY21 to FY24, DGR consistently recorded negative operating cash flows, which highlights the capital-intensive nature of its operations (refer to Section 7.5.3 for additional details). Furthermore, in both FY23 and FY24, DGR's current liabilities exceeded its current assets, underscoring the Company's liquidity constraints and lack of readily available resources to meet short-term financial obligations.

As a result, DGR is unable to rely on either operating cash flows or net current assets to fund its working capital requirements.

2.2.2 Sale of Non-current Assets

DGR holds a portfolio of non-current assets, primarily consisting of equity stakes in subsidiary and related companies focused on resource exploration and development. These assets represent a significant portion of DGR's value and align with DGR's long-term strategy of creating shareholder value through resource project development, rather than the direct generation of operational cash flows.

Table 2.1 below sets out DGR's equity stakes in listed companies as of 31 December 2024 and 31 January 2025.

Table 2.1: Summary of DGR's key non-current assets (listed assets)

Asset	Description	DGR Interest	31 December 2024 (\$)	31 January 2025 (\$)¹
SolGold Plc (LSE/TSX: SOLG)²	Cascabel copper-gold project, Ecuador	6.80% (204.2M shares)	A\$ 28.5 million	A\$ 29.3 million
Challenger Energy Group Plc (LSE: CEG)	Oil and gas exploration, Caribbean and Atlantic margin	1.09% (2.3M shares)	A\$ 0.29 million	A\$ 0.45 million
Clara Resources Australia Ltd (ASX: C7A)	Gold and base metals exploration, Australia	6.15% (23.9M shares)	A\$ 0.14 million	A\$ 0.14 million
New Peak Metals Ltd (ASX: NPM)	Precious metals exploration, global	2.63% (8.0M shares)	A\$ 88,374	A\$ 0.13 million
Atlantic Lithium Ltd (LSE: ALL, ASX: A11, OTCQX: ALLIF, GSE: ALLGH)²	Lithium exploration and development, Africa	0.02% (148,875 shares)³	A\$ 4.2 million	A\$ 34,241
Lakes Blue Energy NL (ASX: LKO)⁴	Energy exploration, Australia	6.38% (3.7M shares)	A\$ 3,749	A\$ 3,749
Canadian Nexus Team Ventures Corp (CNSX: TEAM)²	Venture capital firm for early-stage to mid-level emerging companies	0.01% (1,250 shares)	A\$ 133	A\$ 346

Source: Management as at 31 December 2024, Capital IQ and publicly available information as at 31 January 2025

¹ Estimated values as at 31 January 2025 have used publicly available data for listed companies and current exchange rates.

² Australian Securities Exchange ('ASX'), London Stock Exchange ('LSE'), Toronto Stock Exchange ('TSX'), Over-the-Counter Market ('OTCQX'), Ghana Stock Exchange ('GSE'), and Canadian Securities Exchange ('CNSX')

³ In January 2025, DGR disposed of 12m shares in Atlantic Lithium Ltd ('Atlantic Lithium') in full satisfaction of the \$1.7m loan agreement with Equities First, entered into in December 2021, reducing DGR's interest from 1.75% to 0.02%.

⁴ Lakes Blue Energy NL ('Lakes Blue') has been suspended from the ASX since 2 October 2023

DGR's business model is designed to maximise the value of their investments through the creation of resource exploration, development and mining companies, and provide initial seed funding and management to secure and develop assets to more advanced funding stages. Through their technical expertise and management oversight, DGR supports resource project progress through the exploration, feasibility, and development stages. The Non-Associated Directors believe that the current portfolio holds the potential for substantial upside as the underlying projects mature.

The Non-Associated Directors have assessed the feasibility of realising non-current assets to generate immediate funding but have concluded that this approach would not align with DGR's strategic objectives. Having regard to the required funding necessary to support near-term operations, DGR would be required to liquidate a material portion of their portfolio.

The Non-Associated Directors consider a premature sale of these assets to be value-destructive, as it would forego the potential for the substantial growth and appreciation they expect from the assets and their long-term development. Accordingly, the Non-Associated Directors have determined that the sale of non-current assets is not in the long-term interests of the Company's shareholders, as it would limit their ability to benefit from the potential future appreciation of these investments. While the sale of these assets remains an option of last resort, the Non-Associated Directors strongly prefer to retain these investments to ensure shareholders can fully realise the anticipated long-term value.

2.2.3 Equity Raising

Equity raisings are a common method for companies to secure funding by issuing additional shares to investors. However, in the case of DGR, the Non-Associated Directors consider this a less viable option.

Figure 2.1 below sets out DGR's price-to-book ratio over the past four years ended 31 January 2025. This metric compares the company's market value (stock price) to its book value (net asset value on the balance sheet). A ratio below 1 suggests the market is valuing the Company at less than its book value.

Figure 2.1: DGR's price-to-book ratio over the past four years



Source: Capital IQ as at 31 January 2025

Figure 2.1 above shows that DGR's current share price is trading at a material discount to its book value, as illustrated by the persistent trading below a price-to-book ratio of 1. This discount reflects a market valuation that is materially lower than the stated value of the Company's assets on its balance sheet. Such a misalignment between market price and book value diminishes the attractiveness of an equity raising, as it would require issuing shares at a value that further exacerbates the discount to the net asset value of the Company on a per share basis.

An equity raising under these conditions would likely be dilutive to existing shareholders, particularly for those who are unable or unwilling to participate in the capital raising. The issuance of new shares at a discounted price would reduce the proportional ownership and voting power of non-participating shareholders, eroding their stake in the Company.

Further compounding the issue, equity raisings are typically conducted at a discount to the prevailing share price to incentivise investor participation. For DGR, this would mean issuing shares at a value even lower than the already large discount to book value, exacerbating the dilution impact for existing shareholders. Such a strategy would not only reduce the equity value per share but could also signal financial distress to the market, potentially placing further downward pressure on the share price.

Given the substantial discount of DGR's share price to its book value, the risk of significant dilution to non-participating shareholders, and the likely necessity of offering further discounts to attract investors, at this time the Non-Associated Directors do not consider an equity raising to be a cost-effective or viable funding alternative for the Company.

2.2.4 Convertible Note

Convertible notes are a hybrid funding instrument that combines features of debt and equity. They allow a company to raise funds through the issuance of debt securities, which can later be converted into equity, often at a predetermined price or rate. While this structure offers some flexibility, the Non-Associated Directors do not consider them a viable option for DGR at this time for several reasons.²

DGR's current share price trades at a discount to its book value. Issuing convertible notes under these conditions would likely require setting the conversion price at a further discount to the prevailing share price to attract investor interest. This would result in a similar outcome to an equity raising, where the eventual conversion of the notes into shares could lead to substantial dilution for existing shareholders, especially those who do not participate in the funding round.

Convertible notes often include additional costs beyond the conversion feature, such as higher interest rates or other incentives to compensate investors for the perceived risks. These costs can make convertible notes an expensive funding option, particularly for companies with limited cash flow or liquidity, as is the case with DGR.

Convertible notes may also introduce complexity into DGR's capital structure, as they create a contingent liability that could impact the Company's future equity value and financial flexibility. Depending on the terms, the conversion of these notes may also dilute shareholder control or complicate governance arrangements.

While convertible notes provide an alternative to traditional debt or equity financing, the Non-Associated Directors consider the discount of DGR's share price to book value, the associated dilution risks, and the potentially high costs make this funding option less suitable.

2.2.5 Debt

Traditional debt financing offers DGR the opportunity to secure funding without diluting existing shareholders' equity. By avoiding the issuance of additional shares, debt ensures that shareholders retain their proportional ownership and voting power, preserving their ability to benefit from any future upside associated with the Company's assets and operations. Debt financing also allows DGR to retain ownership of its non-current assets, avoiding the need to realise these investments prematurely and enabling shareholders to capture the potential value appreciation of these assets as they mature. The Non-Associated Directors consider that this aligns closely with DGR's long-term strategic priorities.

However, traditional debt also presents challenges for DGR. Without traditional property or tangible assets to serve as collateral, the Company faces higher borrowing costs compared to companies with more conventional security options. Furthermore, the security that DGR is able to provide relies on securing loans against equity stakes and other corporate assets which may limit the pool of potential lenders or result in less favourable terms.

Despite these challenges, the Non-Associated Directors of DGR consider that debt remains an attractive funding option for DGR, as it avoids dilution, preserves shareholder value, and allows the Company to maintain control over its strategic direction while addressing its immediate funding requirements.

2.2.6 Rationale for Proceeding with the Facility Agreement

After a detailed evaluation of funding alternatives, the Non-Associated Directors formed the view that debt financing was the most suitable option to meet the Company's immediate and strategic funding needs. This decision was informed by the advantages of debt financing, particularly its ability to avoid shareholder dilution and preserve the upside potential of DGR's non-current assets, notably its stake in SolGold.

In assessing debt options, the Non-Associated Directors considered proposals from a range of other debt providers. However, these options were not considered reasonable and included terms that restricted DGR's voting rights or ownership over SolGold shares. Such arrangements were viewed by the Non-Associated Directors as value-destructive to shareholders and inconsistent with the Company's strategic objectives.

The Non-Associated Directors ultimately determined that the Facility Agreement represented the most competitive and advantageous funding solution. While the facility includes provisions for a SolGold share uplift ('the Upside Sharing Fee') and litigation uplift ('the Litigation Fee'), the Non-Associated Directors concluded that these terms were more favourable compared to the alternatives offered by other providers. Furthermore, the Facility Agreement offered the funding certainty necessary to address DGR's current obligations, including refinancing the Choice Facility Agreement, supporting ongoing litigation related to the Armour Group, and providing working capital for the next two years.

² In October 2017, DGR issued a convertible note to Tribeca Investment Partners Pty Ltd for a principal amount of \$10.0 million. At the time, DGR's average price-to-book ratio for the preceding year was 1.0x, with the first half of the 2017 financial year averaging 1.29x. Given the absence of a significant discount between the share price and the net tangible asset (NTA) value, the conversion price for the note would have been set closer to the prevailing share price. This alignment minimised the dilutionary impact on shareholders, unlike scenarios where the share price trades at a steep discount to NTA, as is currently the case, where dilution may be more pronounced.

The Non-Associated Directors also consider that the Facility Agreement will provide the financial runway for DGR to monitor and benefit from developments in SolGold's Cascabel project. The Non-Associated Directors are of the view that:

- ▶ The project's pre-feasibility study ('PFS') already demonstrates robust financial metrics, including a net present value ('NPV') of US\$3.2 billion and an after-tax internal rate of return ('IRR') of 24%, based on conservative assumptions;
- ▶ SolGold's recent funding arrangements and ongoing feasibility improvements position it as a highly valuable asset, with substantial re-rating potential as the project progresses toward a final investment decision in late 2026; and
- ▶ DGR's 6.8% stake in SolGold is a cornerstone asset, with significant growth prospects driven by long-term supply-demand imbalances in the copper market.

SolGold's value within DGR's portfolio is considered material, representing 97% of DGR's portfolio in listed investments as at 31 January 2025 and 71.6% of DGR's total assets as at 30 June 2024. The performance of SolGold evidently has a direct impact on DGR's share price given it is the size of DGR's position relative to other assets held by DGR (refer to Section 7.4 for SolGold's impact on DGR share price). This supports the Non-Associated Directors' view that maintaining DGR's stake in SolGold will provide the opportunity for DGR to benefit from SolGold's development of the Cascabel Project.

In conclusion, the Non-Associated Directors determined that the Facility Agreement was the superior funding option, providing necessary liquidity while preserving shareholder value and aligning with DGR's strategic focus on long-term asset development.

2.3 Position of DGR if Key Assets do not meet milestones required for value accretion

Ultimately, the success of any funding strategy outlined in Section 2.2 depends on key milestones for its two critical assets: the SolGold stake and the Existing Litigation. If milestones, as currently expected by the Non-Associated Directors, are not met, whether through a lack of SolGold's re-rating or an unfavourable litigation outcome, the underlying value available to shareholders would diminish, and the additional debt incurred would exacerbate DGR's financial burdens. This would not only further diminish shareholder value but also place additional strain on the Company's financial position with reduced capacity to service financial commitments.

While the sale of non-current assets offers a definitive way to realise value, it also locks in that value at the time of sale, removing both potential upside and downside risks associated with the long-term development of these assets. This approach, while more certain, may not align with DGR's stated objective of maximising shareholder returns through the strategic retention and development of their assets.

In such a scenario, the broader question for DGR becomes one of balancing risk and reward: locking in known, immediate value versus retaining the assets to pursue the potential for greater, but uncertain, future gains.

2.4 Description of Samuel

The Facility Agreement is being provided by Samuel Holdings Pty Ltd as trustee for the Manumbar Pastoral Trust ('Samuel'). Samuel is a related party to DGR Global Limited, controlled by Mr Nicholas Mather, who is the Managing Director and Chief Executive Officer of DGR. Mr Mather holds a substantial interest in DGR, with a relevant interest in approximately 16.34% of the Company's issued share capital ('Mr Mather's Relevant Interest').

2.5 Summary of the Key Terms of the Facility Agreement

Table 2.2 below sets out a summary of the key terms of the Facility Agreement. We note that Non-Associated Shareholders should refer to the Notice of Meeting for more information.

Table 2.2: Key terms of the Facility Agreement

Loan Facility	Key Terms
Financier	Samuel Holdings Pty Ltd as trustee for the Manumbar Pastoral Trust
Borrower	DGR Global Limited
Guarantors	DGR Energy Pty Ltd, Coolgarra Minerals Pty Ltd, Hartz Rare Earths Pty Ltd, Tinco Australia Pty Ltd, DGR Bolivia Pty Ltd, and any future wholly owned subsidiaries of DGR, as required.
Facility Limit	Up to \$23.5 million
Use of Funds	Up to \$23.5 million, comprising: <ul style="list-style-type: none"> ▶ \$10.00 million to repay the Choice Facility Agreement ▶ \$5.13 million to fund a payment into an interest and fee reserve account ▶ \$0.61 million to fund the establishment fee, broker's fee and Samuel's legal costs and expenses in respect to Samuel's acquisition of the Choice Facility Agreement and the preparation, negotiation and settlement of the Facility Agreement ▶ \$7.76 million to finance the Company's general working capital and operational expenditure requirements, pay outstanding tax liabilities and legal fees in respect to the Existing Litigation.

Availability	The Facility Agreement will be available for drawdown once the Non-Associated Shareholder's approve the ASX Approvals and upon signing on or around 2 April 2025.
Term	18 November 2026, with the ability to extend on mutual terms agreed in writing
Repayment	Interest and the security and arranger fees will be payable monthly in arrears, with the principal and all other fees and charges in respect to the Facility Agreement payable at the expiry of the term
Security Documents	<ul style="list-style-type: none"> ▶ First-ranking security over all shares in SolGold, other than those shares which are encumbered to Equities First which are to be secured by second-ranking charge to Samuel ▶ First-ranking general security deed over all assets of DGR and its guarantors (but second-ranking in respect of DGR's shares in SolGold which are encumbered to Equities First) ▶ Priority deed with Equities First Holdings LLC ('Equities First') for SolGold shares ▶ Reserve account security to cover interest obligations ▶ Any further security Samuel reasonably requests
Prepayment	<p>Early repayment allowed with an early repayment fee of:</p> <ul style="list-style-type: none"> ▶ 1.5% of the Facility Limit if repaid within the first 16 months ▶ 0.75% of the Facility Limit if repaid thereafter
Fees	<ul style="list-style-type: none"> ▶ \$680,000 establishment fee ▶ Security and arranger fee of 5% per annum, payable monthly (in cash or up to 50% in SolGold shares at a 10% discount to market price) ▶ Upside Sharing Fee: <ul style="list-style-type: none"> • an amount equal to 15% of any upside gain realised above SolGold's 10-day volume weighted average price ('VWAP') on the LSE determined at the inception of the Facility Agreement ('SolGold Baseline VWAP'), as determined by Samuel at its sole discretion, for disposal within the period from the date of the Facility Agreement until the date that is six years after the date of the Facility Agreement; and • an amount equal to 7.5% of any upside gain realised above the SolGold Baseline VWAP, as determined by Samuel at its sole discretion, for disposal within the period from the date which is six years after the date of the Facility Agreement until the date which is ten years after the date of the Facility Agreement. ▶ Litigation Fee: <ul style="list-style-type: none"> • 15% of litigation proceeds up to \$35 million (net of legal costs); and • 10% of proceeds in excess of \$35 million
Break Fee	<ul style="list-style-type: none"> ▶ \$1,000,000 payable if DGR does not satisfy the shareholder approval condition by the latest approval date (currently 16 March 2025, unless extended with the approval of Samuel). ▶ If Samuel requests, DGR may pay the Break Fee via transferring an amount of SolGold shares at a value per share equal to 90% of the 3-day VWAP. ▶ The Break Fee is not refundable.
Interest Rate	14.60% per annum
Default Rate	19.60% per annum (interest rate plus 5%)
Minimum Interest Payable	10 months of interest on the Facility Limit as if fully drawn down
Options	180 million options in DGR exercisable at \$0.03 per share within three years from the date of inception (first drawdown)
Other Terms	<ul style="list-style-type: none"> ▶ Prohibition on encumbering SolGold shares without lender consent ▶ Borrower to pay all lender costs, including legal, stamp duty, and financial advisor expenses

Source: Schedule 2 of the Facility Agreement

Non-Associated Shareholders should refer to the Notice of Meeting and subsequent disclosures for more detailed information in relation to the Facility Agreement.

2.6 Summary of the ASX Approvals

The Facility Agreement requires shareholder approval under ASX Listing Rule 10.1, Chapter 2E of the Act and ASX Listing Rule 10.11.

This Report has been prepared to provide information on the fairness and reasonableness of the below approvals required for ASX Listing Rule 10.1, being:

- ▶ approval for grant of Security Interest – Australian general securities deed ('General Security Deed') and English law share pledge ('Share Pledge') (assessed in Section 3 below);
- ▶ approval for grant of Upside Sharing Fee (assessed in Section 4 below); and
- ▶ approval for grant of Litigation Fee (assessed in Section 5 below).

The three approvals referred to above are together termed the 'ASX Approvals' and are summarised below.

Security Interest

The Security Interest, under the Facility Agreement, provides that DGR will secure its obligations by:

- ▶ the Company and each of the corporate guarantors granting Samuel a first ranking general security over all of their assets and undertakings as per the General Security Deed; and
- ▶ the Company granting Samuel a Share Pledge over all present and future shares the Company owns in SolGold, of which 149,151,800 shares will be subject to a first ranking security in favour of Samuel.

(together, 'the Security Interest')

The ASX deems the granting of a security interest over the assets and undertaking of a listed entity to be a "disposal" of a substantial asset for the purposes of Listing Rule 10.1, and as outlined in Section 6.4 below, shareholder approval is required for an entity to dispose of a substantial asset to a related party of the Company. Samuel is a related party of the Company as it is an entity controlled by Nicholas Mather, the Managing Director and Chief Executive Officer of the Company. Samuel (and its associates) also have a 16.34% interest in the Company.

Upside Sharing Fee

The Upside Sharing Fee, under the Facility Agreement, provides Samuel the right to receive:

- ▶ an amount equal to 15% of any upside gain realised above the SolGold Baseline VWAP, as determined by Samuel at its sole discretion, for disposal within the period from the date of the first drawdown until the date that is six years after the date of the Facility Agreement; and
- ▶ an amount equal to 7.5% of any upside gain realised above the SolGold Baseline VWAP, as determined by Samuel at its sole discretion, for disposal within the period from the date which is six years after the date of the Facility Agreement until the date which is ten years after the date of the Facility Agreement.

Although the amount of the Upside Sharing Fee cannot be determined at this time, having regard to the current value of the SolGold Shares (being approximately £13.5 million³ at the date of the Notice of Meeting), it is possible that the Upside Sharing Fee (if paid by the Company) may exceed the value of 5% of the Company's equity interests (being the threshold set out in ASX Listing Rule 10.2).

The Company considers that the grant of the Upside Sharing Fee may constitute the grant of an interest in the SolGold shares and may therefore be a "disposal" of a substantial asset of the Company for the purposes of Listing Rule 10.1. As outlined in Section 6.4, shareholder approval is required for an entity to dispose of a substantial asset to persons in a position to influence the entity.

Having regard to the potential value of the Upside Sharing Fee and to the current value of SolGold shares, the Company considers that Shareholder approval in accordance with Listing Rule 10.1 is required for the Company to grant the Upside Sharing Fee to Samuel.

Litigation Fee

The Litigation Fee, under the Facility Agreement, grants Samuel the right to receive a financial benefit from any win or settlement of the Existing Litigation. The Litigation Fee becomes payable by the Company (at any time, including after the expiry or earlier repayment of the Facility Agreement), and is calculated on the following basis:

- ▶ 15% of any amount up to \$35 million (after the deduction of any amount awarded in respect of the Company's legal costs) paid to the Company's in connection with the Existing Litigation; and
- ▶ 10% of any amount in excess of \$35 million paid to the Company in connection with the Existing Litigation.

Although the Litigation Fee is conditional upon the outcome of the Existing Litigation, and the amount payable (if any) is not yet known, having regard to the nature of the claims being dealt with as part of the Existing Litigation and the quantum involved, it is possible that the amount of the Litigation Fee may exceed the value of 5% or more of the Company's equity interests (being the threshold set out in ASX Listing Rule 10.2).

³ As at 18 February 2025, the value of DGR's shareholding in SolGold was approximately £13.5 million (£0.0662 x 204,151,800 = £13,514,849)

The Company considers that the grant of the Litigation Fee may constitute the grant of an interest in the Existing Litigation and may therefore be a “disposal” of a substantial asset of the Company for the purposes of Listing Rule 10.1. As outlined in Section 6.4, shareholder approval is required for an entity to dispose of a substantial asset to persons in a position to influence the entity.

Having regard to the potential value of the Litigation Fee and the nature and quantum of the claims being dealt with as part of the Existing Litigation, the Company considers that Shareholder approval in accordance with Listing Rule 10.1 is required for the Company to grant the Litigation Fee to Samuel.

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3.0 Assessment of the Security Interest

This section is set out as follows:

- ▶ Section 3.1 sets out the methodology for our assessment of the Security Interest;
- ▶ Section 3.2 sets out our assessment of the fairness of the Security Interest;
- ▶ Section 3.3 sets out our assessment of the reasonableness of the Security Interest; and
- ▶ Section 3.4 provides our assessment of whether the Security Interest is fair and reasonable to the Non-Associated Shareholders.

3.1 Basis of evaluation

This Report has been prepared for the purpose of meeting certain requirements of the ASX Listing Rules (refer to Section 6.4 below).

The ASX Listing Rules do not provide guidance in relation to the definition of 'fair and reasonable'. In determining whether the Security Interest is considered fair and reasonable we have had regard to the guidance provided by Regulatory Guide 111: *Content of Expert Reports* ('RG 111') and Australian Securities Investment Commission ('ASIC') Regulatory Guide 76 *Related Party Transactions* ('RG 76'). RG 111 provides guidance as to what matters an independent expert should consider to assist security holders to make an informed decision about transactions.

RG 111 suggests that where an expert is to assess whether a related party transaction is 'fair and reasonable' for the purpose of complying with ASX Listing Rule 10.1, the assessment should not be applied as a composite test. That is, the expert should assess separately whether the transaction is 'fair' and 'reasonable'. The expert's report should explain how the particulars of the transaction were evaluated as well as the results of the examination and evaluation.

We have assessed the fairness and reasonableness of the Security Interest in Sections 2.2 and 2.3 below and concluded on our opinion of the Security Interest in Section 2.4 below.

3.2 Assessment of fairness

3.2.1 Basis of assessment

RG 111 states that a related party offer is fair if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity. This comparison should be made:

- ▶ Assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length; and
- ▶ If the transaction is considered to be a control transaction, assuming 100% ownership of the target irrespective of whether the consideration is scrip or cash.

The purpose of this Report is summarised in Section 6.4 and notes that using an asset as collateral in a related party transaction is considered a disposal under the ASX Listing Rules. Our fairness assessment considers the circumstance where there is a default and the security for the Facility Agreement, and by inclusion the Share Pledge, is enforced by Samuel, through the appointment of a receiver to the assets over which security is granted ('the Secured Property').

We note that some of the Secured Property is located outside Australia. These assets are covered by the Share Pledge agreement, which grants Samuel the ability to enforce first-ranking security over 149,151,800 SolGold shares listed on the LSE and all other investments as defined in the Share Pledge. Additionally, it provides second-ranking security over 20 million SolGold shares held by DGR, which is intended to rank in priority behind the first-ranking security held by Equities First.

Under RG 111, in the case of the Security Interest, the proceeds flowing from the sale of the Secured Property in the event of default pursuant to the terms of the Facility Agreement constitutes the financial benefit to be provided to Samuel. The consideration provided by Samuel to DGR is the outstanding amount on the Facility Agreement plus any accrued default interest charged between the date any default occurs and the date on which payment is received. This will be reduced/satisfied from the sale of the Secured Property in the event of a default in relation to the Facility Agreement.

Having regard to the above, the Security Interest is 'fair' if the value of the security provided to Samuel (i.e. the value of the proceeds flowing to Samuel from the sale of the Secured Property) is equal to or less than the value of the amounts due pursuant to the security in the event of a default on the Facility Agreement.

There are two ways the Secured Property could be sold in the event of a default, (a) voluntarily by the Company/borrower or (b) via the appointment of a controller, typically a receiver & manager, by Samuel's who would sell the secured property in order to repay the secured liabilities.

Under the terms of the Facility Agreement, as set out in the relevant documents, Samuel's entitlement in the event of default is limited to the outstanding amount under the terms of the Facility Agreement, including principal, interest, fees and all and any amounts due, owing or incurred ('the Secured Liabilities').

Assuming a voluntary sale of the Secured Property, if the proceeds received from the sale of the Secured Property are greater than the Secured Liabilities and any amounts that have priority at law, then Samuel will only receive the amount necessary to satisfy the Secured Liabilities at the time the Secured Property is sold. Any surplus proceeds are remitted to the entity that owned the Secured Property at the time it was sold and to which the surplus pertains (i.e. the Company and / or Guarantors).

We note that in Australia, in the event of a default under the terms of the Facility Agreement, Samuel may exercise its powers of enforcement and appoint a controller (i.e. receiver & manager) to recover the Secured Liabilities, which may involve a sale of the relevant Secured Property (either to an unrelated third party or to Samuel). We note that if appointed, a controller has an obligation under section 420A of the Act to take all reasonable care to sell the Secured Property at:

- ▶ Not less than that market value (if it has a market value at the time of sale); or
- ▶ Otherwise, the best price that is reasonably obtainable having regard to the circumstances existing when the Secured Property is sold.

Given the above, a controller will usually take a number of steps to ensure they have complied with the relevant legislation. These steps can include the following:

- ▶ Engaging a broker to sell the Secured Property on the market;
- ▶ Engaging a broker to sell the Secured Property off the market; and
- ▶ Obtaining a market valuation from a valuer with the relevant expertise and credentials.

Having regard to the above, in our view, it is appropriate to assume for the purposes of our analysis in this Report that, in the event of a default in relation to the Facility Agreement which results in the appointment of a controller (i.e. receiver & manager) to the Secured Property, any sales process pursued to divest the Secured Property is legally required to be conducted in a manner to realise market value (or otherwise, the best price that is reasonably obtainable) as at the time of sale, having regard to the existing state of the assets and the market.

3.2.2 Opinion of Fairness

To assess whether the Security Interest is fair, we have compared the value of the proceeds flowing to Samuel from the sale of the Secured Property to the value of the Secured Liabilities owing to Samuel in the event of a default of the Facility Agreement under several scenarios. In considering the various possible scenarios, we note the following:

- ▶ In the scenario where the value of the proceeds from the sale of the Secured Property (after payment of amounts that have priority at law) is greater than the value of the Secured Liabilities, Samuel are only entitled to receive the proceeds equal to the balance of the Secured Liabilities. As mentioned previously, in the event that Samuel purchases the Secured Property, the proceeds received following the sale (the effective reimbursement) will not exceed the outstanding balance of the Secured Liabilities;
- ▶ In the scenario where the value of the proceeds from the sale of the Secured Property (after payment of amounts that have priority at law) is equal to the Secured Liabilities, Samuel are entitled to receive all of the sale proceeds; and
- ▶ In the scenario where the value of the proceeds from the sale of the Secured Property (after payment of amounts that have priority at law) is less than the Secured Liabilities, Samuel is entitled to receive all of the sale proceeds. To the extent the Secured Liabilities exceed the value of the proceeds received from the sale of the Secured Property, Samuel may suffer a loss equal to the shortfall.

Table 3.1 below summarises the potential outcomes from the settlement of the Facility Agreement under a default scenario where the Secured Property is sold/disposed by an enforcement action.

Table 3.1: Potential settlement scenarios for the Secured Liabilities in the event of a sale by enforcement action

Scenario	Consequence	Fairness
Value of Secured Property > Secured Liabilities ¹	Security provided = liabilities settled	Fair
Value of Secured Property = Secured Liabilities ¹	Security provided = liabilities settled	Fair
Value of Secured Property < Secured Liabilities ¹	Security provided < liabilities owing	Fair

Source: BDOCF Analysis

¹ After payment of amounts that have priority at law.

Having regard to the potential settlement scenarios summarised above, in all circumstances Samuel is entitled to receive a maximum amount equal to the Secured Liabilities, in circumstances where the Secured Property is sold in an enforcement action.

After considering the information above, it is our view that in the absence of any further information, the Security Interest is Fair to the Non-Associated Shareholders as at the date of this Report.

3.3 Assessment of reasonableness

3.3.1 Basis of assessment

Under RG 111, a transaction is considered reasonable if it is fair. It may also be reasonable, despite not being fair, if after considering other significant factors the interests of the shareholders are reasonably balanced.

In addition to our fairness assessment set out in Section 2.2 above, to assess whether the Security Interest is 'reasonable' we consider it appropriate to examine other significant factors to which the Non-Associated Shareholders may give consideration prior to forming a view on whether to vote in favour of or against the Security Interest. This includes comparing the likely advantages and disadvantages of approving the Security Interest with the position of a Non-Associated Shareholder if the Security Interest is not approved, as well as a consideration of other significant factors.

Our assessment of the reasonableness of the Security Interest is set out as follows:

- ▶ Section 3.3.2 sets out the advantages of the Security Interest to the Non-Associated Shareholders;
- ▶ Section 3.3.3 sets out the disadvantages of the Security Interest to the Non-Associated Shareholders;
- ▶ Section 3.3.4 sets out the discussion of other considerations relevant to the Security Interest;
- ▶ Section 3.3.5 sets out the position of the Non-Associated Shareholders if the Security Interest is not approved; and
- ▶ Section 3.3.6 provides our opinion on the reasonableness of Security Interests to the Non-Associated Shareholders

3.3.2 Advantages of the Security Interest

Table 3.2 below outlines the potential advantages to the Non-Associated Shareholders of approving the Security Interest.

Table 3.2: Potential advantages of the Security Interest

Advantage	Explanation
The Security Interest is Fair	In our view, the Security Interest is fair to the Non-Associated Shareholders as at the date of this Report. In accordance with RG111, a transaction is considered reasonable if it is fair. Refer to Section 3.2 of this Report for our assessment of fairness of the Security Interest.
Assuming all other conditions precedent to the Facility are satisfied or waived, DGR will be able to draw down on the Facility Agreement	If all of the conditions precedent to the initial drawdown of the Facility Agreement are satisfied, DGR will gain access to the debt funding required to repay the existing debt, meet working capital requirements and fund the ongoing litigation.
It is common for companies to grant security over their assets across the life of the loan when raising debt finance	It is common for companies to grant security over their assets across the life of the loan when raising debt finance. In many cases, the granting of security assists a company to obtain the funding on terms that are more favourable than they otherwise would have acquired (if at all) if no security was granted. This is because the granting of security assists to reduce the risk to the financier of the borrower defaulting on their obligations.

Source: BDOCF analysis

3.3.3 Disadvantages of the Security Interest

Table 3.3 below outlines the potential disadvantages to the Non-Associated Shareholders of approving the Security Interest.

Table 3.3: Potential disadvantages of the Security Interest

Disadvantage	Explanation
DGR may lose control over its assets	In the event of default, the security providers (i.e. DGR) may have those assets, which they have provided as security, enforced against and sold in order to settle the Secured Liabilities. In this circumstance, DGR could lose the potential future profits that may otherwise accrue to them from having ownership of the assets it has secured in favour of the Secured Parties, other than as realised in the sale proceeds from the enforcement of the Security Interest. For completeness, we note that where a borrower defaults on a facility which is unsecured, a voluntary administrator or liquidator is likely to be appointed, and they may still sell the assets of the borrower to repay priority creditors and then unsecured creditors.
DGR's ability to raise additional debt funding may be reduced	Granting of security under the Security Interest may reduce DGR's ability to raise any additional debt financing in the future as any security DGR is able to give would likely only be permitted by the Secured Parties if it ranks below the security provided for the Facility Agreement. For completeness, we note the capital to be provided from the Facility Agreement may not be available if DGR were not willing to secure the Facility Agreement. By securing the Facility Agreement, DGR is able to access a portion of the funding it requires for ongoing operations.
DGR's ability to realise gains from certain key assets may be reduced	Granting of security under the Security Interest will enact the terms of the Facility Agreement outlined in Section 2.5. The terms under the Facility Agreement impose unique obligations that reduce DGR's ability to realise 100% of gains from both SolGold shares (Upside Sharing Fee) and the Existing Litigation (Litigation Fee).

Source: BDOCF analysis

3.3.4 Other Considerations

Position of the Non-Associated Shareholders if the Facility Agreement proceeds and milestones are not met for key assets

DGR's strategy under the Facility Agreement is predicated on the potential value accretion of its two key assets: its stake in SolGold and the Existing Litigation. SolGold requires a material re-rating in its share price, while the litigation's value depends on achieving a successful court outcome or settlement. Meeting these milestones is critical in enabling DGR to realise sufficient value to meet its funding obligations and support its long-term objectives.

If SolGold's share price does not achieve a significant re-rating or the Existing Litigation fails to yield a favourable outcome, DGR will face considerable challenges repaying debts due at the expiration of the Finance Facility. In such a scenario, DGR will not only have the original debt obligation to settle but will also have incurred additional costs and fees associated with the Facility Agreement, including interest, fees, and other associated charges.

Without the anticipated value accretion from its key assets, DGR will be compelled to revisit the alternative funding options outlined in Section 2.2. These alternatives include equity raisings, convertible notes, asset sales, or further debt arrangements. However, the challenges and limitations associated with these options (e.g. dilution, discounted asset sales, or high borrowing costs) will remain significant and may be exacerbated by DGR's increased debt burden.

While the Facility Agreement provides a mechanism for DGR to retain and develop high-value assets, it does not guarantee success. In circumstances where SolGold does not achieve a re-rating and/or the litigation does not result in a successful outcome, DGR's ability to repay its debts and secure further financing could be materially impaired. This would leave the Company in a more precarious financial position, with fewer viable funding options and a diminished asset base.

The Non-Associated Directors' decision to proceed with the Facility Agreement aligns with DGR's strategic focus on retaining and developing high-value assets. However, the inherent risks associated with this strategy underline the importance of achieving milestones for SolGold and the litigation to ensure the long-term viability and success of the Company.

Funding cost relative to other debt facilities

The funding provided under the Facility Agreement is relatively expensive compared to more conventional debt facilities, particularly once all associated fees are considered. As shown in Table 9.1, the average interest rate for secured debt facilities is 8.8%, ranging between 3.15% and 15%. While the companies selected represent the closest comparables available, identifying truly identical counterparts and similar debt facilities is inherently challenging due to unique circumstances and funding arrangements for each entity (i.e. asset profile, available security, revenue streams, relation to financier, funding requirements, market conditions, and risk profiles).

In addition to the standard costs typically associated with debt financing (e.g. interest payments and establishment fees), the Facility Agreement imposes unique obligations that increase the overall cost to DGR (i.e. the Upside Sharing Fee, the Litigation Fee, and the Security & Arranger Fee of 5% per annum).

When these fees are aggregated, the effective cost of the Facility Agreement is considerably higher than the headline interest rate of 14.6% per annum, making it an expensive source of funding. Having regard to performance scenarios involving the Existing Litigation and SolGold share price, as set out in Appendix C, the implied interest rate of these fees is estimated to range between 26.7% and 54.3%, where the low end of the range reflects the scenario where no Upside Sharing Fee or Litigation Fee is payable.

This higher cost relative to conventional debt facilities could constrain DGR's financial flexibility and reduce the net benefits of the Facility Agreement compared to alternative options.

3.3.5 Position of the Non-Associated Shareholders if the Security Interest is not approved

Table 3.4 below outlines the potential position of DGR if the Security Interest is not approved.

Table 3.4: Position of Non-Associated Shareholders if the Security Interest is not approved

Position of Shareholders	Explanation
Potential Loss of Funding	Approval of the Security Interest is a condition for the Facility Agreement. If the Facility Agreement is not approved, DGR would lose access to the Facility Agreement funding, which is being utilised to refinance the Choice Facility Agreement, maintain working capital, and fund ongoing legal proceedings and operations.
Requirement to Sell SolGold Shares	<p>Without the Facility Agreement, or any alternative financing arrangement, we understand that the Company would need to sell approximately 32% to 35% of DGR's SolGold shares to generate the necessary funding.⁴ The price achieved for these shares would depend on the prevailing market conditions and the price obtainable at the time of sale, which is uncertain. The sale of these shares would limit shareholders' ability to benefit from long-term value appreciation in SolGold shares and could undermine DGR's strategic objective of retaining what it views as high-value assets.</p> <p>Selling a large volume of SolGold shares within a short timeframe could present challenges due to the stock's trading liquidity. While block trades with institutional investors may help mitigate the risk of a price discount, a forced sale could still exert downward pressure on SolGold's share price, reducing the proceeds DGR could realise. Additionally, as SolGold shares are traded in GBP while DGR's funding requirements are in AUD, currency exchange fluctuations introduce further uncertainty regarding the final amount raised. These factors highlight the risks associated with funding DGR's immediate needs through asset sales rather than securing alternative financing.</p> <p>Non-associated shareholders should refer to Section 7.2.2 for further information on SolGold, including DGR's ability to sell either part or all of its shareholding in the context of SolGold's historical liquidity.</p>
Payment of Break Fee	If shareholder approval is not received for the Facility Agreement, DGR will be required to pay the Break Fee of \$1,000,000 settled in cash or amount of SolGold shares at a value per share equal to 90% of the 3-day VWAP.
Loss of Strategic Flexibility	Without the funding provided by the Facility Agreement, DGR's ability to retain its key assets and pursue its strategic objectives, including long-term value creation from the SolGold shares, may be significantly constrained.
Potential Negative Market Perception	The failure to secure the Facility Agreement and the subsequent need to sell a portion of SolGold shares to fund operations could signal a lack of confidence in DGR's long-term business strategy. Such actions might undermine investor trust, as selling a key strategic asset, such as a portion of the SolGold shareholding, could be perceived as inconsistent with the Company's stated objectives of preserving assets for future growth. This could lead to a further decline in DGR's share price and market standing.
Non-recoverable costs	DGR has incurred costs to date in relation to the Facility Agreement including documentation and preparing the associated Notice of Meeting. DGR will not be able to recover these costs irrespective of whether the transaction is approved/implemented.
No alternative funding option available that aligns with DGR's strategic objective to retain control over and stake in SolGold shares	<p>DGR has made funding enquiries to seven financiers seeking alternative funding options that would support DGR's financing needs. DGR sought funding that met both their capital requirement and their objective to retain control over and stake in SolGold shares.</p> <p>From those considered, the Non-Associated Directors did not believe that any alternative funding option met DGR's requirements for both capital and objective to retain control over and stake in SolGold shares. Currently, there is no alternative funding option available if the resolutions required for the Facility Agreement are not approved.</p>

Source: BDOCF analysis

3.3.6 Assessment of the reasonableness of the Security Interest

In our opinion, after considering all of the issues set out in this Report, it is our view that the Security Interest is **Reasonable** to the Non-Associated Shareholders as at the date of this Report.

3.4 Opinion

After considering the above assessments, it is our view that, in the absence of any other information, the Security Interest is **Fair and Reasonable** as at the date of this Report.

Before forming a view on whether to vote in favour of or against the Security Interest, shareholders must:

- ▶ Have regard to the information set out in the balance of this Report, including the Important Information set out in Section 6;
- ▶ Consult their own professional advisers; and
- ▶ Consider their specific circumstances.

⁴ We have considered DGR's immediate funding need to align with the First Drawing of \$10.0 million under the terms of the Facility Agreement. If DGR were to liquidate positions in all other listed assets prior to SolGold as at 31 January 2025, DGR would be required to sell \$9.2 million in SolGold shares (or approximately £4.6 million based on the 31 January 2025 exchange rate). A disposal of \$9.2 million of DGR's SolGold shares represents approximately 32% of the Company's current holding based on the January 2025 average exchange rate of £0.5043 per \$ and 10-day VWAP of £0.0713 as at 12 February 2025. If DGR were to solely liquidate SolGold shares in the first instance to meet the immediate funding needs, DGR would need to sell approximately 35% of their current holding in SolGold shares under the same circumstance.

4.0 Assessment of the Upside Sharing Fee

This section is set out as follows:

- ▶ Section 4.1 sets out the methodology for our assessment of the Upside Sharing Fee;
- ▶ Section 4.2 sets out our assessment of the fairness of the Upside Sharing Fee;
- ▶ Section 4.3 sets out our assessment of the reasonableness of the Upside Sharing Fee; and
- ▶ Section 4.4 provides our assessment of whether the Upside Sharing Fee is fair and reasonable to the Non-Associated Shareholders.

4.1 Basis of evaluation

This Report has been prepared for the purpose of meeting certain requirements of the ASX Listing Rules (refer Section 6.4 below).

The ASX Listing Rules do not provide guidance in relation to the definition of 'fair and reasonable'. In determining whether the Upside Sharing Fee is considered fair and reasonable we have had regard to the guidance provided by RG 111 and RG 76. RG 111 provides guidance as to what matters an independent expert should consider to assist security holders to make an informed decision about transactions.

RG 111 suggests that where an expert is to assess whether a related party transaction is 'fair and reasonable' for the purpose of complying with ASX Listing Rule 10.1, the assessment should not be applied as a composite test. That is, the expert should assess separately whether the transaction is 'fair' and 'reasonable'. The expert's report should explain how the particulars of the transaction were evaluated as well as the results of the examination and evaluation.

We have assessed the fairness and reasonableness of the Upside Sharing Fee in Sections 4.2 and 4.3 below and concluded on our opinion of the Upside Sharing Fee in Section 4.4 below.

4.2 Assessment of fairness

4.2.1 Basis of assessment

RG 111 states that a related party offer is fair if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity.

Under RG 111, in the case of the Upside Sharing Fee, which is the fee payable to Samuel and based on a percentage of any realised gain above the SolGold Baseline VWAP, constitutes the financial benefit to be provided to Samuel. The SolGold Baseline VWAP will be determined at the inception of the Facility Agreement (i.e. at the time of the First Drawing, as defined under the Facility Agreement).

Having regard to the above, the Upside Sharing Fee is 'fair' if the value of the fee payable to Samuel is equal to or less than the value of the consideration received by DGR for the Upside Sharing Fee.

4.2.2 Value of the financial benefit provided by DGR to Samuel under the Upside Sharing Fee

The financial benefit provided by DGR to Samuel under the Upside Sharing Fee arises from the obligation to pay Samuel a fee, upon disposal of any SolGold shares, equivalent to:

- ▶ 15% of any realised gain from any disposal of SolGold shares above the SolGold Baseline VWAP, provided any disposal of SolGold shares occurs before April 2031 (i.e. the date which is six years after the date of the Facility Agreement);
- ▶ 7.5% of any realised gain from any disposal of SolGold shares above the SolGold Baseline VWAP, provided any disposal of SolGold shares occurs between April 2031 and April 2035 (i.e. from the date which is six years and one day after the Facility Agreement until the date which is 10 years after the date of the Facility Agreement); and
- ▶ If no SolGold shares are sold before April 2035 (i.e. ten years and one day post the inception of the Facility Agreement) or no gain is realised above the SolGold Baseline VWAP, no Upside Sharing Fee is payable.

The Upside Sharing Fee is due and payable on demand following any disposal of DGR's SolGold shares.

For completeness, the obligation to pay the Upside Sharing Fee extends beyond the term of the Facility Agreement, even after the facility is repaid in full, and to any additional SolGold shares acquired after the inception of the Facility Agreement.⁵ The obligation to pay the Upside Sharing Fee only terminates at the later of 10 years after the date of the Facility Agreement and the date on which DGR has paid the applicable Upside Sharing Fee in full.

In assessing the financial benefit, the following key considerations are relevant:

⁵ The Upside Sharing Fee is applicable to any SolGold shares held by and disposed of by DGR during the term of the Upside Sharing Fee provision (i.e. approximately 10 years after the inception of the Facility Agreement). This includes SolGold shares that may be acquired after entry into the Facility Agreement. Despite this application to SolGold shares that may be acquired in the future, Management have advised they do not presently intend on purchasing additional shares in SolGold.

- ▶ **Calculation Basis:** The fee is calculated as a percentage of the increase in value of any SolGold share, using the disposal price, sold above the SolGold Baseline VWAP (if any), and depending on the date of disposal (refer to the percentages above). This effectively grants Samuel a share of any realised increase in value from DGR's SolGold shares before April 2035;
- ▶ **Potential for Long-Term Impact:** The obligation expires in April 2035, meaning Samuel retains the right to claim the fee for any future disposal of SolGold shares held by DGR during this term, including shares acquired after the Facility Agreement inception, regardless of the repayment of the Facility Agreement. This introduces a long-term financial obligation for DGR, potentially affecting shareholder returns from SolGold's future share price appreciation (if sold in the next decade);
- ▶ **Magnitude of Benefit:** The quantum of the financial benefit will depend on the number of SolGold shares sold (if any), the disposal price achieved by DGR and the disposal date. The higher the disposal price, the greater the benefit to Samuel at the time of disposal; and
- ▶ **Alignment with share sale proceeds:** The financial benefit is tied directly to the realised value of SolGold shares (if any), ensuring that Samuel only participates in realised gains rather than unrealised valuation increases. This aligns the benefit to Samuel with the performance of SolGold shares and the timing of DGR's disposal decisions.

The value of the financial benefit provided by DGR to Samuel under the Upside Sharing Fee is inherently contingent upon the future performance of SolGold shares and the disposal date and price achieved by DGR. As the Upside Sharing Fee is calculated based on a percentage of the increase above the SolGold Baseline VWAP and date of disposal, the precise magnitude of the financial benefit cannot be determined until the actual sale of shares occurs (if it occurs). Furthermore, the long-term nature of the provision means that the benefit to Samuel could extend well beyond the term of the Facility Agreement, to April 2035. This introduces a variable financial impact that is directly linked to the realisation of value from DGR's shareholding in SolGold.

4.2.3 Value of the consideration offered to DGR under the Upside Sharing Fee

The consideration offered to DGR under the Upside Sharing Fee arises indirectly through the broader terms of the Facility Agreement, which includes the Upside Sharing Fee provision. The Facility Agreement provides DGR with access to up to \$17.8 million in funding, net of any fee and interest reserve accounts,⁶ offering critical liquidity to refinance the existing Choice Facility Agreement, meet ongoing operational and legal costs, and maintain working capital. This access to funding enables DGR to preserve its interest in SolGold shares, avoiding the need to sell down its stake and allowing the Company to benefit from potential future appreciation in the value of the SolGold asset (albeit less the percentage uplift payable to Samuel if disposed within the term the Upside Sharing Fee is applicable).

4.2.4 Assessment of the fairness of the Upside Sharing Fee

In assessing the fairness of the Upside Sharing Fee, we have considered whether the financial benefit provided by DGR to Samuel (as set out in Section 4.2.2) is equal to or less than the consideration received by DGR under the Facility Agreement (as set out in Section 4.2.3).

The Upside Sharing Fee represents a contingent financial obligation that only arises if DGR disposes of its SolGold shares above the SolGold Baseline VWAP before April 2035. In exchange for agreeing to this obligation, DGR has secured funding under the Facility Agreement, allowing it to refinance existing debt, maintain working capital, and fund ongoing legal costs without the need for an immediate sale of its SolGold shares. This structure enables DGR to retain its exposure to potential future upside in SolGold's share price while obtaining the liquidity necessary to support its operations.

In assessing fairness, it is relevant that the Upside Sharing Fee only applies if DGR realises a gain on its SolGold shares, aligning Samuel's financial benefit with shareholder value. Without the Facility Agreement, DGR may have been required to sell a substantial portion of its SolGold shares immediately, potentially at a lower price than if it could hold the asset and realise the long-term prices that the Non-Associated Directors believe are possible.

However, as the amount payable under the Upside Sharing Fee, if any, is contingent on future SolGold share prices, it is not possible to determine its value at the date of this Report. Furthermore, the Facility Agreement is a bundled funding arrangement, making it difficult to isolate the specific value attributable to the Upside Sharing Fee. Given these uncertainties, we consider there are currently insufficient reasonable grounds to conclude on fairness. Consequently, we conclude that the Upside Sharing Fee is **Not Fair** to the Non-Associated Shareholders.

4.3 Assessment of reasonableness

4.3.1 Basis of assessment

Under RG 111, a transaction is considered reasonable if it is fair. It may also be reasonable, despite not being fair, if after considering other significant factors the interests of the shareholders are reasonably balanced.

In addition to our fairness assessment set out in Section 4.2 above, to assess whether the Upside Sharing Fee is 'reasonable' we consider it appropriate to examine other significant factors to which the Non-Associated Shareholders may give consideration prior to forming a view on whether to vote in favour of or against the Upside Sharing Fee. This includes comparing the likely advantages and disadvantages of approving the Upside Sharing Fee with the position of a

⁶ Under the Facility Agreement, a total of \$5.7 million of the \$23.5 million commitment has been approved for the purpose of funding payment into the interest and fee reserve account (\$5.1m) and funding the establishment fee, broker's fees, and Samuel's legal costs (\$614k).

Non-Associated Shareholder if the Upside Sharing Fee is not approved, as well as a consideration of other significant factors.

Our assessment of the reasonableness of the Upside Sharing Fee is set out as follows:

- ▶ Section 4.3.2 sets out the advantages of the Upside Sharing Fee to the Non-Associated Shareholders;
- ▶ Section 4.3.3 sets out the disadvantages of the Upside Sharing Fee to the Non-Associated Shareholders;
- ▶ Section 4.3.4 sets out discussion of other considerations relevant to the Upside Sharing Fee;
- ▶ Section 4.3.5 sets out the position of the Non-Associated Shareholders if the Upside Sharing Fee is not approved; and
- ▶ Section 4.3.6 provides our opinion on the reasonableness of the Upside Sharing Fee to the Non-Associated Shareholders.

4.3.2 Advantages of the Upside Sharing Fee

Table 4.1 below outlines the potential advantages to the Non-Associated Shareholders of approving the Upside Sharing Fee.

Table 4.1: Potential advantages of the Upside Sharing Fee

Advantage	Explanation
Retention of Full SolGold Parcel	<p>The Facility Agreement allows DGR to retain its full holding of SolGold shares, potentially preserving the opportunity to benefit from long-term appreciation in SolGold's value (albeit less the percentage uplift payable, if applicable). This likely avoids the need for a potentially premature sale of assets, at least in the near term.</p> <p>To provide context on the relevance of this advantage, consider DGR's immediate funding need of \$9.2 million⁷. Based on the January 2025 average exchange rate of £0.5043 per AUD, this equates to approximately £4.6 million. For the purpose of this assessment, we have assumed SolGold's 10-day VWAP, as at 12 February 2025, to be an approximate for the SolGold Baseline VWAP ('the Example SolGold Baseline VWAP'). Based on the Example SolGold Baseline VWAP of £0.0713 per share, DGR would need to sell approximately 65.0 million shares to meet its funding requirements which represents approximately 32% of their current holding in SolGold.</p> <p>If SolGold's share price were to rise to the highest analyst forecast of £0.63, retaining the shares under the Facility Agreement would enable DGR to achieve £111.5 million⁸ in total proceeds upon disposal of their entire position, even after accounting for the maximum 15% uplift payable to Samuel (£17.1 million) provided share disposal is within six years of the Facility Agreement's inception. This retained value represents 88.7% of the total gain from the share price appreciation and far exceeds the immediate value of DGR's SolGold position of £14.6 million⁹ (based on the Example SolGold Baseline VWAP of £0.0713 per share).</p> <p>As highlighted in Section 7.2 of this Report, SolGold has previously traded at significantly higher levels (relative to trading in January 2025) and analyst forecasts indicate substantial upside potential. These forecasts give some credence to potential share price appreciation and the Non-Associated Directors' strategy of retaining the SolGold holding.</p> <p>These scenarios demonstrate that retaining SolGold shares under the Facility Agreement aligns with DGR's strategic objective of capturing long-term market value while avoiding the need to lock in what the Non-Executive Directors expect will be lower returns through immediate asset sales.</p>
Access to Critical Funding	<p>The Upside Sharing Fee forms part of a broader funding arrangement under the Facility Agreement, providing DGR with access to liquidity to meet operational, legal, and working capital requirements. Section 2.2.6 of this Report sets out the rationale of the Non-Associated Directors for forming the view that debt funding is the most appropriate course of action to take to fund DGR.</p> <p>In Section 9 of this Report, we have provided an overview of the process used by DGR to source additional debt funding and also set out a comparison of the funding that was able to be sourced by companies broadly similar to DGR. In relation to this research conducted, we note the Facility Agreement provides DGR with immediate access to the capital required without any loss of stake or voting control in SolGold shares. The interest rate broadly aligns to the debt metrics sourced by companies broadly similar to DGR, albeit at the higher end.</p>
Alignment of Samuel's Interests	<p>The Upside Sharing Fee only provides a benefit to Samuel if the realised value of SolGold shares increases above the SolGold Baseline VWAP, broadly aligning Samuel's financial interest with the market performance of SolGold shares and DGR's ability to achieve higher disposal prices.</p> <p>All else equal, we would expect the value of the DGR to have increased (as a result of the increase in SolGold shares held) in circumstances that the Upside Sharing Fee is being paid.</p>

⁷ DGR's immediate funding need of \$9.2 million has been calculated with respect to the First Drawing, defined under the Facility Agreement, of \$10.0 million less \$756,611 which is the estimated market value of DGR's non-current listed assets, excluding SolGold, as at 31 January 2025 (refer to Table 2.1).

⁸ If DGR were to dispose of their full position in SolGold within 6 years of the Facility Agreement inception, the total proceeds generated would be $204,151,800 \times £0.63 = £128.6$ million. Based on the Example SolGold Baseline VWAP of £0.0713 per share, DGR would be required to pay 15% of $204,151,800 \times (£0.63 - £0.0713) = £17.1$ million to Samuel. Having regard to the total proceeds generated and the Upside Sharing Fee payable to Samuel, DGR would net £111.5 million in proceeds after paying the Upside Sharing Fee.

⁹ As at 13 February 2025, the 10-day VWAP for SolGold shares on the LSE was £0.0713 per share. Using £0.0713 per share as the Example SolGold Baseline VWAP, DGR's SolGold position is approximately £14.6 million ($204,151,800 \times £0.0713 = £14,556,023$).

Advantage	Explanation
Flexibility in Disposal Timing	By avoiding immediate asset sales, DGR gains flexibility in deciding the timing of SolGold share disposals to maximise value, particularly if market conditions or project developments enhance SolGold's valuation over time.
Strategic Focus on Long-Term Upside	The arrangement supports DGR's broader strategic focus on realising value from high-potential, long-term resource assets, rather than liquidating holdings to address short-term funding needs.

Source: BDOCF analysis

4.3.3 Disadvantages of the Upside Sharing Fee

Table 4.2 below outlines the potential disadvantages to the Non-Associated Shareholders of approving the Upside Sharing Fee.

Table 4.2: Potential disadvantages of the Upside Sharing Fee

Disadvantage	Explanation
The Upside Sharing Fee is Not Fair	For the reasons summarised in Section 4.2.4 above, the Upside Sharing Fee is Not Fair to the Non-Associated Shareholders as at the date of this Report.
Ongoing Financial Obligation	The Upside Sharing Fee introduces a long-term obligation for DGR to pay Samuel a percentage of the increase (if any) between the disposal price and the SolGold Baseline VWAP on any disposed SolGold shares within 10 years from the Facility Agreement. This creates a long-term financial obligation, even after the Facility Agreement is repaid.
Potential Reduction in Shareholder Returns	The obligation to pay the Upside Sharing Fee reduces the net proceeds from SolGold share disposals for the next decade (where the sale proceeds exceed the SolGold Baseline VWAP, potentially lowering the returns available to the Non-Associated Shareholders from future value appreciation in SolGold.
Uncertain Quantum of Benefit	The quantum of the financial obligation is inherently uncertain, as it depends on the future disposal price and date of the sale of the SolGold shares. This lack of certainty makes it difficult to determine the total amount DGR will be required to pay Samuel (if anything).
Impact on Bargaining Position	<p>The long-term nature of the Upside Sharing Fee introduces additional complexity when DGR considers using its SolGold shares as security for future funding arrangements. The obligation to pay Samuel a percentage of any uplift above the SolGold Baseline VWAP complicates the value assessment of SolGold shares from a lender's perspective. This could deter potential financiers or result in less favourable loan terms, as the lender's security interest would be subordinate to the Upside Sharing Fee obligation owed to Samuel.</p> <p>This limitation could reduce DGR's flexibility in securing additional funding, as the SolGold shares might no longer be considered unencumbered assets. The need to factor in the Upside Sharing Fee in any subsequent funding transaction could restrict DGR's ability to attract competitive financing terms or could require DGR to offer additional security to meet lender requirements.</p> <p>The Upside Sharing Fee obligation adds complexity to the use of SolGold shares as a financial asset for future funding needs, potentially limiting DGR's ability to leverage these shares in the future to their full potential in securing funding.</p>
Alternative Funding Options	<p>Individual Non-Associated Shareholders may be of the view that the financial obligation associated with the Upside Sharing Fee may not necessarily represent the most cost-effective funding option, particularly when compared to alternatives such as equity raising or outright asset sales.</p> <p>We have discussed these alternative funding options in Section 2.2 of this Report and note that there are positives and negatives to each.</p>
Selective Treatment of Samuel	<p>The Upside Sharing Fee provides a direct financial benefit to Samuel as a related party, which may create perceived inequity among shareholders and raise concerns about selective treatment of stakeholders.</p> <p>We note that the process that DGR went through to source the debt funding is summarised in Section 9.2 below which involved the Non-Associated Directors considering several options for funding from independent third parties.</p>

Source: BDOCF analysis

4.3.4 Other considerations

The Non-Associated Shareholders should refer to Section 3.3.4 for further discussion on their position if the Facility Agreement proceeds and milestones for key assets are not met, and the overall financing cost relative to other debt facilities.

4.3.5 Position of the Non-Associated Shareholders if the Upside Sharing Fee is not approved

Approval of the Upside Sharing Fee is a condition of the Facility Agreement. The Non-Associated Shareholders should refer to Section 3.3.5 for further discussion on their position in circumstances that the Facility Agreement is not approved.

4.3.6 Assessment of the reasonableness of the Upside Sharing Fee

In our opinion, after considering all of the issues set out in this Report, it is our view that, in the absence of any other information or a superior proposal, the Upside Sharing Fee is **Reasonable** to the Non-Associated Shareholders as at the date of this Report.

4.4 Opinion

After considering the above assessments, it is our view that, in the absence of any other information, the Upside Sharing Fee is **Not Fair but Reasonable** as at the date of this Report.

Before forming a view on whether to vote in favour of or against the Upside Sharing Fee, Non-Associated Shareholders must:

- ▶ Have regard to the information set out in the balance of this Report, including the Important Information set out in Section 6;
- ▶ Consult their own professional advisers; and
- ▶ Consider their specific circumstances.

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5.0 Assessment of the Litigation Fee

This section is set out as follows:

- ▶ Section 5.1 sets out the methodology for our assessment of the Litigation Fee;
- ▶ Section 5.2 sets out our assessment of the fairness of the Litigation Fee;
- ▶ Section 5.3 sets out our assessment of the reasonableness of the Litigation Fee; and
- ▶ Section 5.4 provides our assessment of whether the Litigation Fee is fair and reasonable to the Non-Associated Shareholders.

5.1 Basis of evaluation

This Report has been prepared for the purpose of meeting certain requirements of the ASX Listing Rules (refer Section 6.4 below).

The ASX Listing Rules do not provide guidance in relation to the definition of 'fair and reasonable'. In determining whether the Litigation Fee is considered fair and reasonable we have had regard to the guidance provided by RG 111 and RG 76. RG 111 provides guidance as to what matters an independent expert should consider to assist security holders to make an informed decision about transactions.

RG 111 suggests that where an expert is to assess whether a related party transaction is 'fair and reasonable' for the purpose of complying with ASX Listing Rule 10.1, the assessment should not be applied as a composite test. That is, the expert should assess separately whether the transaction is 'fair' and 'reasonable'. The expert's report should explain how the particulars of the transaction were evaluated as well as the results of the examination and evaluation.

We have assessed the fairness and reasonableness of the Litigation Fee in Sections 5.2 and 5.3 below and concluded on our opinion of the Litigation Fee in Section 5.4 below.

5.2 Assessment of fairness

5.2.1 Basis of assessment

RG 111 states that a related party offer is fair if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity.

Under RG 111, in the case of the Litigation Fee, the fee payable to Samuel, calculated as an agreed portion of any win or settlement (net of legal costs) from the Existing Litigation, constitutes the financial benefit to be provided to Samuel.

Having regard to the above, the Litigation Fee is 'fair' if the value of the fee payable to Samuel (i.e. the Litigation Fee) is equal to or less than the value of the consideration received by DGR for the Litigation Fee.

5.2.2 Value of the financial benefit provided by DGR to Samuel under the Litigation Fee

The financial benefit provided by DGR to Samuel under the Litigation Fee arises from the obligation to pay Samuel a fee equivalent to:

- ▶ 15% of any win or settlement proceeds up to \$35.0 million (after the deduction of any amount awarded for the recovery of legal costs); and
- ▶ 10% of any win or settlement proceeds in excess of \$35.0 million.

This fee applies to the proceeds of any win or settlement (net of legal costs) achieved by DGR from the Existing Litigation, regardless of the timing or nature of the resolution. The benefit extends beyond the term of the Facility Agreement and remains enforceable even after full repayment of the Facility, creating a long-term contingent obligation for DGR.

In assessing the financial benefit, the following key considerations are relevant:

- ▶ Calculation Basis: The fee is calculated as an agreed portion of the proceeds of any win or settlement (net of legal costs) from the Existing Litigation. This effectively grants Samuel a share of any realised litigation proceeds, creating a financial benefit tied to the successful resolution of the litigation claims;
- ▶ Potential for Ongoing Impact: The provision applies indefinitely, meaning Samuel retains the right to claim the fee for any future recoveries from the Existing Litigation, regardless of the term or repayment of the Facility. This introduces an ongoing financial obligation for DGR, potentially affecting shareholder returns from any litigation success;
- ▶ Magnitude of Benefit: The quantum of the financial benefit will depend on the size of any litigation recovery (refer to Section 7.2.3). The larger the recovery, the greater the benefit to Samuel, which remains uncertain until the legal proceedings are resolved; and

- ▶ **Alignment with Consideration:** The financial benefit is tied directly to the realised value of the Existing Litigation recoveries, ensuring that Samuel only participates in actual gains rather than speculative outcomes. This aligns Samuel's benefit with the success of the litigation and the timing of DGR's recovery efforts.

The value of the financial benefit provided by DGR to Samuel under the Litigation Fee is inherently contingent upon the outcome of the Existing Litigation and the quantum of any recoveries. As the Litigation Fee is calculated as a percentage of the total recovery, the precise magnitude of the financial benefit cannot be determined until the litigation is resolved. Furthermore, the indefinite nature of the provision means that the benefit to Samuel could extend well beyond the term of the Facility Agreement, depending on the timeline of the legal proceedings. This introduces a variable financial impact that is directly linked to the success of DGR's litigation efforts and the realisation of value from any recoveries achieved.

5.2.3 Value of the consideration offered to DGR under the Litigation Fee

The consideration offered to DGR under the Litigation Fee arises indirectly through the broader terms of the Facility Agreement, which includes the Litigation Fee provision. The Facility Agreement provides DGR with access to \$17.5 million in funding, net of any fee and interest reserve accounts, offering critical liquidity to refinance the existing Choice Facility Agreement, meet ongoing operational and legal costs and maintain working capital. This access to funding enables DGR to pursue its litigation claims without the need to sell core assets or raise capital through other potentially more expensive means, potentially assisting to preserve shareholder value and supporting the Company's broader strategic objectives.

5.2.4 Assessment of the fairness of the Litigation Fee

In assessing the fairness of the Litigation Fee, we have considered whether the financial benefit provided by DGR to Samuel (as set out in Section 5.2.2) is equal to or less than the consideration received by DGR under the Facility Agreement (as set out in Section 5.2.3).

The Litigation Fee represents a contingent financial obligation that only arises if DGR successfully recovers proceeds from the Existing Litigation. In exchange for agreeing to this obligation, DGR has secured funding under the Facility Agreement, which allows it to pursue the litigation without the need to sell core assets or raise capital through alternative means. This structure provides DGR with the financial flexibility to pursue a potentially valuable claim while retaining its existing strategic assets.

In assessing fairness, it is relevant that the Litigation Fee is only payable if DGR achieves a successful outcome in the litigation, aligning Samuel's financial benefit with DGR's ability to realise value from the Existing Litigation. Without the Facility Agreement, DGR may have been required to secure alternative litigation funding arrangements or sell a substantial portion of its SolGold shares immediately, potentially at a lower price than if it could hold the asset and realise the long-term prices that the Non-Associated Directors believe are possible.

However, as the total amount payable under the Litigation Fee, if any, is uncertain at the date of this Report, and given the difficulty in isolating the value of this component within the broader Facility Agreement, we consider there are currently insufficient reasonable grounds to conclude on fairness. Consequently, we conclude that the Litigation Fee is **Not Fair** to the Non-Associated Shareholders.

5.3 Assessment of reasonableness

5.3.1 Basis of assessment

Under RG 111, a transaction is considered reasonable if it is fair. It may also be reasonable, despite not being fair, if after considering other significant factors the interests of the shareholders are reasonably balanced.

In addition to our fairness assessment set out in Section 5.2 above, to assess whether the Litigation Fee is 'reasonable' we consider it appropriate to examine other significant factors to which the Non-Associated Shareholders may give consideration prior to forming a view on whether to vote in favour of or against the Litigation Fee. This includes comparing the likely advantages and disadvantages of approving the Litigation Fee with the position of a Non-Associated Shareholder if the Litigation Fee is not approved, as well as a consideration of other significant factors.

Our assessment of the reasonableness of the Litigation Fee is set out as follows:

- ▶ Section 5.3.2 sets out the advantages of the Litigation Fee to the Non-Associated Shareholders;
- ▶ Section 5.3.3 sets out the disadvantages of the Litigation Fee to the Non-Associated Shareholders;
- ▶ Section 5.3.4 sets out the discussion of other considerations relevant to the Litigation Fee ;
- ▶ Section 5.3.5 sets out the position of the Non-Associated Shareholders if the Litigation Fee is not approved; and
- ▶ Section 5.3.6 provides our opinion on the reasonableness of the Litigation Fee to the Non-Associated Shareholders.

5.3.2 Advantages of the Litigation Fee

Table 5.1 below outlines the potential advantages to the Non-Associated Shareholders of approving the Litigation Fee.

Table 5.1: Potential advantages of the Litigation Fee

Advantage	Explanation
Preservation of Legal Rights	The arrangement assists to ensure DGR has the financial resources to pursue its legal claims, allowing the Company to attempt to recover significant potential value from the Existing Litigation, which might otherwise be abandoned or underfunded.
Alignment with Strategy to Hold Core Assets	The arrangement enables DGR to focus on maximising the value of its core assets by providing the funding needed to pursue the Existing Litigation without resorting to alternative funding methods (such as asset sales or equity raises) that could dilute shareholder value or compromise long-term objectives.
Potential for Substantial Recovery	If successful, the Existing Litigation could yield significant financial returns for DGR. These proceeds may offset the Litigation Fee and provide net benefits to Non-Associated Shareholders, supporting the Company's financial position and long-term strategy.
Standard Market Practice	<p>The litigation uplift fee of 10% to 15% under the Facility Agreement is lower than the average fees charged by litigation funders, which typically range from 20% to 40% (with an industry average of approximately 27%, as noted in Section 9.4.2). While the Facility Agreement introduces a secured structure with ongoing interest obligations, the inclusion of the Litigation Fee provides Samuel with a proportionate upside in the litigation's success, aligning with the higher risk associated with funding such proceedings.</p> <p>This structure, where the funder shares in the outcome's upside, is not unusual in litigation funding arrangements. However, it is important to note that traditional litigation funders do not typically receive interest on the funds provided or take security over the funded party's assets. By contrast, the Facility Agreement secures Samuel's interests through ongoing interest payments and collateral, which reduces their risk relative to traditional funders while still offering upside participation through the Litigation Fee.</p> <p>By keeping the Litigation Fee below market averages, the arrangement allows DGR to retain a greater portion of any proceeds from a favourable litigation outcome while also securing the immediate funding required to pursue the case.</p>

Source: BDOCF analysis

5.3.3 Disadvantages of the Litigation Fee

Table 5.2 below outlines the potential disadvantages to the Non-Associated Shareholders of approving the Litigation Fee.

Table 5.2: Potential disadvantages of the Litigation Fee

Disadvantage	Explanation
The Litigation Fee is Not Fair	For the reasons summarised in Section 5.2.4 above, the Litigation Fee is Not Fair to the Non-Associated Shareholders as at the date of this Report.
Ongoing Financial Obligation	The Litigation Fee introduces an indefinite obligation for DGR to pay Samuel an agreed portion of any proceeds recovered from the Existing Litigation. This creates an ongoing financial burden, even after the Facility Agreement is repaid, tied to the uncertain outcomes of the legal proceedings.
Uncertain Quantum of Cost	The quantum of the financial obligation is inherently uncertain, as it depends on the outcome of the Existing Litigation, the amount of any recoveries, and the timing of resolution. This lack of certainty makes it difficult to estimate the total amount DGR will be required to pay Samuel.
Impact on Bargaining Position	<p>The Litigation Fee creates additional complexity for DGR when considering future funding arrangements involving the Existing Litigation recoveries. Financiers may view litigation recoveries as a higher-risk form of security due to their contingent nature and the obligation to Samuel. This commitment reduces the unencumbered portion of any recoveries, potentially deterring lenders or resulting in less favourable terms.</p> <p>The arrangement could restrict DGR's ability to fully leverage potential recoveries as a financial asset, as lenders may demand additional collateral or impose higher costs to account for the Litigation Fee obligation. This complexity is particularly relevant given the inherent uncertainties of litigation outcomes, which already make such recoveries less predictable compared to more conventional forms of collateral.</p> <p>By committing a portion of any future recoveries to Samuel, the Litigation Fee may limit DGR's flexibility to use litigation proceeds to secure competitive financing or meet other strategic financial needs.</p>
Alternative Funding Options	<p>Individual Non-Associated Shareholders may be of the view that the financial obligation associated with the Litigation Fee may not necessarily represent the most cost-effective funding option, particularly when compared to alternatives such as equity raising or outright asset sales.</p> <p>We have discussed these alternative funding options in Section 2.2 of this Report and note that there are positives and negatives to each.</p>
Selective Treatment of Samuel	<p>The Litigation Fee provides a direct financial benefit to Samuel as a related party, which may create perceived inequity among shareholders and raise concerns about selective treatment of stakeholders.</p> <p>We note that the process that DGR went through to source the debt funding is summarised in Section 9.2 below which involved the Non-Associated Directors considering several options for funding from independent third parties.</p>

Source: BDOCF analysis

5.3.4 Other Considerations

The Non-Associated Shareholders should refer to Section 3.3.4 for further discussion on their position if the Facility Agreement proceeds and milestones for key assets are not met, and the overall financing cost relative to other debt facilities.

5.3.5 Position of the Non-Associated Shareholders if the Litigation Fee is not approved

Approval of the Litigation Fee is a condition for the Facility Agreement. The Non-Associated Shareholders should refer to Section 3.3.5 for further discussion on their position in circumstances that the Facility Agreement is not approved.

5.3.6 Assessment of the reasonableness of the Litigation Fee

In our opinion, after considering all of the issues set out in this Report, it is our view that, in the absence of any other information or a superior proposal, the Litigation Fee is **Reasonable** to the Non-Associated Shareholders as at the date of this Report.

5.4 Opinion

After considering the above assessments, it is our view that, in the absence of any other information, the Litigation Fee is **Not Fair but Reasonable** as at the date of this Report.

Before forming a view on whether to vote in favour of or against the Litigation Fee, Non-Associated Shareholders must:

- ▶ Have regard to the information set out in the balance of this Report, including the Important Information set out in Section 6;
- ▶ Consult their own professional advisers; and
- ▶ Consider their specific circumstances.

6.0 Important information

6.1 Read this Report, and other documentation, in full

This Report, including Part I, Part II and the appendices, should be read in full to obtain a comprehensive understanding of the purpose, scope, basis of evaluation, limitations, information relied upon, analysis, and assumptions underpinning our work and our findings.

Other information provided to the Non-Associated Shareholders in conjunction with this Report should also be read in full, including the Notice of Meeting.

6.2 Non-Associated Shareholders' individual circumstances

Our analysis has been completed and our conclusions expressed at an aggregate level having regard to the Non-Associated Shareholders as a whole. BDOCF has not considered the impact of the ASX Approvals on the particular circumstances of individual Non-Associated Shareholders. Individual Non-Associated Shareholders may place a different emphasis on certain elements of the ASX Approvals relative to the emphasis placed in this Report. Accordingly, individual Non-Associated Shareholders may reach different conclusions as to whether or not the ASX Approvals are fair and reasonable in their individual circumstances.

The decision of an individual Non-Associated Shareholder to vote in favour of or against the ASX Approvals is likely to be influenced by their particular circumstances and accordingly, the Non-Associated Shareholders are advised to consider their own circumstances and seek their own independent advice.

Voting in favour of or against the ASX Approvals is a matter for individual Non-Associated Shareholders based on their expectations as to the expected value, future prospects and market conditions together with their particular circumstances, including risk profile, liquidity preference, portfolio strategy and tax position. The Non-Associated Shareholders should carefully consider the Notice of Meeting. Non-Associated Shareholders who are in doubt as to the action they should take in relation to the ASX Approvals should consult their professional adviser.

With respect to the taxation implications of the ASX Approvals, it is strongly recommended that the Non-Associated Shareholders obtain their own taxation advice, tailored to their own particular circumstances.

6.3 Scope

In this Report we provide our opinion on whether the ASX Approvals are fair and reasonable to the Non-Associated Shareholders.

This Report has been prepared at the request of the Non-Associated Directors for the sole benefit of the Non-Associated Shareholders entitled to vote, to assist them in their decision to vote in favour of or against the ASX Approvals. This Report is to accompany the Notice of Meeting to be sent to the Non-Associated Shareholders to consider the ASX Approvals and was not prepared for any other purpose. Accordingly, this Report and the information contained herein may not be relied upon by anyone other than the Non-Associated Directors and the Non-Associated Shareholders without our written consent. We accept no responsibility to any person other than the Non-Associated Directors and the Non-Associated Shareholders in relation to this Report.

This Report should not be used for any other purpose and we do not accept any responsibility for its use outside this purpose. Except in accordance with the stated purpose, no extract, quote or copy of this Report, in whole or in part, should be reproduced without our written consent, as to the form and context in which it may appear.

We have consented to the inclusion of this Report with the Notice of Meeting. Apart from this Report, we are not responsible for the contents of the Notice of Meeting, or any other document associated with the ASX Approvals. We acknowledge that this Report may be lodged with regulatory authorities to obtain the relevant approvals prior to it being made available to the Non-Associated Shareholders.

The scope of procedures we have undertaken has been limited to those procedures required in order to form our opinion. Our procedures did not include verification work nor constitute an audit or assurance engagement in accordance with Australian Auditing and Assurance Standards. In preparing this Report we considered a range of matters, including the necessary legal requirements and guidance of the Act, the Corporation Regulations 2001 ('the Regulations'), the regulatory guides ('RGs') published by ASIC, the listing requirements of the relevant exchanges (where relevant) and commercial practice.

In forming our opinion, we have made certain assumptions and outline these in this Report including:

- ▶ We have performed our analysis on the basis that the conditions precedent to the ASX Approvals are satisfied;
- ▶ That matters such as title to all relevant assets, compliance with laws and regulations and contracts in place are in good standing, and will remain so, and that there are no material legal proceedings, other than as publicly disclosed;
- ▶ All information which is material to the Non-Associated Shareholders' decision on the ASX Approvals has been provided and is complete, accurate and fairly presented in all material respects;
- ▶ ASX announcements and other publicly available information relied on by us are accurate, complete and not misleading;

- ▶ If the ASX Approvals are approved, they will be implemented in accordance with the stated terms outlined in the Facility Agreement;
- ▶ The legal mechanism to implement the ASX Approvals is correct and effective;
- ▶ There are no undue changes to the terms and conditions of the ASX Approvals or complex issues unknown to us; and
- ▶ A range of other assumptions as outlined in this Report have also been adopted in forming our opinion.

In this Report we have not provided any taxation, legal or other advice of a similar nature in relation to the ASX Approvals. DGR has engaged other advisors in relation to those matters.

DGR has acknowledged that the Company's engagement of BDOCF is as an independent contractor and not in any other capacity, including a fiduciary capacity.

The statements and opinions contained in this Report are given in good faith and are based upon our consideration and assessment of the information provided by the Board, executives and management of all the entities.

6.4 Purpose of this Report

An independent expert, in certain circumstances, must be appointed to meet the requirements set out in the Corporations Act, the Regulations, RGs and in some cases the listing requirements of the relevant exchanges. These requirements have been set out in Sections 3.4.1 and 3.4.2 below.

6.4.1 Requirements of the Corporations Act

This Report has not been prepared for the purpose of complying with any requirements of the Corporations Act.

6.4.2 Listing requirements

Chapter 10 of ASX Listing Rules

ASX Listing Rule 10.1 states that an entity must ensure that neither it, nor any of its subsidiaries, acquires a substantial asset from, or disposes of a substantial asset to, a substantial holder or a related party without the approval of non-associated shareholders.

ASX Listing Rule 10.2 defines an asset as substantial if its value or the consideration for it is, or in ASX's opinion is, 5% or more of the value of the equity interests of the entity, as set out in the latest accounts given to the ASX in accordance with the ASX listing rules ('Substantial Asset'). Based on ASX Listing rule 10.1.3, a substantial holder is a person who has relevant interest, or had a relevant interest at any time in the six months before the transaction, in at least 10% of the voting power of the company ('Substantial Holder').

According to ASX Listing Rule 19, the definition of 'dispose' includes using an asset as collateral and disposing of part of an asset. To secure a liability against a company's assets creates an obligation to dispose of the company's assets in the event the company defaults on the liability.

Pursuant to ASX Listing Rule 10.1, the following resolutions under the ASX Approvals require approval of the Non-Associated Shareholders of DGR:

- ▶ **The Security Interest:** The Security Interest involves granting of security over DGR's assets for all monies and obligations that may become due to Samuel under the Facility Agreement as per terms set out in the Facility Agreement, General Security Deed and Share Pledge. Since the Security Interest involves using a Substantial Asset as collateral for the Facility Agreement with a Substantial Holder, it requires approval from the Non-Associated Shareholders to proceed;
- ▶ **The Upside Sharing Fee:** The Upside Sharing Fee involves DGR paying to Samuel a percentage fee, 15% or 7.5% (depending on date of disposal), of any realised gain (if any) from the disposal of SolGold shares above the SolGold Baseline VWAP in the event any SolGold shares are sold prior to April 2035. Depending on the ultimate amount, the Upside Sharing Fee may be classified as a Substantial Asset according to the definition set out in ASX Listing Rule 10.2. Since Samuel is an associated entity of DGR, a Substantial Holder of DGR with an interest of 16.34%, and the Upside Sharing Fee may involve the disposal of a Substantial Asset, the Upside Sharing Fee requires the approval of Non-Associated Shareholders; and
- ▶ **The Litigation Fee:** The Litigation Fee involves DGR paying to Samuel a 15% share of the proceeds up to \$35.0 million (excluding legal recoveries) and 10% of any proceeds in excess of \$35.0 million with respect of the Existing Litigation (excluding legal recoveries). Depending on the ultimate amount, the Litigation Fee may be classified as a Substantial Asset according to the definition set out in ASX Listing Rule 10.2. Since Samuel is an associated entity of DGR, a Substantial Holder of DGR with an interest of 16.34%, and the Litigation Fee may involve the disposal of a Substantial Asset, the Litigation Fee requires the approval of Non-Associated Shareholders.

ASX Listing Rule 10.5

Under ASX Listing Rule 10.5.2, where shareholder approval is sought for the purpose of complying with Listing Rule 10.1, the notice of meeting distributed to shareholders in relation to the transaction must include a report prepared by an independent expert, which states the expert's opinion as to whether the transaction is fair and reasonable to the non-associated shareholders. The expert's opinion as to whether the transaction is fair and reasonable must be displayed prominently in the notice of meeting and on the covering page of any accompanying documents.

This Report has been prepared to comply with the requirements of ASX Listing Rules 10.1 and 10.5.2, having regard to the Security Interest, the Upside Sharing Fee and the Litigation Fee.

6.5 Current market conditions

Our opinion and the analysis set out in this Report is based on economic, commodity, market and other conditions prevailing at the date of this Report. Such conditions can change significantly over relatively short periods of time and may have a material impact on the results presented in this Report and result in any valuation or other opinion becoming quickly outdated and in need of revision.

In circumstances where we become aware of and believe that a change in these conditions, prior to the Meeting, results in a material statement in this Report becoming misleading, deceptive or resulting in a material change in valuation, we will provide supplementary disclosure to DGR. BDOCF is not responsible for updating this Report following the Meeting or in the event that a change in prevailing circumstance does not meet the above conditions.

6.6 Reliance on information

DGR recognises and confirms that, in preparing this Report, except to the extent to which it is unreasonable to do so, BDOCF, BDO Services Pty Ltd or any of the partners, directors, agents or associates (together 'BDO Persons'), will be using and relying on publicly available information and on data, material and other information furnished to BDO Persons by DGR, its management, and other parties, and may assume and rely upon the accuracy and completeness of, and is not assuming any responsibility for independent verification of, such publicly available information and the other information so furnished.

Unless the information we are provided suggests the contrary, we have assumed that the information provided was reliable, complete and not misleading, and material facts were not withheld. The information provided was evaluated through analysis and inquiry for the purpose of forming an opinion as to whether or not the ASX Approvals are fair and reasonable.

We do not warrant that our inquiries have identified or verified all of the matters which an audit, extensive examination or due diligence investigation might disclose. In any event, an opinion as to whether a corporate transaction is fair and reasonable is in the nature of an overall opinion rather than an audit or detailed investigation.

It is understood that the accounting information provided to us was prepared in accordance with generally accepted accounting principles.

Where we relied on the views and judgement of management, the information was evaluated through analysis and inquiry to the extent practical. Where we have relied on publicly available information, we have considered the source of the information and completed our own analysis to assist us to determine the accuracy of the information we have relied on. However, in many cases the information we have relied on is often not capable of external verification or validation and on that basis we provide no opinion or assurance on the information.

The Non-Associated Directors represent and warrant to us for the purpose of this Report, that all information and documents furnished by DGR (either by management directly or through its advisors) in connection or for use in the preparation of this Report do not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements therein. We have received representations from the Non-Associated Directors in relation to the completeness and accuracy of the information provided to us for the purpose of this Report.

Under the terms of our engagement, DGR has agreed to indemnify BDO Persons against any claim, liability, loss or expense, costs or damage, arising out of reliance on any information or documentation provided, which is false or misleading or omits any material particulars, or arising from failure to supply relevant documentation or information.

6.7 Glossary

Capitalised terms used in this Report have the meanings set out in the glossary. A glossary of terms used throughout this Report is set out in Appendix A.

All dollar ('\$') references in this Report are in Australian dollars unless otherwise stated.

6.8 Sources of information

This Report has been prepared using information obtained from sources including the following:

- ▶ DGR's annual report for the years ended 30 June 2021, 2022, 2023 and 2024;
- ▶ DGR's unaudited and preliminary management accounts as at 30 November 2024;
- ▶ DGR ASX announcements;
- ▶ DGR's cash flow forecast provided by Management up to June 2025;
- ▶ Finance documents including the Facility Agreement, Share Pledge, General Security Deed, and Option Deed;
- ▶ The Notice of Meeting;
- ▶ Capital IQ;
- ▶ IBISWorld;
- ▶ Consensus Economics;
- ▶ MergerMarket;
- ▶ Other research publications and publicly available data as sourced throughout this Report;
- ▶ Various transaction documents provided by the Management of DGR and their advisors; and
- ▶ Discussions and other correspondence with DGR, Management and their advisers.

6.9 APES 225 Valuation Services

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 *Valuation Services* ('APES 225'). A Valuation Engagement is defined by APES 225 as 'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

6.10 Forecast information

Any forecast financial information referred to in this Report has originated from the Company's management and is adopted by the Non-Associated Directors in order to provide us with a guide to the potential financial performance of DGR. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to event(s) and transaction(s) that have not yet occurred and may not occur. Actual results are likely to be different from the forecast financial information since anticipated event(s) or transaction(s) frequently do not occur as expected and the variation between actual results and those forecast may be material.

The Non-Associated Directors' best-estimate assumptions on which the forecast is based relate to future event(s) and/or transaction(s) that Management expect to occur and actions that Management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of DGR. Evidence may be available to support the Non-Associated Directors' best-estimate assumptions on which the forecast is based however, such evidence is generally future-oriented and therefore speculative in nature. In certain circumstances, we may adjust the forecast assumptions provided by management to complete our valuation work. In those circumstances, the forecasts we have adopted for our valuation work will not be the same as the forecasts provided by management.

BDOCF cannot and does not provide any assurance that any forecast is representative of results or outcomes that will actually be achieved. While we have considered the forecast information to the extent we considered necessary to complete the analysis set out in this Report, we have not been engaged to provide any form of assurance conclusion on any forecast information set out in this Report. We disclaim any assumption of responsibility for any reliance on this Report, or on any forecast to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management, that all material information concerning the prospects and proposed operations of DGR has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

6.11 Qualifications

BDOCF has extensive experience in the provision of corporate finance advice, including takeovers, valuations and acquisitions. BDOCF holds an Australian Financial Services Licence issued by ASIC for preparing expert reports pursuant to the Listing Rules of the ASX and the Corporations Act.

BDOCF and its related parties in Australia have a wide range of experience in transactions involving the advising, auditing or expert reporting on companies that have operations domestically and in foreign jurisdictions. BDO in Queensland and in Australia is a national association of separate partnerships and entities and is a member of the international BDO network of individual firms.

Mark Whittaker and Scott Birkett have prepared this Report with the assistance of staff members. Mr Whittaker, BCom (Hons), FCA, CFA, and Mr Birkett, BBusMan/BCom, CFA are directors of BDOCF. Both Mr Whittaker and Mr Birkett have extensive experience in corporate advice and the provision of valuation and professional services to a diverse range of clients, including large private, public and listed companies, financial institutions and professional organisations. Mr Whittaker and Mr Birkett are considered to have the appropriate experience and professional qualifications to provide the advice offered within this Report.

BDO Corporate Finance Ltd



Mark Whittaker
Director



Scott Birkett
Director

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PART II: INFORMATION SUPPORTING OUR ASSESSMENT

7.0 Background of DGR

This section is set out as follows:

- ▶ Section 7.1 provides an overview and background information on DGR;
- ▶ Section 7.2 outlines DGR's key assets;
- ▶ Section 7.3 summarises the equity structure of DGR;
- ▶ Section 7.4 summarises the share market trading in DGR shares; and
- ▶ Section 7.5 summarises the historical financial information of DGR.

7.1 Background

DGR is an Australian ASX-listed company specialising in the strategic identification, acquisition and development of high-potential resource exploration and mining projects. The Company provides investors with diversified exposure to multiple commodities, jurisdictions, and international financial exchanges. By leveraging its core team of exploration and corporate development professionals, DGR focuses on creating resource companies that deliver long-term value through world-class discoveries.

DGR targets commodities expected to have favourable 20-year demand, growth, and price outlooks. Its exploration efforts prioritise geological terranes with strong resource endowments, opportunities for applying innovative exploration and metallurgical techniques, extensive available tenures, and jurisdictions with improving socio-economic and regulatory frameworks. Through data-driven insights and innovative reinterpretation, DGR aims to unlock the potential of underexplored regions.

Rather than focusing on acquiring exploration projects outright, DGR management are of the view the Company has a competitive advantage in securing strategic tenement positions, often covering entire sedimentary basins or structural blocks, which attract the interest of governments, investors, and major resource corporations. The Company also provides initial seed funding and management expertise to advance these assets within its subsidiaries.

A summary of DGR's key assets is set out below.

7.2 Key assets

7.2.1 Overview

DGR holds a diverse portfolio of investments in resource companies. Table 7.1 below summarises DGR's key assets, listed in order of estimated value as of 31 January 2025.

Table 7.1: Summary of DGR's Listed Assets

Asset	Description	DGR Interest	31 December 2024	31 January 2025 ¹
SolGold (LSE/TSX: SOLG) ²	Cascabel copper-gold project, Ecuador	6.80% (204.2M shares)	A\$ 28.5 million	A\$ \$29.3 million
Challenger Energy Group Plc (LSE: CEG)	Oil and gas exploration, Caribbean and Atlantic margin	1.09% (2.3M shares)	A\$ 0.29 million	A\$ 0.45 million
Clara Resources Australia Ltd (ASX: C7A)	Gold and base metals exploration, Australia	6.15% (23.9M shares)	A\$ 0.14 million	A\$ 0.14 million
New Peak Metals Ltd (ASX: NPM)	Precious metals exploration, global	2.63% (8.0M shares)	A\$ 88,374	A\$ 0.13 million
Atlantic Lithium Ltd (LSE: ALL, ASX: A11, OTCQX: ALLIF, GSE: ALLGH)	Lithium exploration and development, Africa	0.02% (148,875 shares) ²	A\$ 4.2 million	A\$ 34,241
Lakes Blue Energy NL (ASX: LKO) ³	Energy exploration, Australia	6.38% (3.7M shares)	A\$ 3,749	A\$ 3,749
Canadian Nexus Team Ventures Corp (CNSX: TEAM)	Venture capital firm for early-stage to mid-level emerging companies	0.01% (1,250 shares)	A\$ 133	A\$ 346

Source: Management as at 31 December 2024, Capital IQ and publicly available information as at 31 January 2025

¹ Estimated values as at 31 January 2025 have used publicly available data for listed companies and exchange rates.

² In January 2025, DGR disposed of 12m shares in Atlantic Lithium in full satisfaction of the \$1.7m loan agreement with Equities First entered into in December 2021, reducing DGR's interest from 1.75% to 0.02%.

³ Lakes Blue has been suspended from the ASX since 2 October 2023.

Table 7.2: Summary of DGR's Unlisted Assets (Direct Interest)

Asset	Description	DGR Interest	Tenements/Projects
Auburn Resources Ltd ¹	Gold and base metals exploration, Australia	39.34%	<ul style="list-style-type: none"> Mt Abbott Project - Copper / Gold Calgoa Project - Copper / Gold Marodian Project - Copper / Gold Ban Ban Project - Zinc
Hartz Rare Earths Pty Ltd	Rare earth elements and uranium exploration, Australia	100%	<ul style="list-style-type: none"> 2 x mineral exploration licence applications in the Northern Territory
Coolgarra Minerals Pty Ltd	Gold, nickel, cobalt and antimony exploration, Australia	100%	<ul style="list-style-type: none"> 6 x exploration permits in North Queensland
Pinnacle Gold Pty Ltd	Gold and copper exploration, Australia	94.34%	<ul style="list-style-type: none"> 6 x exploration permits in North Queensland 2 x mineral exploration licences in North Queensland
Armour Energy International Ltd ²	Oil and gas exploration, Uganda	83.18%	<ul style="list-style-type: none"> Kanywataba Block and Turaco Block Projects
DGR Energy Pty Ltd ³	Oil and gas exploration, Uganda	100%	<ul style="list-style-type: none"> Turaco tenement, Uganda
Armour legal proceedings	Legal proceedings with potential financial recovery	N/A	<ul style="list-style-type: none"> N/A

Source: 31 December 2024 Quarterly Activities Report

1 Auburn Resources Ltd is the immediate parent of Barlyne Mining Pty Ltd, Pennant Resources Pty Ltd and Ripple Resources Pty Ltd. These companies are wholly owned and directly held by Auburn Resources Ltd and indirectly by DGR.

2 Armour Energy International Ltd is the immediate parent of Armour Energy (Uganda) - SMC Ltd.

3 DGR Energy Pty Ltd is the immediate parent of DGR Energy Turaco Uganda - SMC Limited

Further details are provided on the more material assets below, being SolGold and the Armour legal proceedings (i.e. the Existing Litigation).

7.2.2 SolGold

Background

SolGold is focused on developing world-class copper-gold porphyry systems, with its flagship Cascabel Project located in Ecuador. Cascabel is strategically advantaged, benefiting from proximity to Quito and seaports, low elevation, abundant water supplies and access to hydropower, reinforcing its potential as a globally significant resource.

The Cascabel Project's PFS indicated:

- ▶ A global resource of nearly 4 billion tonnes containing 14.4 million tonnes of copper, 36.6 million ounces of gold, and 110 million ounces of silver;
- ▶ A project assessed at PFS level, based on just 18% of the total resource tonnage at Cascabel based on metal prices of US\$3.85/lb copper and US\$1,750/oz gold;
- ▶ A 28-year project life for the evaluated portion;
- ▶ Pre-production capital costs of US\$1.55 billion; and
- ▶ A net present value of US\$3.2 billion (discounted at 8%).

The Non-Associated Directors view SolGold as a cornerstone asset with significant upside from:

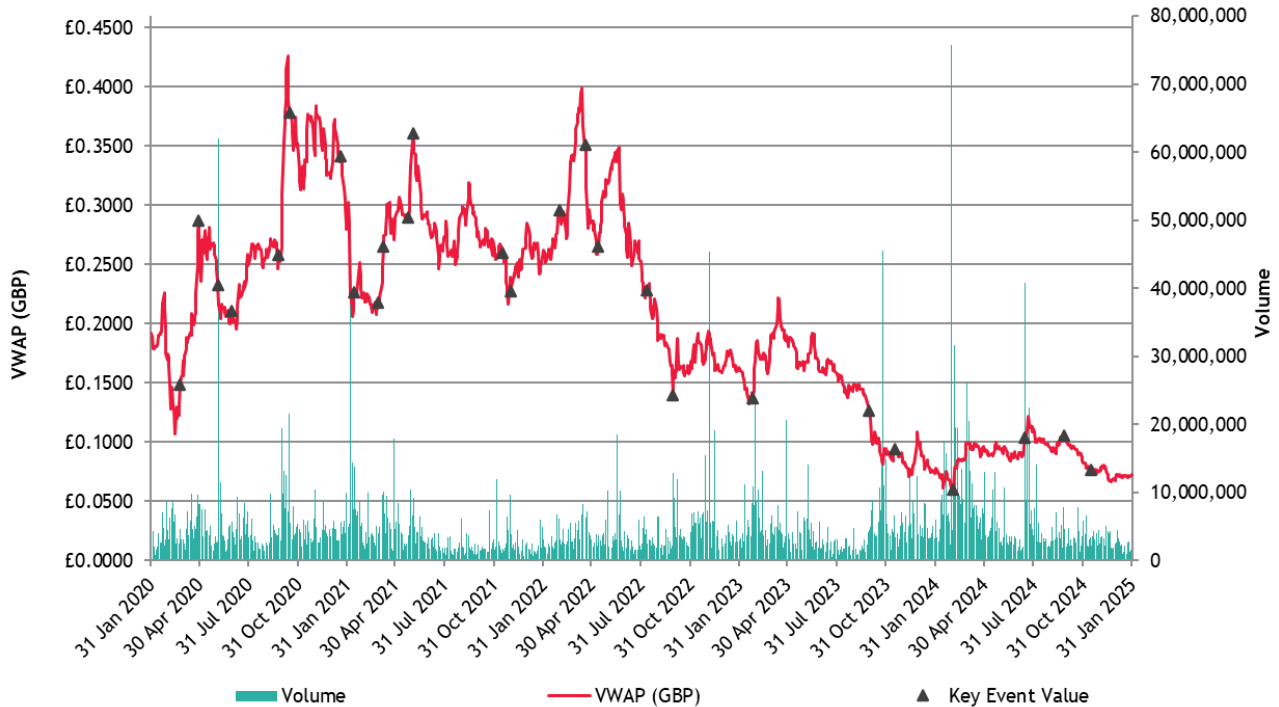
- ▶ Revenue improvements driven by higher metal prices, which exceed the assumptions used in the PFS (refer to Figures 8.3 and 8.6 in Section 8 for historical and forecast copper and gold prices respectively);
- ▶ Increased metallurgical recoveries, particularly for gold;
- ▶ Accelerating production timelines by advancing the Tandayama resource to reserves status and production up to 2 years sooner; and
- ▶ Cost reductions through mine and mill optimisation, green power initiatives, and refinements in infrastructure design.

Beyond the Cascabel Project, SolGold has a comprehensive national portfolio in Ecuador, offering further discovery potential.

Share trading data of SolGold

Figure 7.1 displays the daily VWAP (in GBP) and daily volume of SolGold shares traded on the LSE over the period 31 January 2020 to 31 January 2025.

Figure 7.1: Daily VWAP (in GBP) and volume of SolGold shares traded from 31 January 2020 to 31 January 2025



Source: Capital IQ as at 31 January 2025
1 Great British Pound ('GBP' or '£')

Over the period graphed in Figure 7.1 above, SolGold's daily VWAP displays a period low of £0.0600 on 4 March 2024 and a period high of £0.4262 on 12 October 2020.

In addition to the share price and volume data of SolGold shown above, we have also provided additional information in Table 7.3 below to assist readers to understand the possible reasons for the movement in SolGold's share price over the period analysed. The selected LSE announcement references in Table 7.3 below correspond to those displayed in Figure 7.1 above.

Table 7.3: Selected SolGold LSE announcements from 31 January 2020 to 31 January 2025

Date	Announcement
25/03/2020	SolGold temporarily suspends site work in Ecuador amid COVID-19 concerns.
29/04/2020	SolGold announces an update to the ongoing metallurgical test work program at the Alpala copper-gold porphyry project, reporting a 7% improvement in gold recovery, potentially increasing revenues.
04/06/2020	SolGold announces a proposed fundraising of £16 million at £0.215 per share to fully fund its preliminary feasibility study and the delivery of the definitive feasibility study and all related permits.
30/06/2020	SolGold, through its wholly-owned subsidiary, formally commences an offer to acquire all issued and outstanding common shares of Cornerstone Capital Resources Inc., aiming for a consolidated ownership structure for the Alpala Project.
25/09/2020	SolGold releases its fiscal year 2020 annual report, a pre-feasibility study update on Alpala, and exploration updates for the Porvenir, Blanca, and Rio Amarillo projects.
16/10/2020	SolGold terminates its takeover bid for Cornerstone Capital Resources Inc., citing opposition from major shareholders and the Cornerstone board of directors.
19/01/2021	SolGold announces the retirement of Nicholas Mather as Chief Executive Officer (CEO) after 13 years.
12/02/2021	SolGold releases its half-year financial report, detailing positive exploration activities and identifying 13 priority targets for second-phase exploration in Ecuador.
29/03/2021	SolGold announces a regional exploration update.
08/04/2021	SolGold releases an updated Alpala pre-feasibility study, expressing confidence in the revised approach to create shareholder value.
24/05/2021	SolGold provides a drilling update for the Tandayama-America target at Cascabel, reporting significant resource potential and mobilizing additional diamond drill rigs to expedite drilling.
02/06/2021	SolGold announces an agreement with Cornerstone Capital Resources Inc. to jointly advance Cascabel and explore financing and strategic options to maximize shareholder value.

Date	Announcement
16/11/2021	SolGold appoints Darryl Cuzzubbo as Managing Director and Chief Executive Officer (CEO), effective December 1, 2021.
02/12/2021	SolGold releases a drilling update for the Tandayama-America deposit, reporting positive resource outcomes and extended mineralization that could be mined by both open-pit and underground methods.
02/03/2022	SolGold presents at the BMO Global Metals and Mining Conference.
20/04/2022	SolGold announces results of the Cascabel pre-feasibility study, estimating a US\$5.2 billion pre-tax Net Present Value ('NPV') and a 25.3% IRR.
13/05/2022	SolGold releases its quarterly financial report and Management Discussion and Analysis. In addition, SolGold announces the resignation of Jason Ward from the board of directors.
11/08/2022	SolGold announces the resignation of Chief Financial Officer (CFO) Ayten Sarida and Non-Executive Director Keith Marshall and initiates a search for their replacements.
29/09/2022	SolGold releases its full-year audited results for 2022, reporting a US\$1.7 million loss after tax and positive exploration progress.
24/02/2023	SolGold announces the successful completion of its plan to acquire Cornerstone Capital Resources Inc.
29/09/2023	SolGold releases its full-year audited results for 2023, reporting a US\$50.4 million loss for the year.
17/11/2023	SolGold announces that two board members will not seek re-election at the December 2023 Annual General Meeting.
04/03/2024	SolGold signs a Memorandum of Understanding with Grupo Empresarial Semaica, Enerhydra, and Constructora Nacional S.A. for a hydro-solar initiative to power the Cascabel Project in northern Ecuador.
15/07/2024	SolGold announces a syndicated gold stream agreement with Franco-Nevada Corporation and Osisko Bermuda Limited for \$750 million in project funding, in exchange for a percentage of gold production from the Cascabel Project.
27/09/2024	SolGold releases its full-year audited results for 2024, reporting a US\$60.3 million loss for the year.
15/11/2024	SolGold releases its Q1 Quarterly Financial Report and Management Discussion and Analysis, highlighting substantial progress in de-risking and advancing the Cascabel project while strengthening technical capabilities and environmental commitments.

Source: Capital IQ as at 31 January 2025

Liquidity of SolGold shares on the LSE

The rate at which equity instruments are traded is generally referred to as the 'liquidity' of the equity instruments. Changes in liquidity may impact the trading price of equity instruments. This is particularly dependent on the number of equity instruments required to be bought and/or sold and the time period over which the equity instrument holder needs to buy and/or sell those equity instruments. Depending on the circumstances, a movement in market price may or may not represent a shift in value of either the equity instruments or a shift in value of the company to which the equity instruments relate as a whole.

Table 7.4 summarises the monthly liquidity of SolGold shares from 1 February 2024 to 31 January 2025. Liquidity has been summarised by considering the following:

- ▶ Volume of SolGold share trades per month;
- ▶ Value of total trades in SolGold shares per month;
- ▶ Number of SolGold shares traded per month as a percentage of total SolGold shares outstanding at the end of the month;
- ▶ The monthly low daily VWAP and high daily VWAP of the Company; and
- ▶ VWAP per month.

Table 7.4: Liquidity of SolGold shares on the LSE

Month	Volume	Shares Outstanding	Volume / Shares Outstanding	Daily Low VWAP	Monthly VWAP	Daily High VWAP
January 2025	45,293,960	3,001,106,980	1.51%	£0.0698	£0.0716	£0.0729
December 2024	53,789,560	3,001,106,980	1.79%	£0.0665	£0.0737	£0.0808
November 2024	66,378,350	3,001,106,980	2.21%	£0.0735	£0.0774	£0.0822
October 2024	70,456,150	3,001,106,980	2.35%	£0.0843	£0.0929	£0.0999
September 2024	79,432,960	3,001,106,980	2.65%	£0.0900	£0.0981	£0.1061
August 2024	77,591,650	3,001,106,980	2.59%	£0.0959	£0.1020	£0.1117
July 2024	171,780,260	3,001,106,980	5.72%	£0.0859	£0.1078	£0.1222
June 2024	65,707,190	3,001,106,980	2.19%	£0.0837	£0.0914	£0.0965
May 2024	92,624,620	3,001,106,980	3.00%	£0.0882	£0.0925	£0.0995
April 2024	161,808,020	3,001,106,980	5.39%	£0.0877	£0.0959	£0.0993

Month	Volume	Shares Outstanding	Volume / Shares Outstanding	Daily Low VWAP	Monthly VWAP	Daily High VWAP
March 2024	244,935,920	3,001,106,980	8.16%	£0.0600	£0.0821	£0.0988
February 2024	209,829,050	3,001,106,980	6.99%	£0.0614	£0.0664	£0.0781
Total	1,336,002,290	3,001,106,980	44.52%	£0.0600	£0.0873	£0.1222

Source: Capital IQ as at 31 January 2025

The monthly liquidity of SolGold shares, as measured by the percentage of shares traded relative to shares outstanding ranges between 1.51% and 8.16%. Given DGR's 204.2 million shareholding in SolGold, which represents approximately 6.8% of SolGold's issued capital, DGR selling approximately 32% of their shareholding (being approximately 65 million shares) to fund immediate financing needs would constitute a large proportion of the monthly traded volume in most months. Realising cash through share sales would likely need to be carefully managed to avoid adverse impacts on the realised price for sale of a larger volume of SolGold's shares. This could include spreading sales over multiple months, aligning disposals with higher liquidity periods, or seeking block trades with institutional investors to minimise market impact.

If DGR were under financial pressure and needed to sell a significant portion of its SolGold shares quickly, the resulting increase in supply could exacerbate price declines. This could reduce the proceeds from the sale, making it more difficult for DGR to meet its funding requirements. A rapid sale could also signal financial distress, further weakening market confidence in both DGR and SolGold.

DGR's immediate funding need is \$9.2 million (£4.6 million¹⁰). At a SolGold share price of £0.0713 (based on the Example SolGold Baseline VWAP), meeting this obligation would require the sale of approximately 65 million SolGold shares, or 32% of DGR's shareholding. This represents a material portion of SolGold's typical monthly liquidity, meaning that even a smaller sale could put downward pressure on SolGold's share price, further reducing potential proceeds.

An additional factor to consider is the impact of currency exchange fluctuations, as SolGold shares are traded in GBP, while DGR's funding commitments are in AUD. The combination of foreign exchange risk and limited liquidity amplifies the challenges of raising funds through share sales, as DGR would have reduced flexibility to time transactions optimally to account for both market and currency movements. In less liquid stocks such as SolGold, where large trades can already have a pronounced market impact, managing both currency and price risks simultaneously becomes more difficult, potentially resulting in suboptimal outcomes for DGR.

Analyst forecast for SolGold share price

The CapiIQ platform, which BDOCF has access to, reports analyst historical estimates for the expected SolGold share price since May 2020. BDOCF has incorporated analyst estimates from two financial institutions providing coverage on SolGold shares. Table 7.5 below summarises the most recent and available analyst estimates from Hannam and Partners (Advisory) LLP and Cantor Fitzgerald Canada Corporation in relation to SolGold's share price.

Table 7.5: Analysts forecasts for SolGold shares on the LSE

Date	Hannam and Partners (Advisory)	Date	Cantor Fitzgerald Canada Corporation
17 July 2024	£0.63	18 November 2024	£0.35
7 August 2023	£0.63	15 July 2024	£0.35
4 July 2022	£0.85	18 May 2023	£0.40
27 January 2022	£1.01	12 December 2022	£0.65
13 September 2021	£1.05	22 November 2022	£0.70
12 July 2021	£0.85	7 November 2022	£0.75
19 May 2021	£0.80	7 October 2022	£0.70
23 December 2020	£1.05	30 September 2022	£0.75
5 October 2020	£1.28	11 April 2022	£0.65
11 June 2020	£1.09	16 November 2021	£0.60
14 May 2020	£1.17	5 February 2021	£0.55

Source: Capital IQ as at 31 January 2025

The analyst forecasts summarised in Table 7.5 indicate target prices for SolGold shares that are materially higher than their recent trading levels on the LSE. For instance, Hannam and Partners' most recent forecast of £0.63 and Cantor Fitzgerald's forecast of £0.35 are significantly above SolGold's 10-day VWAP of £0.0713 per share as at 12 February 2025.

¹⁰ DGR's funding needs in £ has been calculated using the average January 2025 exchange rate of £0.5043 per \$.

This discrepancy between current trading prices and the price target may reflect analysts' expectations of long-term value accretion from SolGold's flagship Cascabel project and broader exploration portfolio. For example, the analysts may have factored in the potential for improved project economics, higher commodity prices, or successful execution of SolGold's financing and operational strategies, which may not yet be fully recognised in the market. Additionally, current trading prices could be influenced by shorter-term market dynamics, such as liquidity constraints, broader macroeconomic sentiment, or investor risk aversion, which may not align with the long-term fundamentals underpinning these forecasts.

The divergence highlights the potential upside for SolGold's shares if broader market views converge with the value outlined in the analysts' target prices.

DGR's position on SolGold shares

The Non-Associated Directors of DGR consider SolGold a strategic, long-term investment, driven by the significant resource potential of the Cascabel Project and SolGold's broader exploration portfolio in Ecuador. The Cascabel Project's resource base, combined with the projected long-term demand for copper and gold, supports the Non-Associated Directors' view that retaining DGR's stake aligns with the Company's strategic objective of capturing long-term value from high-potential assets.

While recent analyst forecasts, as shown in Table 7.5, suggest target prices for SolGold shares that are materially higher than their current trading levels, it is important to note that these estimates rely on successful delivery of project milestones and broader market conditions. Historical trading data (Figure 7.1) highlights SolGold's prior highs, but it also reflects the challenges of maintaining those levels, emphasising the inherent risks associated with commodity price volatility, project execution, and external macroeconomic factors.

The Non-Associated Directors' belief in the upside potential of SolGold shares is supported by the strategic importance of the Cascabel Project, as well as historical trading highs that indicate the value the market has previously attributed to SolGold. However, we note that the ability to achieve these highs or re-rate significantly depends on future performance and the successful execution of milestones, with risks to the downside if expectations are not met.

7.2.3 Armour Energy Legal Proceedings

In August 2023, Armour received a non-binding indicative offer from Shunkang Holding Group ('Shunkang') to acquire 100% of Armour's fully diluted share capital at an indicative price between \$0.15 to \$0.175 cash per Armour share. Between August and October 2023, both parties negotiated the key commercial terms of the offer which was subject to due diligence. The negotiations included a number of change of control provisions relating to the outstanding secured amortising notes issued by Armour and in relation to which it had failed to pay a \$2.75 million principal payment due on 29 September 2023 ('September Payment'), triggering an event of default. Under the terms of the offer, it was expected that Shunkang would either fund Armour's redemption of its outstanding and maturing secured notes or purchase some or all of the outstanding secured notes and agree to extend the maturity date.

Despite the ongoing negotiations between Armour and Shunkang, in early November 2023 ADZ Energy Pty Ltd ('ADZ'), a subsidiary incorporated by Shunkang in late October 2023, acquired more than 75% of Armour's secured notes. On 10 November 2023, receivers and managers (KordaMentha) and administrators (McGrathNicol) were appointed to Armour and some of its subsidiaries because of Armour's failure to make the September Payment.

Following the appointment of receivers, DGR proposed multiple DOCAs aimed at addressing the interests of all stakeholders, including creditors and shareholders of Armour and its subsidiaries. However, at the second creditors' meeting on 19 January 2024, DGR's DOCAs were rejected in favour of a competing bid from ADZ, which focused primarily on Armour's subsidiaries. Armour has since been placed into liquidation.

In December 2023, DGR commenced legal proceedings in the Supreme Court of Queensland in relation to the administration and receivership of the Armour Group. The defendants are P.T. Limited and Perpetual Corporate Trust Limited (together, 'the Perpetual Parties'), Richard Scott Tucker and Robert William Hutson of KordaMentha as receivers and managers of Armour (together, 'the Receivers'), ADZ, Shunkang and Baker & McKenzie (being the legal advisors of Shunkang and ADZ). DGR contends that the appointment of the receivers and managers was invalid and that they did not validly enter into possession and assume control of the assets, undertaking and property of Armour. The proceedings also allege misleading and deceptive conduct in contravention of section 18 of the Australian Consumer Law ('ACL') (against all defendants other than Perpetual Corporate Trustee and the Receivers), unconscionable conduct in contravention of sections 20 and 21 of the ACL (against Shunkang and ADZ only) and tortious conspiracy by unlawful means (against all defendants other than the Perpetual Parties).

DGR held investments in Armour through shares, options, debt bonds, and convertible notes as its largest shareholder and creditor. As at September 2023, DGR held approximately \$2.86 million in Armour shares¹¹. As at 10 November 2023, DGR was owed \$25,003,812.5712 by Armour. In the proceedings, DGR alleges that it suffered loss and damage in the amount of \$28,594,970.55 comprising the \$25,003,812.57 in debt and \$3,591,157.98 being the loss in the value of DGR's shares in Armour calculated at \$0.175 per share, which was the amount per share in a non-binding indicative offer made by Shunkang on 30 September 2023. DGR claims damages under section 236 of the ACL and compensation

¹¹ As at 30 September 2023, DGR held 20,407,149 shares in Armour with a market value of \$2.86 million. The share price at the time of valuation was \$0.14 per Armour share.

¹² Comprising \$21 million in convertible notes, \$469,863.01 in interest on those notes, \$97,533.34 in monthly administration fees, \$2,385,629.60 in an unsecured loan, \$63,124.43 in interest on that unsecured loan and \$4,912.18 in miscellaneous reimbursements for expenses.

under section 237 of the ACL for misleading and deceptive conduct, damages in tort for conspiracy by unlawful means and exemplary and aggravated damages, also in tort for conspiracy by unlawful means.

On 16 December 2024, the Court heard an application by DGR for leave to amend its claim and pleadings to amend the second of five tortious conspiracy claims to clarify that the unlawful act alleged included the intention to effect an improper appointment of administrators to Armour, to include the Perpetual Parties as persons involved in that conspiracy and to delete the remaining four tortious conspiracy claims as no longer necessary. DGR also sought leave to allege a counterfactual that but for the misleading and deceptive conduct, the value per share of Armour would be \$6.30 per share and that as a consequence of the misleading and deceptive conduct DGR lost the valuable commercial opportunity to have its debts repaid in full and have Armour shares with a value of \$6.30 per share.

On 30 January 2025, judgment on DGR's leave application was delivered. In essence, the outcome of the judgment was that the Court:

- gave DGR leave to amend its statement of claim to include extensive factual allegations based on documents disclosed by the defendants, which will be relied on by DGR for all of its conduct-related claims (misleading and deceptive conduct, unconscionable conduct, and conspiracy by unlawful means);
- refused leave for DGR to amend the tortious conspiracy claims, including in respect of the joinder of the Perpetual Parties to those claims. This means that the previous tortious conspiracy claim remains in place (unamended) against all of the defendants except for the Perpetual Parties;
- allowed DGR to abandon any of the currently pleaded claims as it sees fit and to expand the alleged unlawful purpose in the currently pleaded claims to include the appointment of administrators; and
- refused DGR leave to include the proposed new counterfactual.

Importantly, DGR is not precluded from applying for leave to amend the statement of claim in the future, for example, to include a revised counterfactual that addresses the Court's reasons for refusing leave on 30 January 2025.

DGR subsequently filed the amended statement of claim, for which leave was granted, on 14 February 2025.

On 10 January 2025, the Court heard an application by the defendants for orders requiring DGR to pay security for the defendants' costs of the legal proceedings. The basis for the application was that there was reason to believe that DGR would be unable to pay the defendants costs if, and when, it was ordered to do so following a trial. On 15 January 2025, the Court delivered its judgment which requires DGR to pay security for costs in the amount of \$3,460,000 by 14 March 2025. If security is not provided by that date, the proceeding will be stayed as it relates to steps to be taken by DGR (until such time as the security is paid). On 10 February 2025, DGR filed a notice of appeal with respect to the security for costs judgment. A date for the hearing of the appeal has not yet been set, although it is likely to be heard in June 2025.

On 14 February 2025, the Court heard an application by DGR for the proceeding to be stayed because DGR will be unable to pay security for costs by 14 March 2025. DGR will need to secure litigation funding to make this payment. On 18 February 2025, judgment on the stay application was delivered. The Court ordered that the proceeding be stayed until 14 March 2025 and, in doing so, the Court vacated the April/May trial dates. Had the proceeding continued to trial in April, DGR would not have been able to pursue its counterfactual whereas the stay of the proceeding enables DGR to revisit and seek leave to introduce a revised counterfactual referred to above.

Having regard to the quantum of DGR's claims, success in the proceedings may potentially yield significant financial recoveries for the Company. However, it is premature to comment on the likelihood of a recovery given the security for costs decision and appeal, potential for DGR to apply for leave to further amend its statement of claim to include a revised counterfactual, status of the evidence and other general uncertainties inherent at this stage in the proceedings.

7.3 Equity structure of DGR

7.3.1 Ordinary shares

As at 13 December 2024, DGR had 1,043,695,978 ordinary shares on issue. The substantial shareholders are set out in Table 7.6.

Table 7.6: Substantial shareholders

Shareholders	Number of Shares	Percentage Holding
Samuel Holdings Pty Ltd <Samuel Discretionary A/C>	116,122,676	11.13%
Nicholas and Judith Mather <Mather Super Fund A/C>	53,839,375	5.16%
Judith Mather	568,077	0.05%
Mr Mather's Relevant Interest	170,530,128	16.34%
Citicorp Nominees Pty Ltd	215,007,464	20.60%
J P Morgan Nominees Australia Pty Ltd	63,533,773	6.09%
Other shareholders	594,624,613	56.97%
Total shares on issue	1,043,695,978	100%

Source: Management, as at 13 December 2024

In addition to the above analysis, we have set out in Table 7.7 below a summary of the share distribution.

Table 7.7: Share distribution

Range of shares held	No. of Shareholders	No. of ordinary shares	Percentage of issued shares (%)
< 10,000	525	2,034,888	0.19%
10,001 - 100,000	488	18,896,279	1.81%
100,001 - 1,000,000	374	136,173,362	13.05%
1,000,001 - 10,000,000	113	285,548,366	27.36%
10,000,001 +	14	601,043,083	57.59%
Total	1,514	1,043,695,978	100%

Source: Share Register provided by DGR, as at 13 December 2024

Having regard to the information set out in Table 7.7 above, we note:

- ▶ With 57.59% of shares held by just 14 shareholders, the voting power is heavily concentrated. This means that decisions requiring shareholder approval, such as major transactions, may hinge primarily on the support of these large shareholders, potentially diminishing the influence of smaller shareholders;
- ▶ The large number of small shareholders (holding less than 100,000 shares) highlights a broad retail investor base, but their combined stake of just 2% indicates limited collective influence on decision-making; and
- ▶ The mid-tier group (1,000,001 to 10,000,000 shares) holds 27.36% of shares. While they do not dominate voting power, this group could play a decisive role in matters requiring broader shareholder approval, especially if the largest shareholders are divided.

7.3.2 Options on issue

In consideration for Choice entering into the Choice Facility Agreement, the Company agreed to grant options ('Choice Options') to Choice under the terms set out in the Choice Facility Agreement announced to the ASX on 17 January 2024.

On 28 February 2024, the Company issued 150 million options across two tranches to Choice in accordance with the terms of the Choice Facility Agreement. The options will expire on 19 January 2027 and are exercisable at \$0.03 subject to any reduction pursuant to the option terms.

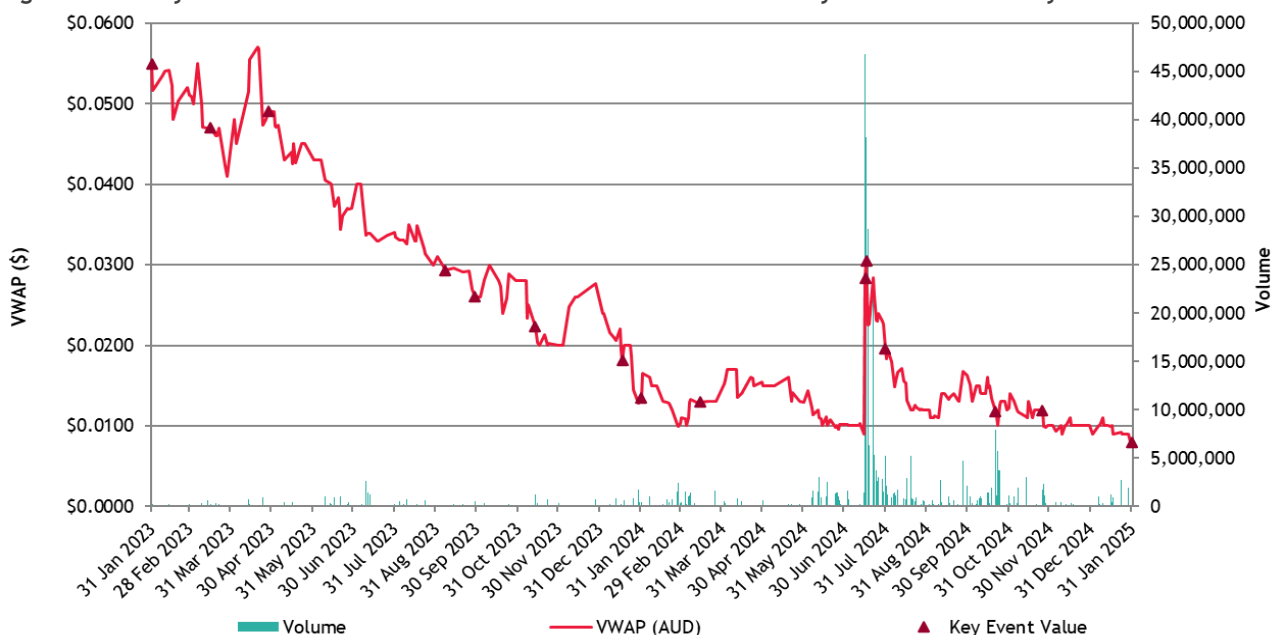
On 3 May 2024, the Company issued a further 30 million options under the third tranche to Choice in accordance with the terms of the Choice Facility Agreement. The options will expire on 19 January 2027 and are exercisable at \$0.03 subject to any reduction pursuant to the option terms.

7.4 Share trading data of DGR

7.4.1 Share trading data

Figure 7.2 displays the daily VWAP and daily volume of DGR shares traded on the ASX over the period 31 January 2023 to 31 January 2025.

Figure 7.2: Daily VWAP and volume of DGR shares traded from 31 January 2023 to 31 January 2025



Source: Capital IQ as at 31 January 2025

Over the period graphed in Figure 7.2 above, DGR's daily VWAP displays a period low of \$0.0080 on 30 January 2025 and a period high of \$0.0570 on 20 April 2023.

In addition to the share price and volume data of DGR shown above, we have also provided additional information in Table 7.8 below to assist readers to understand the possible reasons for the movement in DGR's share price over the period analysed. The selected ASX announcement references in Table 7.8 below correspond to those displayed in Figure 7.2 above.

Table 7.8: Selected DGR ASX announcements from 31 January 2023 to 31 January 2025

Date	Announcement
31/01/2023	DGR released its quarterly activities report highlighting activities for each entity. DGR Global continued focus on new project generation and value creation, seeking new investment and development opportunities to drive the creation of new resource companies and recommenced exploration work in Kanywataba.
16/03/2023	DGR released its half yearly report and accounts and announced the appointment of Mr Ben Hassell as a Non-Executive Director. The half yearly reports for FY23 identified a loss for the consolidated entity of \$5.5m with no significant changes to the nature of the consolidated entity's principal activities during the half year.
28/04/2023	DGR released its quarterly activities report highlighting activities for each entity. In particular, Armour announced the launch of a \$32.0m capital raising program, including institutional placement and retail offer components. The Company reported net cash inflows of \$3.0m due to the proceeds from the sale of Atlantic Lithium shares.
07/09/2023	DGR provided an update on funding for Uganda Oil Exploration Project via 'Conjugate Energy', a new UK-incorporated entity between DGR and Armour, which will hold interest in oil exploration projects in the Albertine Graben, Uganda. Conjugate Energy intends to seek admission to a UK stock exchange and raise funds primarily to drill two exploration wells or drill ready prospects with substantial resources of oil.
29/09/2023	DGR released its FY23 Annual Report to shareholders highlighting the Company's financial performance for the year. DGR's net assets decreased by \$39.9 million primarily from the decrease in fair value of investments, sale of shares in Atlantic Lithium and the Company reported a loss of \$9.5 million.
31/10/2023	DGR released its quarterly activities report highlighting activities for each entity. DGR further reduced its position in Atlantic Lithium, disposing of \$1.9 million of shares to support Company cash flows. The Company reported a net cash outflow of \$2.5 million for the period primarily driven by cash outflow from operations and a loan to Armour.
13/11/2023	DGR released an update on Armour who appointed receivers. DGR reported they hold approximately 20 million Armour shares and \$21 million in Armour Notes.
17/01/2024	DGR enters into first Funding Agreement in connection with Proposed Deeds of Company Arrangement in respect of Armour. DGR advised shareholders it had entered into a Facility Agreement with Choice, as part of several intended finance arrangements to fund DGR's Deed of Company Arrangement (DOCA) proposals for Armour.
22/01/2024	DGR released an update regarding the proposed DOCA in respect to Armour. The update advised that the creditors of Armour voted against DGR's DOCA proposals for Armour at the 2 nd Meeting of Creditors held on 19 January 2024. Armour creditors also voted to place Armour into liquidation. DGR advised they are evaluating the implications of the results and the potential for further legal action towards this decision.
31/01/2024	DGR released its quarterly activities report highlighting activities for each entity. DGR summarised activities for the quarter, including Armour being placed into receivership and administration in November 2023. DGR had material investments in Armour both via convertible notes and its position as the company's largest shareholder. DGR contends that the receivers of Armour were invalidly appointed and have commenced proceedings in relation to this, which are ongoing. During this quarter, DGR reported a net cash inflow of \$0.96 million, driven by the disposal of Armour notes and proceeds from Equities First loan.
15/03/2024	DGR released its half yearly report and accounts for FY24 H1. DGR reported a loss for the Company of \$30.7 million driven by the impairment and fair value movements in Armour assets due to the liquidation of Armour.
30/04/2024	DGR released its quarterly activities report summarising the activities for the quarter. During the quarter, DGR commenced legal proceeding in the Supreme Court of Queensland in relation to the administration and receivership of Armour. DGR also entered into a facility agreement with Choice to support working capital and legal expenses.
16/07/2024	DGR announced its stake in SolGold is expected to re-rate on the back of the SolGold US\$750 million Development Finance Package. The funding package endorsed a net present value of \$3.2 billion and after tax rate of return of 24% in SolGold's March 2024 PFS.
17/07/2024	DGR announced a follow up update to SolGold releasing SolGold's Corporate Presentation for July 2024. The presentation identified the company was fully financed to advance Cascabel to construction.
31/07/2024	DGR released its quarterly activities report summarising the activities for the quarter. During the quarter, DGR successfully defended an application by the defendants to strike out or summarily dismiss its claim, and the Court awarded DGR its costs for defending that application.
01/10/2024	DGR released its FY24 Annual Report to shareholders highlighting the Company's financial performance for the year. DGR's net assets decreased \$78.7 million primarily from the net impairment and fair value movement in Armour's assets, along with the impairment and write off on exploration and evaluation assets. The Company's listed investments also diminished in value over the period. To support the Company's cash position, DGR increased borrowings to continue working capital arrangements and expenditure towards the legal proceedings against the receivers of Armour. In FY24, the Company reported a loss of \$46.6 million.
31/10/2024	DGR released its quarterly activities report summarising the activities for the quarter. During the quarter, DGR announced the Court trial moved from early December 2025 to an 18-day trial commencing in April 2025. DGR reported a net cash outflow of \$1.7 million driven by administration and corporate costs, income taxes paid and exploration and evaluation expenditure.

Date	Announcement
25/11/2024	DGR announced it had signed a Term Sheet in relation to a proposed Facility Agreement with Samuel Holdings to fund the refinancing of existing debt facilities, provide working capital and fund ongoing legal fees for the Existing Litigation. DGR announced as part of the existing Choice Facility Agreement, it has entered into a Deed of Assignment and Novation of the Choice Facility Agreement with Samuel and Choice which assigns and novates the Choice Facility Agreement to Samuel. Key terms to the Facility Agreement were provided and included the Upside Sharing Fee, Litigation Fee and Security Interest transaction.
31/01/2025	DGR released its quarterly activities report summarising the activities for the quarter. During the quarter, DGR announced that in January 2025, the Court ordered DGR to provide \$3.46 million as security for the defendant's costs of the proceeding which was delivered on the 28 January 2025. DGR further announced that its application for leave to amend its claim against the Perpetual Defendants and to amend the counterfactual were refused. Leave to amend was granted to DGR in respect of the majority of its other amendments.

Source: ASX Announcements as at 31 January 2025

7.4.2 Liquidity of DGR shares on the ASX

Table 7.9 summarises the monthly liquidity of DGR shares from 1 February 2024 to 31 January 2025. Liquidity has been summarised by considering the following:

- ▶ Volume of DGR share trades per month;
- ▶ Value of total trades in DGR shares per month;
- ▶ Number of DGR shares traded per month as a percentage of total DGR shares outstanding at the end of the month;
- ▶ The monthly low daily VWAP and high daily VWAP of the Company; and
- ▶ VWAP per month.

Table 7.9: Liquidity of DGR shares on the ASX

Month	Volume	Shares Outstanding	Volume / Shares Outstanding	Daily Low VWAP	Monthly VWAP	Daily High VWAP
January 2025	9,269,510	1,043,695,980	0.89%	\$0.0080	\$0.0094	\$0.0110
December 2024	2,072,370	1,043,695,980	0.20%	\$0.0090	\$0.0099	\$0.0110
November 2024	13,035,210	1,043,695,980	1.25%	\$0.0098	\$0.0112	\$0.0140
October 2024	30,395,760	1,043,695,980	2.91%	\$0.0101	\$0.0125	\$0.0161
September 2024	14,197,890	1,043,695,980	1.36%	\$0.0110	\$0.0147	\$0.0168
August 2024	24,545,400	1,043,695,980	2.35%	\$0.0120	\$0.0144	\$0.0195
July 2024	170,530,540	1,043,695,980	16.34%	\$0.0090	\$0.0264	\$0.0305
June 2024	16,575,390	1,043,695,980	1.59%	\$0.0096	\$0.0107	\$0.0144
May 2024	1,700,840	1,043,695,980	0.16%	\$0.0130	\$0.0146	\$0.0160
April 2024	2,773,380	1,043,695,980	0.27%	\$0.0136	\$0.0146	\$0.0170
March 2024	8,083,210	1,043,695,980	0.77%	\$0.0100	\$0.0122	\$0.0133
February 2024	7,909,220	1,043,695,980	0.76%	\$0.0100	\$0.0118	\$0.0165
Total Pre-Transaction Announcement	291,819,210	1,043,695,980	27.96%	\$0.0080	\$0.0207	\$0.0305

Source: Capital IQ as at 31 January 2025

The liquidity of DGR shares on the ASX is generally constrained, with low trading volumes observed in most months. However, in July 2024, a notable spike in trading volumes occurred following two key announcements made by DGR on 16 and 17 July 2024. These announcements detailed SolGold's US\$750 million Development Finance Package and confirmed that SolGold was fully financed to advance the Cascabel project to construction. These updates were price sensitive and led to a sharp increase in market interest, with DGR's share price tripling from \$0.01 to \$0.03 in a short period in addition to the increased volume.

This temporary surge in trading activity highlights the significant sensitivity of DGR's valuation to positive developments at SolGold and indicates potential upside from retaining its SolGold stake.

7.5 Historical financial information of DGR

This section sets out the historical financial information of DGR. As this Report contains only summarised historical financial information, we recommend that any user of this Report read and understand the additional notes and financial information contained in DGR's annual reports, including the full Statements of Profit or Loss and Other Comprehensive Income ('OCI'), Statements of Financial Position and Statements of Cash Flows.

DGR's financial statements have been audited by BDO Audit Pty Ltd. BDOCF has not performed any audit or review of any type on the historical financial information of DGR and we make no statement as to the accuracy of the information provided. However, we have no reason to believe that any of the information provided is false or misleading.

7.5.1 Statements of profit or loss and other comprehensive income

Table 7.10 summarises the Consolidated Statement of Profit or Loss and Other Comprehensive Income of DGR for the 12 month periods ended 30 June 2021, 2022, 2023, and 2024.

Table 7.10: DGR consolidated statement of profit or loss and other comprehensive income

A\$('000)	Ref	12 months ended 30-Jun-2021 audited	12 months ended 30-Jun-2022 audited	12 months ended 30-Jun-2023 audited	12 months ended 30-Jun-2024 audited
Revenue					
Management fees	A	1,440	761	456	165
Interest revenue	B	403	539	2,212	945
Total revenue		1,843	1,300	2,668	1,110
Other income					
Share of gains/(losses) of associates accounted for using the equity method	C	(1,875)	(2,034)	(4,315)	(1,177)
Net Impairment and fair value movements in assets	D	2,645	(4,089)	1,193	(23,255)
Capital raising and selling fees		-	-	737	894
Foreign currency related gains/(losses)		347	317	(151)	71
Government grants		260	193	-	-
Other - including wages recharges		314	70	175	17
Other income		1,690	(5,542)	(2,361)	(23,450)
Operating expenses					
Administration and consulting		(1,637)	(1,796)	(1,258)	(1,679)
Depreciation and amortisation		(442)	(444)	(443)	(456)
Employee benefits		(2,054)	(1,888)	(1,847)	(1,583)
Exploration and evaluation assets impaired	E	-	-	-	(12,566)
Exploration and evaluation assets written off		(27)	(25)	(229)	(8,420)
Information technology		-	-	(409)	(289)
Impairment - trade receivables	F	-	-	(2,271)	-
Legal expenses		(365)	(161)	(161)	(1,131)
Rehabilitation expense		(213)	-	(40)	-
Operating expenses		(4,739)	(4,312)	(6,657)	(26,124)
Profit/(loss) before income tax and finance expenses		(1,205)	(8,555)	(6,350)	(48,464)
Finance costs	G	(554)	(206)	(205)	(1,942)
Profit/(loss) before income tax expense		(1,759)	(8,760)	(6,556)	(50,406)
Income tax benefit/(expense)		682	(409)	(2,992)	(27)
Net profit/(loss for year)	H	(1,077)	(9,170)	(9,548)	(50,433)
Other comprehensive income					
Fair value gain/(loss) on the revaluation of equity instruments	I	43,523	17,180	(47,624)	(34,054)
Tax effect of net fair value gains/(loss) on equity instruments	J	(8,802)	(1,791)	17,273	5,806
Share of other comprehensive income of associates		(103)	234	(42)	-
Other comprehensive income for the year, net of tax		34,617	15,623	(30,393)	(28,249)
Total comprehensive income		33,540	6,453	(39,941)	(78,681)

Source: DGR FY2021, FY2022, FY2023 and FY2024 Annual Reports

Notes to Table 7.10

A	<ul style="list-style-type: none"> DGR generates revenue from the provision of monthly management services to related entities. In FY21, DGR had commercial agreements with Armour, Aus Tin Mining Limited, New Peak Metals Ltd, Atlantic Lithium, and SolGold. In FY21, the management service agreements with SolGold and Atlantic Lithium came to an end which led to a decrease in fee revenue from \$1.4m in FY21 to \$761k in FY22. In FY23, DGR provided management services to Armour for an amount of \$456k. In FY24, DGR's fee revenue of \$165k reflects the management fee receivable from Armour prior to entering into administration. DGR's business model is not focused on generating recurring revenue, reflecting its strategic emphasis on long-term asset development over short-term income streams.
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B	<ul style="list-style-type: none"> ▶ DGR generates interest revenue from investments in financial instruments such as convertible notes, corporate bonds, loans to associates, exchangeable notes, and cash management. Interest revenue is recognised as interest accrues using the effective interest method.
	<ul style="list-style-type: none"> ▶ In FY23, DGR recorded an increase in interest revenue to \$2.2m which was primarily driven from their investment in convertible and exchangeable notes. Interest on convertible notes increased from \$316k in FY22 to \$2.0m in FY23.
	<ul style="list-style-type: none"> ▶ In FY24, DGR's interest revenue decreased to \$945k, driven by the reduction in interest revenue from convertible notes (\$774k).
C	<ul style="list-style-type: none"> ▶ DGR's share of losses of associates is consistent with that of a company focussing on the development of resource exploration and mining projects that are in early stages. DGR prioritises long-term asset development over generating operational revenues and hence is unlikely to realise a share of gains from associates until projects are operational or through the sale or divestiture.
	<ul style="list-style-type: none"> ▶ Between FY21 and FY24, DGR's share of losses from associates was driven by the losses shared from DGR's investment in Armour. Losses associated with Armour continued as the company experienced financial distress, which led to administration and impairment of assets.
D	<ul style="list-style-type: none"> ▶ Net impairment and fair value movements capture the adjustments made to the carrying value of assets, including equity investments, exploration projects, and other financial assets. Impairments occur when the asset's recoverable value drops below its carrying value and fair value movements reflect changes in the estimated market value based on changes in market conditions, project performance, and external economic influences.
	<ul style="list-style-type: none"> ▶ Between FY21 and FY22, net impairment and fair value movement decreased from \$2.6m to -\$4.1m, driven by a \$6.3m impairment to Armour. In FY23, net impairment and fair value movement increased to \$1.2m, driven by an impairment reversal in Armour assets and \$840k increase in the Lakes Blue convertible note fair value.
	<ul style="list-style-type: none"> ▶ In FY24, net impairment and fair value decreased to -\$23.3m as a result of Armour entering administration.
E	<ul style="list-style-type: none"> ▶ In FY24, DGR reported a \$12.6m impairment and \$8.4m write-off of exploration and evaluation assets.
	<ul style="list-style-type: none"> ▶ The \$12.6m impairment was due to the Company's failure to meet the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, for lack of activity currently planned or underway on the Kanyawataba and Turaco tenements in Uganda (\$11.1m) and other exploration tenements in Australia (\$1.5m) tenements (refer to Table 7.2 for information on DGR's existing tenements and exploration projects). These assets require further investment to pursue and are being assessed as to the cost, viability and the ability to obtain external investment.
	<ul style="list-style-type: none"> ▶ The \$8.4m write-off relates to the D'Aguilar Gold Project (\$5.7m) and other exploration assets (\$2.7m) that were determined to be no longer core assets of DGR or worthwhile pursuing.
F	<ul style="list-style-type: none"> ▶ In FY23, DGR reported a \$2.3m impairment of trade receivables. This impairment relates to the provision for expected credit losses for the balances due by Armour and McArthur Oil and Gas Limited ('McArthur Oil and Gas')
G	<ul style="list-style-type: none"> ▶ In FY24, DGR reported a \$1.7m increase in finance costs. This increase in finance costs relates primarily to the maturing Choice Facility Agreement which had \$1.3m in capitalised interest as at 30 June 2024.
H	<ul style="list-style-type: none"> ▶ Between FY21 and FY24, DGR consistently reported a net loss, with the large FY24 loss driven primarily by impairments on exploration and evaluation assets and losses associated with subsidiaries, including those arising from Armour's administration. The net loss reflects the Company's focus on long-term asset development rather than operational revenue generation that would recover ongoing operational, administrative and employee costs.
I	<ul style="list-style-type: none"> ▶ Between FY21 and FY24, DGR revalued its minority equity holdings at fair value, including the SolGold shares. The revaluation represents the relative gain or loss for the period.
J	<ul style="list-style-type: none"> ▶ Between FY21 and FY24 DGR recognised changes in the deferred tax liability on equity instruments held at fair value, reflecting tax adjustments on their gains or losses.

7.5.2 Statements of financial position

Table 7.11 summarises DGR statements of financial position as at 30 June 2021, 2022, 2023 and 2024.

Table 7.11: DGR's summarised consolidated statements of financial position

A\$('000)	Ref	As at 30-Jun-2021 audited	As at 30-Jun-2022 audited	As at 30-Jun-2023 audited	As at 30-Jun-2024 audited
Current assets					
Cash and cash equivalents		1,950	2,576	2,432	1,932
Trade and other receivables	A	704	2,203	824	239
Other assets	B	1,996	857	73	83
Total current assets		4,649	5,636	3,329	2,254
Non-current assets					
Trade and other receivables	C	-	-	2,621	-

A\$('000)	Ref	As at 30-Jun-2021 audited	As at 30-Jun-2022 audited	As at 30-Jun-2023 audited	As at 30-Jun-2024 audited
Investments accounted for using the equity method	D	6,434	2,248	2,941	-
Other financial assets	E	139,742	153,300	93,820	41,678
Property, plant and equipment		1,720	1,306	884	614
Exploration and evaluation assets	F	13,389	17,506	21,869	2,779
Total non-current assets		161,286	174,360	122,	45,071
Total assets		165,935	179,996	125,464	47,325
Current Liabilities					
Trade and other payables		1,835	1,523	1,484	1,515
Borrowings	G	-	-	-	8,340
Lease liabilities		414	485	569	143
Derivative financial liabilities		-	-	-	503
Income tax	H	-	-	2,207	1,533
Total current liabilities		2,249	2,008	4,260	12,034
Non-current liabilities					
Borrowings		-	3,117	3,302	1,728
Lease liabilities		1,105	620	51	92
Deferred tax	I	21,874	24,071	7,583	1,880
Provisions		1,456	1,450	1,479	1,484
Total non-current liabilities		24,436	29,257	12,415	5,183
Total liabilities		26,685	31,266	16,675	17,217
Net assets		139,251	148,730	108,789	30,108
Equity					
Issued and prepaid capital		55,675	57,932	57,932	57,932
Share based payment reserve		107,989	123,449	93,056	64,807
Accumulated losses		(26,739)	(35,879)	(45,403)	(92,052)
Total equity attributable to owners of DGR		136,925	145,502	105,585	30,687
Non-controlling interest		2,326	3,229	3,204	(579)
Total equity		139,251	148,730	108,789	30,108
Number of shares		975,578,727	1,043,693,478	1,043,693,478	1,043,695,978
Net assets per share (\$)		0.143	0.143	0.104	0.029

Source: DGR FY2021, FY2022, FY2023 and FY2024 Annual Reports

Notes to Table 7.11

A	<ul style="list-style-type: none"> DGR's trade receivables increased from \$678k in FY21 to \$2.6m in FY23. Despite the increase in trade receivables during this period, the Company reported a \$2.5m allowance for an expected credit loss in FY23, up from \$217k in FY21 and FY22. The increased allowance for expected credit loss was provided for the balances due by Armour and McArthur Oil and Gas. The increase in trade and other receivables in FY22 was driven primarily by \$1.3m trade receivables, the \$217k allowance for expected credit loss and a \$621k advanced loan to Armour. In FY24, DGR reported a reduction in trade receivables to \$74k with \$165k in other receivables and GST receivable. The reduction in trade receivables from previous years is the result of the financial impact from the liquidation of Armour.
B	<ul style="list-style-type: none"> Other assets for DGR include prepayments and prepaid capital to associates. The decrease in other assets between FY21 to FY24 has been driven by the reduction in prepaid capital to associates. Prepaid capital to associates declined from \$1.9m in FY21 to \$810k in FY22 for a share subscription deposit to an associate.
C	<ul style="list-style-type: none"> In FY23, DGR reported a non-current loan to Armour of \$2.6m. This loan was unsecured with no fixed repayment term and contained a 10% interest charge per annum on \$2.0m of the loaned balance. This loan was subsequently impaired as a result of Armour being placed into administration and subsequently liquidation on 19 January 2024.
D	<ul style="list-style-type: none"> DGR's investments in associates accounted for using the equity method are carried at cost plus post-acquisition changes in DGR's share of the associates' net assets. DGR's investment relates to the Company's investment in Armour. Between FY21 and FY24, DGR's investments in Armour had decreased from \$6.4m in FY21 to \$0 in FY24. The decrease in investment value was driven by Armour's persistent loss reporting and share price decline (2021: \$0.026, 2022: \$0.006, 2023: \$0.003, 2024: \$0), partially offset by DGR's \$3.9m share acquisition in FY22 and \$2.4m conversion of McArthur Oil and Gas exchangeable notes into Armour shares.

E	<ul style="list-style-type: none"> DGR's other financial assets involves the Company's financial assets held at fair value through both OCI and profit and loss, corporate bonds, and security bonds. Between FY21 and FY24, the reduction in value from \$139.7m in FY21 to \$41.7m in FY24 was primarily driven by the fair value adjustment through OCI and the disposal of shares. Between FY21 and FY22, DGR's other financial assets increased \$13.6m, driven by DGR's \$17.2m revaluation adjustment for their investments held at fair value through OCI and the Company's \$5m investment in the McArthur Oil and Gas convertible note. This was partially offset by the \$11.1m disposal of Atlantic Lithium shares to realise a portion of DGR's investment. Between FY22 and FY23, DGR's other financial assets decreased \$59.5m, driven by DGR's negative \$47.6m revaluation adjustment for their investments held at fair value through OCI and \$22.0m from share disposal. This was partially offset by the \$11.4m addition of McArthur Oil and Gas redeemable exchangeable notes. Between FY23 and FY24, DGR's other financial assets decreased a further \$52.1m, driven by DGR's negative \$34.1 revaluation adjustment and the conversion and subsequent write down of the McArthur Oil and Gas redeemable exchangeable notes and Armour options.
F	<ul style="list-style-type: none"> In FY24, DGR reported a \$12.6m impairment and \$8.4m write-off of exploration and evaluation assets, partially offset by a \$1.9m investment in exploration and evaluation asset. The impairment relates to the lack of activity currently planned or underway on the Ugandan and Australian tenements and the write-off relates to the D'Aguilar Gold Project and other exploration assets (refer Note (E) to Table 7.10 for additional explanation).
G	<ul style="list-style-type: none"> In FY24, DGR reported \$8.3m in current borrowings. This relates to the Choice Facility Agreement (\$5.1m) and the Equities First loan (\$3.3m) which both were payable on 30 November 2024 and 16 December 2024 respectively. Following the proposed Facility Agreement with Samuel Holdings, an extension to the Choice Facility Agreement has been agreed and is now payable by 17 March 2025 or such later date as may be agreed in writing by Samuel and DGR.
H	<ul style="list-style-type: none"> In FY23, DGR recorded a tax liability of \$2.2m. In FY24, DGR's tax liability decreased to \$1.5m, arising from the 30 June 2023 financial year. In relation to FY23, DGR have entered into a payment plan for income tax payable, which incurred \$121k of interest in FY24.
I	<ul style="list-style-type: none"> DGR's deferred tax liability has decreased from \$21.9m in FY21 to \$1.9m in FY24. This has been driven by the decrease in deferred tax liabilities associated with financial assets measured at fair value through OCI and investments in associates. Between FY22 and FY24, DGR's deferred tax liability associated with financial assets measured at fair value through OCI decreased from \$20.6m to \$4.9m due to the recognition of the revaluation losses. Between FY22 and FY24, DGR's deferred tax liability associated with investments in associates decreased from \$5.4m to \$0 due to the recognition of impairment and asset write off of Armour.

7.5.3 Statements of cash flows

Table 7.12 summarises DGR's Statement of Cash Flows for the 12 month periods ended 30 June 2021, 2022, 2023 and 2024.

Table 7.12: DGR's summarised consolidated statements of cash flows

A\$('000)	Ref	12 months ended 30-Jun-2021 audited	12 months ended 30-Jun-2022 audited	12 months ended 30-Jun-2023 audited	12 months ended 30-Jun-2024 audited
Cash flows from operating activities					
Receipts in the course of operations (inclusive of GST)	A	3,304	1,048	211	-
Payments to suppliers and employees (inclusive of GST)		(4,262)	(4,282)	(3,750)	(4,776)
Interest received		403	375	138	109
Government grants received		260	193	-	-
Interest and other finance costs paid		(554)	(206)	(205)	(300)
Income taxes paid		-	-	-	(599)
Net cash (outflow)/inflow from operating activities	B	(849)	(2,871)	(3,607)	(5,564)
Cash flows from investing activities					
Payments for property, plant and equipment and asset acquisition - net of cash acquired		(11)	(14)	(20)	(5)
Payments for other financial assets	C	(2,652)	(5,631)	(12,010)	-
Payments for investments in associates		(2,242)	(1,975)	-	-
Net (payments)/receipts for exploration, evaluation and development assets	D	(2,267)	(2,549)	(4,593)	(1,896)
Payments for security deposits		(319)	(339)	(59)	(94)
Loan advanced to associate	E	-	(621)	(2,000)	(2,750)
Loans advanced to subsidiary prior to acquisition of subsidiary		-	(2,054)	-	-

Payment of share subscription deposit for associate		(1,925)	(810)	-	-
Proceeds from the sale of other financial assets	F	-	11,146	21,993	2,228
Proceeds from repayment/sale of corporate bonds and release of security deposits		1,756	1,042	637	1,412
Net cash (outflow)/inflow from investing activities	G	(7,660)	(1,804)	3,948	(1,104)
Cash flows from financing activities					
Proceeds from issue of shares (net of costs)	H	16,961	2,599	-	0
Net proceeds from borrowings		-	3,117	-	6,734
Payment of lease liability		(353)	(414)	(485)	(567)
Repayment of convertible note		(10,000)	-	-	-
Net cash (outflow)/inflow from financing activities		6,607	5,302	(485)	6,168
Net increase/(decrease) in cash held		(1,902)	627	(144)	(501)
Net cash at beginning of year		3,851	1,950	2,576	2,432
Net cash at end of year		1,950	2,576	2,432	1,932

Source: DGR FY2021, FY2022, FY2023 and FY2024 Annual Reports

Notes to Table 7.12

A	<ul style="list-style-type: none"> DGR's ability to generate management fee revenue from its affiliates has declined since FY21 as commercial agreements came to a contractual end and Armour entered into liquidation (refer Note (A) to Table 7.10 for additional explanation). The reduction in receipts in the ordinary course of business between FY21 and FY24 reflects DGR's business model, which is not primarily focused on generating recurring revenue from management services. Instead, DGR emphasises creating value through the identification, development, and eventual monetisation of resource projects. Cash flow is typically realised through asset sales, where DGR captures value from developed projects or equity stakes at favourable stages of maturity, rather than through ongoing service fees. This approach aligns with DGR's strategic focus on long-term value creation over immediate revenue generation.
B	<ul style="list-style-type: none"> Net cash outflows from operations between FY21 and FY24 increased due to increased legal, tax, and administration and consulting expenses together with a decrease in receipts from customers over the course of operations.
C	<ul style="list-style-type: none"> Between FY21 and FY23, DGR increased its investment in other financial assets and Armour. In FY23, DGR increased its investment in financial assets at fair value through profit and loss driven by the additions to McArthur Oil and Gas redeemable exchangeable notes. In FY22, DGR reduced further investment in Armour and extended advanced loans to support the company detailed in Point E.
E	<ul style="list-style-type: none"> Between FY22 and FY24, DGR advanced loans to Armour to support company operations. In FY24, \$2.4m of Armour loans were converted into convertible notes in Armour. In FY24, the remaining loan balance was impaired as a result of Armour being placed into liquidation on 19 January 2024.
F	<ul style="list-style-type: none"> DGR's source of cash inflow from investing activities was proceeds from the sale of other financial assets and corporate bonds. Between FY21 to FY24, DGR reported relatively stable cash inflows from the net proceeds from the sale/repayment of corporate bonds and release of security deposits with \$1.8m in FY21 and \$1.4m in FY24. Between FY22 and FY24, DGR generated positive investing cash flows from the sale of other financial assets with \$22.0m disposed of in FY23. The disposal of shares was primarily driven by the sale of DGR's stake in Atlantic Lithium.
G	<ul style="list-style-type: none"> Between FY21 and FY24, DGR's investing activities cash flows were primarily dependent on DGR's investment and disposal of other financial assets. This is consistent from a company that realises value from its other financial assets through the investment and sale of shares. In FY24, DGR did not generate enough cashflow to support its investing activities due to advances to Armour and expenditures on exploration and evaluation assets. This was partially offset from the realisation of certain investments.
H	<ul style="list-style-type: none"> DGR's ability to generate positive financing cash flows is driven from the issuance of capital or proceeds from debt. In FY21 and FY22, DGR issued \$19.6m in shares to support ongoing operations and investment. In FY22 and FY24, DGR increased financing cash flows by entering into a loan and facility agreement with Equities First and Choice respectively. In FY24, DGR reported a net cash inflow from financing activities, driven by the receipt of the Choice Facility Agreement and an increase in the loan from Equities First.

8.0 Industry Overview

DGR's largest asset is its investment in SolGold, which the Upside Sharing Fee relates to. This section sets an overview of the copper and gold industry globally which are the deposits targeted by SolGold.

The information presented in this section has been compiled from a range of publicly available sources, together with information taken from various databases to which we subscribe. BDOCF has not independently verified any of the information and we recommend that users of this Report refer to the original source of any information listed in this section. This section should be referred to as a guide only.

8.1 Copper

8.1.1 Overview

Copper is a soft, malleable, ductile metal used primarily for its electrical and thermal conductive properties and corrosion resistance. After iron and aluminium, it is the third most consumed industrial metal worldwide.¹³ Similar to other metals, primary production is the output from ores, and secondary production is produced from recycled scrap. Copper is one of the most recycled metals because recycling extends the efficiency of use, resulting in energy savings and contributing to a sustainable source of metal for future generations.¹⁴ Further, the metal is one of the few raw materials which can be recycled repeatedly without any loss of performance; primary and secondary copper can be used interchangeably.¹⁵

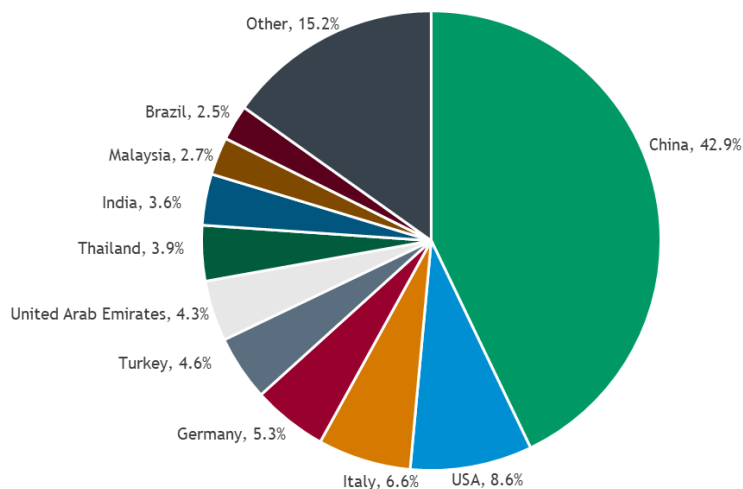
Copper is highly versatile with various applications across many industries, including construction, communication, equipment, transport and infrastructure. Due to its ability to conduct heat and electricity, it is widely used in electronic devices and electrical wiring. For example, renewable energy sources such as solar, wind, geothermal, fuel cells and other technologies are all heavily reliant on copper due to its excellent conductivity.¹⁶ Another use of copper is in the semiconductor industry where it is used for circuitry in silicon chips. Not only are copper wires more durable and reliable, but they also conduct electricity with about 40% less resistance than aluminium wires - resulting in an additional 15% burst in microprocessor speed.¹⁷

8.1.2 Global Demand for Copper

According to statistics from the International Copper Study Group ('ICSG'), global usage of refined copper grew from approximately 18.6 million tonnes in 2009 to 26.6 million tonnes in 2023.¹⁸ This growth in demand is expected to be supported by existing uses for its transmission of electricity such as in industries involving construction and electronics. Other factors that will drive demand are population growth, product innovation and economic development. McKinsey & Company forecasts that annual copper demand will grow to 36.6 million metric tonnes by 2031.¹⁹

Figure 8.1 set out below shows the distribution of total refined copper imports in 2023. China dominates as the largest importer, bringing in over US\$32.2 billion worth of refined copper. The United States follows with \$6.8 billion, and Italy ranks third at \$5.2 billion. The remaining countries collectively account for 42% of the total imports.

Figure 8.1: Percentage Share of Total Refined Copper Imports in 2023²⁰



Source: Trend Economy

¹³ "Copper Statistics and Information", U.S. Geological Survey

¹⁴ "Copper Recycling", International Copper Study Group 2024

¹⁵ "Copper Recycling", International Copper Association 2022

¹⁶ "Mineral requirements for clean energy transitions", International Energy Agency 2021

¹⁷ "Copper interconnects", IBM

¹⁸ "The World Copper Factbook 2024", International Copper Study Group, 2024

¹⁹ "Bridging the copper supply gap", McKinsey & Company, 17 February 2023

²⁰ "Refined Copper Imports and Exports 2023", Trend Economy, 7 November 2024

8.1.3 Global Supply for Copper

According to the US Geological Survey, the global mine production of copper has increased from 15.9 million tonnes in 2010 to 22.4 million tonnes in 2023. The ratio between production and capacity is called the capacity utilisation rate and in 2023, the global copper mining capacity utilisation rate was around 81.4%. This implies a total copper mining capacity of 27.5 million tonnes, which is estimated to increase by 1.7% in 2024 and 3.5% in 2025.²¹

The oceans represent around 70% of the world's surface, and the ocean floor is believed to contain important mineral resources, including copper.²² In order to meet increasing copper demand, seafloor deposits could represent an important opportunity for additional supply. However, the challenge is to be able to extract these ores while respecting all environmental standards and turning them into sustainable operations.

Table 8.1 below shows the breakdown of global mined copper production by the top six countries in 2022, recent trends in their production from 2022, and their forecasted production for 2023. In 2022, Chile was the largest producer, accounting for 24% of all mined copper production worldwide, followed by Peru, which accounted for 11%. Copper production in Congo has ramped up due to investment from Chinese companies, with a further \$7 billion of investment from Chinese construction companies expected in Congo as a part of copper mines.²³

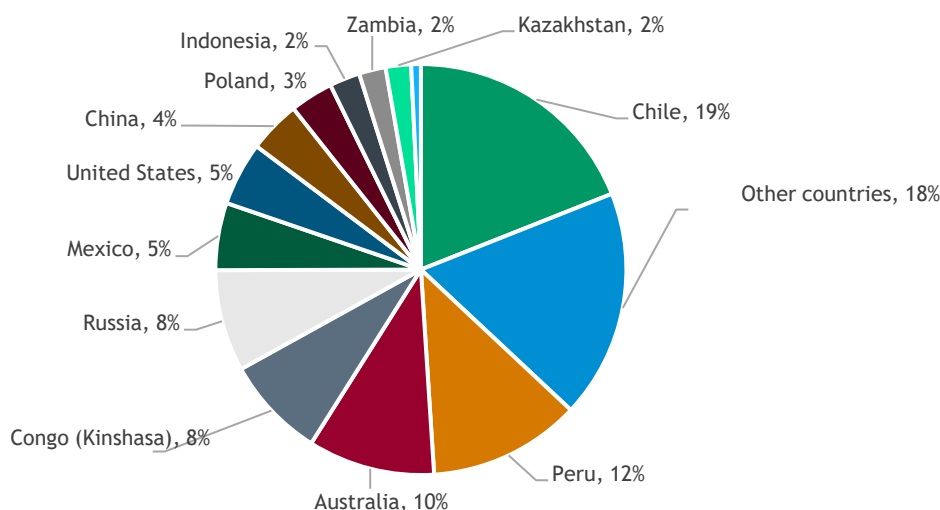
Table 8.1: Global Mined Production

'000 tonnes	2020	2021	2022	2023 (estimate)	CAGR (%)
Chile	5,730	5,620	5,330	5,000	-3.35%
Peru	2,150	2,300	2,450	2,600	4.87%
China	1,720	1,910	1,940	1,700	-0.29%
Congo (Kinshasa)	1,600	1,740	2,350	2,500	11.80%
United States	1,200	1,230	1,230	1,100	-2.15%
Australia	885	813	819	810	-2.19%
Other countries	7,271	7,587	7,781	8,290	3.33%
World total (rounded)	20,600	21,200	21,900	22,000	1.66%

Source: US Geological Survey

In the 2024 Copper Mineral Commodity Summary by the Geological Survey, global copper reserves are estimated to total 1 billion metric tonnes. A 2015 survey estimated that undiscovered resources contained an estimated 3.5 billion tons. Collectively, Chile, Australia and Peru account for 42% of the global reserves. The distribution of known reserves is depicted graphically in Figure 8.2 below.

Figure 8.2: Distribution of Known Copper Reserves



Source: US Geological Survey, Mineral Commodities Summaries 2024

²¹ "Copper Market Forecast 2023/2025", International Copper Study Group, 26 September 2024

²² "An Overview of Seabed Mining Including the Current State of Development, Environmental Impacts, and Knowledge Gaps", K. Miller et al 2017

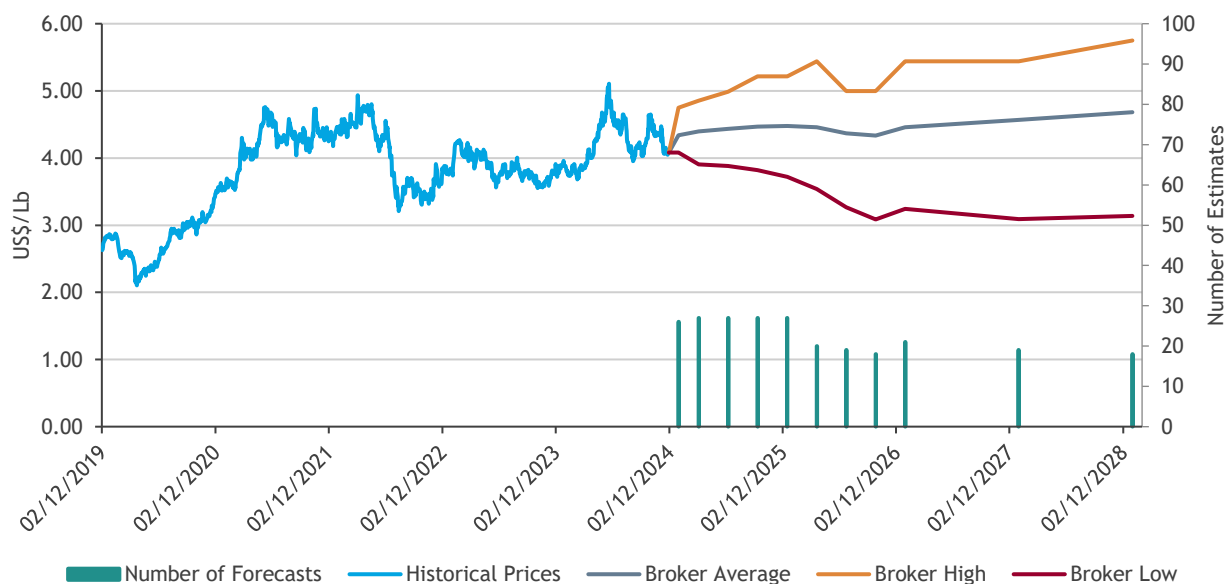
²³ "Chinese companies to invest up to \$7 billion in Congo mining infrastructure", Reuters, 28 January 2024

8.1.4 Copper Prices

A COVID-19 induced economic slowdown decreased the global copper price to a 3-year low in late March 2020. Between this low and April of 2021, prices recovered quickly, supported by improving economic conditions and the ongoing Russia-Ukraine conflict. Throughout 2022, Copper prices declined significantly, driven by a decline in demand from China due to the Chinese zero-COVID policy and high inflation rates within the US. In 2023, the price of copper rebounded due to a swell of green manufacturing and a supply shortage of 178,000 tonnes²⁴. In 2024, copper prices reached record highs with The Commodity Exchange ('COMEX') price climbing to US\$5.11 per pound in Q2, driven by increased demand from sectors tied to the energy transition and expectations of tightening supply.

Figure 8.3 below shows the historical trading price for copper in the last 5 years based on the quoted price on the COMEX in US\$ per pound, as well as the forecasted spot price of copper to 2028 (in nominal terms, free on board).

Figure 8.3: Historical Copper Prices and Consensus Economics Forecast Prices (in Nominal terms)



Source: Capital IQ - High Grade Copper (COMEX) (30 November 2019 to 30 November 2024), Consensus Economics November 2024 (Survey Date: 18 November 2024), BDOCF Analysis

8.1.5 Copper Outlook

Global demand for copper is expected to increase due to the development of renewable energy infrastructure and increased uptake of electric vehicles, two areas that require greater copper volumes than their fossil fuel counterparts.²⁵ Australia copper production is anticipated to grow at an annualised rate of 3.6% over the next five years, due to the commencement of several new mines.²⁶ The ICSG also expects sustained growth in copper demand as it remains an essential commodity to economic activity, particularly in today's technological society. This is because copper is the most widely used metal in energy generation, transmission infrastructure, and energy storage.²⁷

8.2 Gold

8.2.1 Overview

Gold is a ductile and malleable precious metal that provides a sustainable store of value because it does not corrode. The metal has been primarily used as money for exchange, as a store of value, and for valuable jewellery and other artefacts. Due to its properties, there are also many other uses. For example, its ability to conduct heat and electricity makes it highly suitable in modern electronics. Its resilience to corrosion makes it ideal as a coating for contacts and connections in electrical circuits. Further, its durability and non-toxic state make it a material of choice for implants in medicine and dentistry. Today, most of the world's gold is mined from large open-cut pits or extensive underground operations.

8.2.2 Global Demand for Gold

Ongoing demand for gold is derived from four core sectors: jewellery, investment, reserves, and technology. Technology is a growing segment and is closely related to advances in electronics and sensors including smartphones, nanotechnology, and drugs. Figure 8.4 set out below illustrates the breakdown of global gold demand by sector from 2019 to Q3 2024. Between 2019 and Q3 2024, demand patterns across these sectors have shown notable shifts. Demand from central bank has increased in recent years, due to economic uncertainties and diversification strategies.

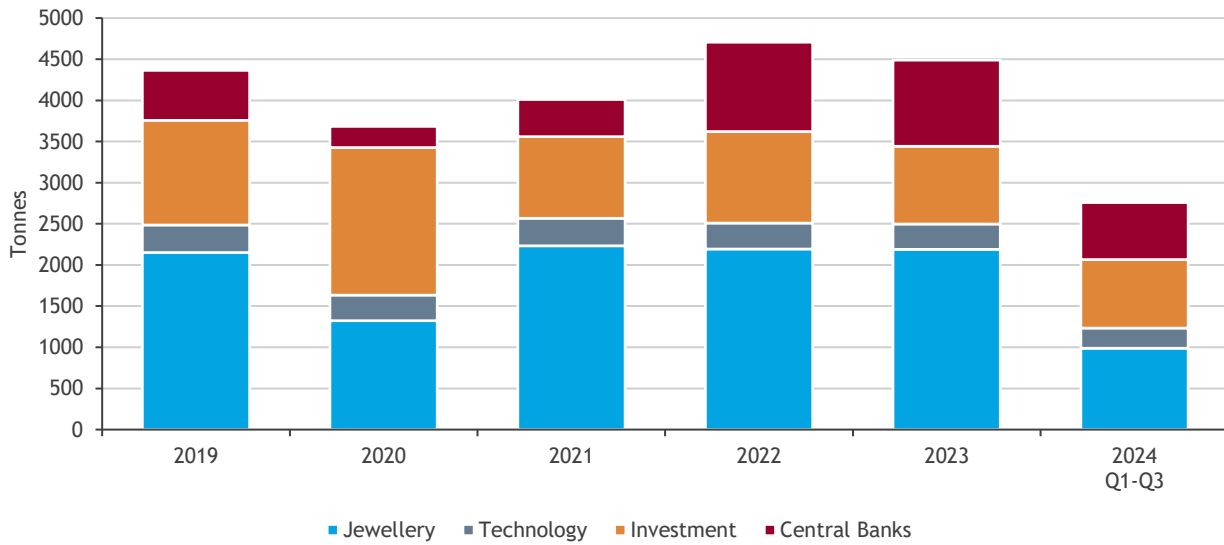
²⁴ "Review of important factors affecting the copper market in 2023", Shanghai Metals Market, 10 January 2024

²⁵ "Copper Ore Mining in Australia", IBIS World 2023

²⁶ "Australia Copper Mining Industry Forecast 2025-2030", Global News Wire, 1 October 2024

²⁷ "Copper Market Forecast 2023/2024", International Copper Study Group 2023

Figure 8.4: Breakdown of Demand by Sector



Source: World Gold Council

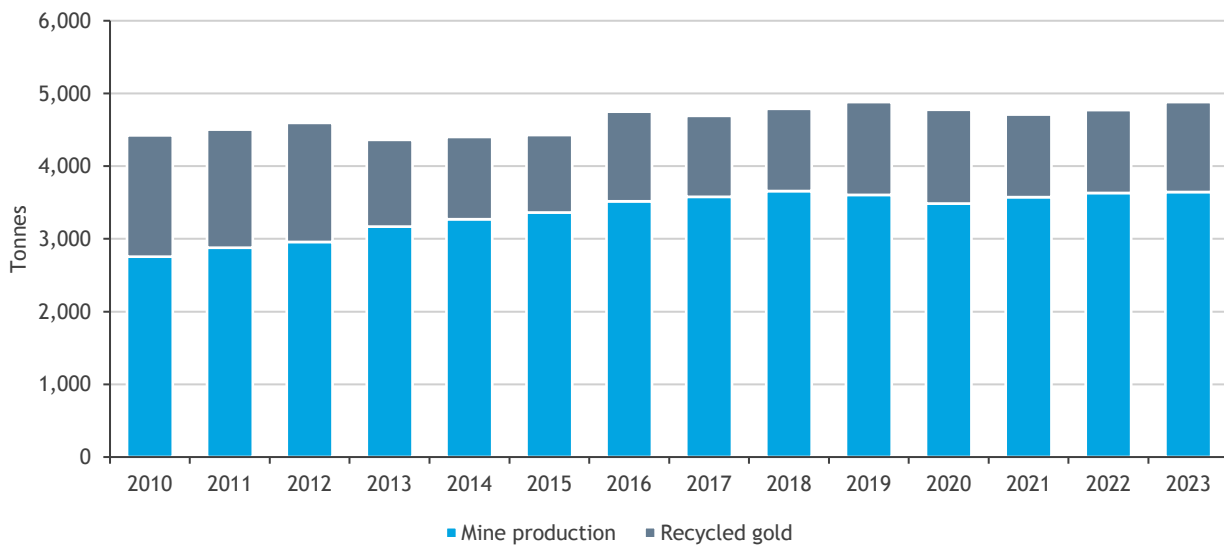
As gold carries no credit or counterparty risks, it is one of the most crucial reserve assets worldwide because it serves as a source of trust in a country and in all economic environments. Currently, central banks hold approximately 35,500 metric tons of the metal - about a fifth of all the gold ever mined.²⁸ One of gold's primary roles for central banks is to diversify their reserves since a nation's currency can swing in value depending on the perceived strength or weakness of the underlying economy.

8.2.3 Global Supply for Gold

Mine production accounts for approximately three-quarters of the gold supply each year with the remainder from recycling.²⁹ Due to the size and magnitude of mining operations, gold producing mines are slow to respond to commodity price changes. On the other hand, recycling is highly responsive to changes in price and economic shocks, 90% of recycled gold is made up from jewellery with the remainder being accounted for from technology.³⁰ The top five producers of gold are China, Australia, Russia, United States and Canada.³¹

Figure 8.5 illustrates the supply of gold from mine production and recycled gold from 2013 to 2023.

Figure 8.5: Global Supply of Gold



Source: World Gold Council

²⁸ "Central Banks Gold Reserves by Country", World Gold Council, 4 December 2024

²⁹ "Historical demand and supply", World Gold Council, 30 October 2024

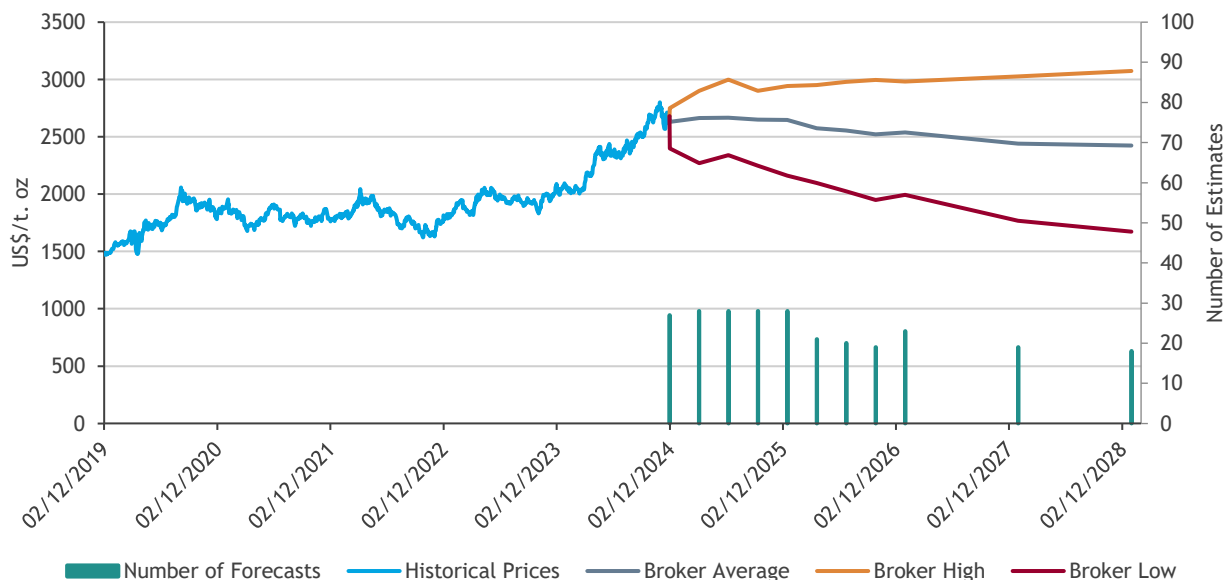
³⁰ "Gold Supply", World Gold Council

³¹ "Gold", US Geological Survey, January 2024

8.2.4 Gold Prices

Figure 8.6 below shows the historical trading price for gold in the last 5 years based on the quoted price on COMEX in US\$ per ounce, as well as the forecasted spot price of gold to 2028 (in nominal terms, free on board). We note that the ongoing impacts of the COVID-19 pandemic, coupled with persistent global inflationary pressures and the prolonged Russia-Ukraine conflict, have sustained high demand for gold, pushing prices to record levels in the years following 2020. Additionally, central bank purchases and fluctuating interest rate environments have further influenced price dynamics through to 2024.

Figure 8.6: Historical Gold Prices and Consensus Economics Forecast Prices (in Nominal terms)



Source: Capital IQ - Gold (COMEX) (30 November 2019 to 30 November 2024), Consensus Economics November 2024 (Survey Date: 18 November 2024), BDOCF Analysis

8.2.5 Gold Outlook

Since movements in gold are typically correlated with economic downturns, it is difficult to forecast future prices. Generally, there will always be demand for safe-haven assets, but during times of economic expansion, gold prices generally will decrease. Further, long-term gold price forecasts are often unpredictable because several factors need to be considered, such as mining supply or geopolitical tensions.

Putting a floor on prices is the fact that gold will likely remain an essential part of central bank reserves worldwide while growing affluence in China is also likely to support demand. Despite the risk that changes in the global economy can cause short-term gold fluctuations, gold is forecasted to maintain its reputation as a portable store of value throughout Asia and other parts of the world.³²

On the supply side, Australia's gold production is forecast to decrease by 0.8% to 286 tonnes in 2024-25, followed by a 7.9% increase to 309 tonnes in 2025-26. This fluctuation reflects the industry's response to market conditions and the commissioning of new projects.³³

In general, as the Australian mining industry matures, ore qualities will diminish as it becomes increasingly more difficult and more expensive to extract gold. Since more accessible surface-level deposits have already been mined, there has been a greater focus on undertaking underground mining. According to McKinsey, while underground mining may show higher costs, there is greater opportunity in "both productivity and cost improvement."³⁴ Looking ahead, rising production expenses caused by lower ore quality and higher transportation costs are anticipated to reduce the industry's profitability.

³² "Gold Ore Mining in Australia", IBIS World, November 2024

³³ "Resources and Energy Quarterly", Department of Industry Science and Resources, September 2024

³⁴ Digging Deeper, McKinsey & Company

9.0 Comparison of Alternative Debt Funding Arrangements

9.1 Overview

DGR has secured debt funding under the Facility Agreement to address its immediate financing needs, including refinancing the Choice Facility Agreement, maintaining working capital, and funding ongoing legal proceedings and operational expenses. The Facility Agreement is structured to enable DGR to retain its key strategic assets, including its holding in SolGold, while ensuring operational continuity and financial stability. The key terms of the Facility Agreement are detailed in Section 2.5 of this Report.

The Non-Associated Directors of DGR consider debt funding critical for the Company to execute its strategic objectives without resorting to premature asset sales or potentially dilutive equity raising. While the Facility Agreement includes additional provisions for the Upside Sharing Fee and the Litigation Fee, the Non-Associated Directors concluded that these terms were more favourable compared to the alternatives offered by other providers. In particular, the Facility Agreement offers certainty of funding necessary to address DGR's current financial obligations, including refinancing the Choice Facility Agreement, supporting ongoing litigation related to the Armour Group, and providing working capital for the next two years.

This section outlines the process DGR undertook to secure the Facility Agreement, compares its terms against debt facilities secured by comparable ASX-listed companies, and evaluates it in the context of traditional litigation funding models. It also provides concluding observations on the appropriateness of the facility in light of DGR's unique circumstances and funding constraints.

9.2 Process Followed to Source Debt

DGR undertook a process to secure debt funding to address its immediate financing needs. The Company approached a range of financial institutions and alternative financiers, exploring various funding options and terms to determine the most suitable arrangement.

During this process, DGR encountered challenges typical for companies without traditional collateral, such as real estate or mining project assets (e.g. mineral rights, equipment, or processing facilities). Many financial institutions proposed terms that were deemed unfavourable by the Non-Associated Directors. Notably, some lenders sought to secure the upside potential of DGR's SolGold shares as collateral or required amortisation payments by way of sell down of the SolGold shares, which would result in the loss of voting rights or equity interest in SolGold. These terms were considered by the Non-Associated Directors to be inconsistent with DGR's strategic objective of preserving shareholder value by retaining its interest and voting rights in SolGold for long-term appreciation.

The Non-Associated Directors evaluated these offers against DGR's strategic and financial priorities, ultimately concluding that the Facility Agreement provided a more balanced and feasible funding arrangement. While the Facility Agreement includes the Upside Sharing Fee and the Litigation Fee, this structure allows DGR to retain the potential for long-term value appreciation while addressing its immediate liquidity needs.

The process demonstrates DGR's efforts to secure funding on the most favourable terms available under the circumstances, prioritising the preservation of its strategic assets and minimisation of shareholder dilution. Further details on the terms of debt secured by comparable ASX-listed companies are discussed in Section 9.3.

9.3 Comparison to Debt Terms for ASX Listed Companies Broadly Similar to DGR

9.3.1 Selection of Comparable Companies

To benchmark the terms of the Facility Agreement, we identified a group of ASX-listed companies broadly similar to DGR that had existing debt. The process for selecting broadly comparable companies involved a multi-step screening approach.

The initial screening criteria included:

- ▶ **Market Capitalisation:** Companies within a market capitalisation range of \$2 million to \$200 million, ensuring comparability in size and scale to DGR;
- ▶ **Revenue:** Companies within a revenue range of \$0 million to \$10 million, reflecting a similar capacity to service debt obligations as DGR; and
- ▶ **Existing Debt:** Companies with debt already present on their balance sheets (in aggregate), as this reflects reliance on external funding similar to DGR's circumstances.

From an initial pool of 34 companies, we considered companies with existing debt (current and non-current) over \$5 million. This threshold, while reducing the number of companies considered from 34 to 12, ensures a more meaningful comparison to DGR's financial position and funding requirements. However, the pool of comparables is inherently limited, as companies in this stage of their lifecycle typically rely on non-traditional debt structures or equity funding rather than generating sufficient cash flow to service conventional debt obligations. Subsequently, a selection of 7 companies had funding arrangements that were considered broadly comparable to DGR's existing arrangements.

A summary of the seven companies selected and their debt arrangements is provided in Section 9.3.2 below.

9.3.2 Observations on Selected Debt Facilities of the ASX Listed Companies

The comparable companies identified reflect the characteristics and funding challenges faced by ASX-listed entities in a similar financial and operational position to DGR. These companies often operate in resource exploration and development sectors and must navigate funding constraints due to limited traditional collateral options and reliance on alternative or bespoke financing structures. While these companies represent the closest comparables available, identifying truly identical counterparts is inherently challenging due to the unique circumstances and funding arrangements of each entity.

Our analysis of the broadly comparable debt facilities reveals a range of terms tailored to the specific risks and needs of such companies. We note:

- ▶ **Facility Amounts:** Debt facilities ranged from A\$1 million to A\$131 million³⁵, reflecting differences in the scale of operations and funding requirements among the selected companies. We have considered companies with total debt exceeding \$5 million in aggregate due to the unique circumstances and funding arrangements of each entity.
- ▶ **Interest Rates:** Interest rates typically ranged between 4% and 20% per annum, with higher rates often associated with facilities secured against equity or intangible assets rather than traditional collateral. Some facilities, financed by related parties, offered favourable terms (i.e. interest free, unsecured) which have been noted below.
- ▶ **Security:** Many facilities were secured against non-traditional assets, such as mining tenements or mineral rights. Facilities backed by property or cash-flow-generating assets tended to secure more favourable terms.
- ▶ **Unique Terms:** Several facilities incorporated performance-based elements, such as milestone-linked payments or repayment through alternative mechanisms like royalty agreements. These reflect the higher risk profile and bespoke nature of funding arrangements for exploration-focused companies.

This analysis highlights that companies with limited traditional collateral, such as DGR, often face higher borrowing costs and more complex funding terms. Equity-linked provisions or contingent fees are more common in such scenarios, as lenders seek to offset the increased risk of lending against intangible or speculative assets.

The following section provides a detailed comparison of the Facility Agreement against the terms of these comparable facilities, as summarised in Table 9.3.3.

9.3.3 Summary of Identified Companies Debt Metrics

Table 9.1 below provides a summary of the debt facilities identified for comparable ASX-listed companies, highlighting key metrics such as facility amounts, interest rates, security arrangements, unique terms, and the dates of establishment or refinancing. Companies with facility arrangements, in aggregate above \$5 million, have been summarised below that are broadly comparable to the debt facility provided by Samuel. Refer to Appendix B for additional information to the Company facilities shown below.

Table 9.1: Summary of Comparable Company Debt Metrics¹

Company	Facility Amount	Interest Rate	Security	Unique Terms	Date Established / Refinanced
DGR	A\$23.5M	14.6% p.a.	Secured by SolGold shares	Upside Sharing Fee, Litigation Fee, 5% p.a. security and arranger fee.	Established 25/11/2024
Audalia Resources Limited (ASX:ACP)	A\$1.0M	10% p.a.	No	N/A	Extended 14/09/2023
	A\$2.0M	8% p.a.	No	N/A	Extended 14/09/2023
	A\$1.0M	Interest free	No	N/A	Extended 14/09/2023
	A\$2.0M	5% p.a.	No	N/A	Extended 14/09/2023
Australian Pacific Coal Limited (ASX:AQC)	US\$90.0M	15% p.a.	Senior security over the assets of the Dartbrook Joint Venture.	Repayment of facility by way of fixed \$/tonne deductions for coal sold, subject to a minimum payment per quarter, commencing 31 October 2025.	Facility increased by US\$30M 2/10/2024.
	A\$20.0M	20% p.a.	Second ranking security over the senior prepayment facility security package.	10% p.a. (undrawn / commitment fee).	Established 2/10/2024
	A\$3.0M	10% p.a.	Yes	N/A	Established 14/07/2023

³⁵ US\$90 million was approximately \$131.0 million based on the US\$1.4525/AUD currency exchange rate at the time of the 2 October 2024 announcement by Australia Pacific Coal.

Company	Facility Amount	Interest Rate	Security	Unique Terms	Date Established / Refinanced
Australian Strategic Materials Ltd (ASX:ASM)	A\$3.3M	6.32% p.a.	No	N/A	Established 11/06/2024
	A\$13.3M	3.95% p.a.	Yes	N/A	Established 11/06/2024
Alara Resources Limited (ASX:AUQ)	~A\$97.3M (OMR 24.8M)	6.5% p.a. OMR ² 5.15% p.a. US\$	Secured over mining property and mine development assets and by corporate guarantees.	N/A	Established 30/09/2021
	A\$5.1M	SOFR ² plus 5.15% margin p.a.	Unsecured	Options issued to secure the facility, exercisable on default at 10% discount to 30-day VWAP.	Established 01/07/2023
Cokal Limited (ASX:CKA)	US\$20.0M	-	Unsecured corporate guarantee under the Capital Participation Agreement with International Commodity Trade Pte Ltd. This guarantee may necessitate the sale of assets, including the Bumi Barito Mineral ('BBM') Project or other group assets, to fulfil payment obligations if required.	Linked to BBM operations; fee of US\$0.20 per Bank Cubic Metre ('BCM') of overburden removal, capped at US\$40M (includes interest payable) over 8 yrs.	Established 14/07/2021
	US\$3.0M	-	N/A	Facility fee of 20% p.a., payable over four quarters at 5% per quarter.	Established 07/02/2024
	US\$0.8M	12% p.a.	Corporate guarantee	N/A	Established 30/09/2020
	US\$0.75M	12% p.a.	N/A	N/A	Established 20/04/2021
Eagle Mountain Mining Limited (ASX:EM2)	US\$6.4M	3.15% p.a. for first 5 years, 0% p.a thereafter	Secured over all the assets of Wedgetail Operations LLC	Right to convert US\$1M of secured loan to ordinary shares at three conversion trigger events for 20% discount to 30-day VWAP	Established 30/11/2019
	A\$3M	10% p.a.	Unsecured	Lender can convert to shares at 10% discount to 30-day VWAP, company can repay in shares at 10% discount to 30-day VWAP.	Established 08/05/2023
Terramin Australia Limited (ASX:TZN)	A\$27.2M	12% p.a.	First ranking securities have been granted over a real property mortgage over land acquired at Bird in Hand, a general security interest over all the assets of Terramin Exploration Pty Ltd and a specific security over the shares of Terramin Exploration Pty Ltd.	Major shareholder, marketing agreement separate to debt restructure.	Extended Jul-24

Source: Capital IQ, Annual Financial Statements, Appendix 5B Cash Flow Reports, ASX Announcements

1 The table above excludes hybrid financing arrangements (i.e. convertible notes), promissory notes and deferred consideration as these were not considered comparable to DGR's Facility Agreement with Samuel.

2 Secured Overnight Financing Rate ('SOFR'), Omani rial ('OMR'), United States Dollar ('US\$'),

9.3.4 Considerations for DGR

The analysis in Table 9.1 highlights several important considerations for evaluating the Facility Agreement in the context of comparable market arrangements. We note:

- ▶ The Facility Agreement's 14.6% interest rate (19.6% including the Security Fee) is within the observed range (albeit at the higher end). This reflects the elevated risk profile associated with companies like DGR, which lack stable cash flows or conventional security;
- ▶ The Upside Sharing Fee and Litigation Fee provisions introduce contingent costs that are uncommon in traditional lending but align with bespoke funding solutions for higher-risk borrowers; and
- ▶ There was a variety of different security types used.

Overall, the Facility Agreement reflects a funding arrangement with a high cost, including interest, security requirements, and contingent obligations (which may or may not be paid). While these terms are potentially significant, they are not necessarily unreasonable when compared to similar facilities secured by companies with limited traditional collateral options.

9.4 Comparison of the Litigation Fee with Traditional Litigation Funding Models

In assessing the Litigation Fee terms under the Facility Agreement, it is useful to compare these terms with other commonly utilised litigation funding models, such as no-win, no-fee lawyer arrangements and third-party litigation funding. While the Facility Agreement differs fundamentally in structure, these comparisons provide useful context for evaluating its appropriateness in DGR's circumstances.

9.4.1 No-Win, No-Fee Arrangements

No-win, no-fee arrangements are commonly offered by legal practitioners in Queensland and other Australian jurisdictions. Under these agreements:

- ▶ Lawyers agree to defer their fees until the litigation is resolved successfully;
- ▶ An uplift fee, capped at 25% of the base legal fees (excluding disbursements),³⁶ may be charged to compensate for the deferred payment and risk of an unsuccessful outcome; and
- ▶ These arrangements are unsecured, meaning lawyers bear the financial risk entirely if the claim is unsuccessful, with no recourse to the client's other assets.

9.4.2 Class Action Funders

Class action funders in Australia typically provide non-recourse financing for representative proceedings. Their funding:

- ▶ Covers substantial costs such as legal fees, expert witnesses, and administrative expenses;
- ▶ Entitles the funder to a commission on the settlement or judgment amount, generally ranging from 20% to 40%, with an industry average of approximately 27%;³⁷ and
- ▶ Is contingent on a successful outcome, with funders assuming the full financial risk in the event of an unsuccessful case.

9.4.3 Comparisons with the Facility Agreement

The Facility Agreement incorporates a Litigation Fee provision that entitles Samuel to:

- ▶ 15% of the proceeds from litigation settlements or awards between the recovery of legal costs and \$35 million; and
- ▶ 10% of the proceeds above \$35 million.

Unlike no-win, no-fee arrangements or third-party funders, the Facility Agreement combines features of secured debt and contingent litigation funding, creating a hybrid funding model. Comparisons include:

- ▶ Traditional models, such as no-win, no-fee arrangements and third-party funders, are unsecured and fully contingent on success, while Samuel mitigates its own risk through security over DGR's assets and repayment guarantees;
- ▶ The Litigation Fee percentages (15% and 10%) are lower than the average fees charged by class action funders (20% to 40%), but the secured nature of the Facility Agreement introduces additional obligations for DGR, as Samuel's recovery is not solely tied to litigation success;
- ▶ The facility provides immediate liquidity to fund DGR's litigation without requiring upfront equity dilution or asset sales, but this comes at the cost of future litigation proceeds, potentially reducing the financial benefit to shareholders if the case achieves a favourable outcome; and
- ▶ Unlike no-win, no-fee arrangements or third-party funders, the Facility Agreement is a secured funding arrangement. Samuel is entitled to full repayment of the principal loan, regardless of the litigation's outcome, and the Litigation Fee applies only if the case is successful. This structure combines elements of both secured debt and contingent litigation funding, creating a hybrid funding model.

9.4.4 Considerations for DGR

While the Litigation Fee percentages are competitive compared to class action funders, the secured nature of the Facility Agreement means that DGR bears greater financial responsibility in the event of an unsuccessful litigation outcome. Additionally, as the facility does not fully cover litigation costs, there is potential for DGR to bear additional funding burdens if the case is prolonged or more expensive than anticipated.

In summary, the Facility Agreement offers immediate funding to support DGR's strategic pursuit of litigation outcomes, but it also creates an ongoing financial obligation that must be weighed against the potential benefits of

³⁶ "Legal costs agreements", Queensland Government

³⁷ "Litigation funding and the regulation of the class action industry", Law Council of Australia

retaining a greater share of the proceeds under traditional litigation funding models. The hybrid nature of the facility makes it a tailored, but complex, funding solution for DGR's unique circumstances.

9.5 Conclusion

The Facility Agreement represents a tailored funding solution designed to address DGR's immediate financial requirements while preserving its ability to retain key strategic assets, including its full holding in SolGold shares. Based on our consideration of the process followed to source funding, the terms of the facility, and a comparison with debt arrangements secured by comparable ASX-listed companies, the following key observations can be made:

- ▶ **Funding Process:** DGR undertook a structured and diligent process to identify and evaluate potential funding sources. The Non-Associated Directors sought and considered offers from a range of financial institutions and alternative lenders, balancing the need for competitive terms with the strategic objective of retaining its SolGold shares for long-term value appreciation;
- ▶ **Reasonableness of Terms:** The Facility Agreement's terms, while reflecting the higher cost associated with non-traditional security and the perceived risk profile of DGR, are broadly consistent with those observed for comparable companies;
- ▶ **Unique Features:** The inclusion of the Upside Sharing Fee and Litigation Fee distinguishes the Facility Agreement from more conventional arrangements. These terms are reflective of DGR's position as an exploration-focused company without traditional collateral, but they also introduce contingent costs that require careful consideration in assessing the overall cost of funding; and
- ▶ **Strategic Alignment:** The facility supports DGR's long-term strategic objectives by enabling the Company to avoid immediate asset sales or equity dilution. This aligns with the Non-Associated Directors' view that retaining SolGold shares provides the greatest potential for future value creation for shareholders.

10.0 Valuation of Options

10.1 Overview

This section sets out a calculation of the value of the options ('the Options') proposed to be issued to Samuel under the Option Deed ('the Option Deed'), a condition precedent to the first drawing under the Facility Agreement. The valuation of the Options, set out below, is to assist Non-Associated Shareholders in understanding the potential value of the Options, taking into account their specific terms and conditions.

10.2 Summary of Option Terms

The terms of the Options are summarised in Schedule 2 of the Notice of Meeting. We have set out a summary below.

10.2.1 Number Issued

DGR has agreed to grant 180 million options to Samuel.

10.2.2 Exercise Price

The exercise price of the Options is the lower of:

- ▶ \$0.03; or
- ▶ An adjusted price formula triggered if the Company issues Equity Securities at a price below \$0.03, provided the issuance exceeds 15% of the Company's outstanding shares (excluding ESOP issuances capped at 5%).

The adjusted price is calculated using the formula:

Adjusted price = (A+B) / C

Where:

- ▶ A: Market capitalisation of the Company prior to the issuance.
- ▶ B: Total issuance price of the new Equity Securities.
- ▶ C: Fully diluted number of shares post-issuance.
- ▶ The lowest adjusted price applies in the case of multiple issuances.

10.2.3 Exercise Period

The Options are exercisable for a period of three years from the later of:

- ▶ The date funds are first drawn under the Facility Agreement; or
- ▶ The date of option issuance.

Any unexercised options will lapse at the end of this period.

10.2.4 Entitlement

Each option entitles the holder to subscribe for one fully paid ordinary share upon payment of the Exercise Price before the Expiry Date.

10.3 Valuation

10.3.1 Methodology

We considered several commonly used option pricing models to value the Options. After assessing the terms of the Options, we determined that the Black-Scholes option pricing model is the most appropriate methodology.

The Black-Scholes model provides a robust and widely accepted framework for valuation.

In forming the view that it is appropriate to use the Black-Scholes model, we considered the terms of the anti-dilution clause, which allows for an adjusted exercise price if equity is raised below \$0.03. Based on discussions with the Company and the expressed preference to fund operations through the sale of SolGold shares rather than raising equity at a discount to net asset value per share, we have not made any specific adjustment for the anti-dilution clause in our valuation (i.e. we have assumed the exercise price is fixed at \$0.03). Additionally, it is unclear what the Company's share price would be at the time of any potential equity raising and how it would compare to the share price used in the option valuation model, further supporting the assumption of a fixed exercise price as any other assumption would be hypothetical (albeit we have set out a sensitivity analysis to illustrate the impact).

While the anti-dilution clause provides optionality that could enhance the value of the Options, this has not been incorporated into our valuation due to the uncertainty surrounding future equity issuance and its potential impact, as well as the preference expressed by the Non-Associated Directors to avoid equity raises while the share price is trading at material discounts to net asset values per share.

10.3.2 Inputs

Table 10.1 below summarises the inputs we have used in the Black-Scholes option pricing model.

Table 10.1: Summary of inputs for Black-Scholes option pricing model

Description	Value	Explanation
Time to maturity	3 years	As per Notice of Meeting
Exercise price	\$0.030	As per Notice of Meeting
Risk-free rate	3.805%	We have considered information including the yield of 3-year Australian Government bonds as at 31 January 2025, being the latest available data as at the date of this analysis (i.e. 12 February 2025). Australian Government bond yield data has been sourced from the Reserve Bank of Australia.
Grant date share price	\$0.002 to \$0.018	As it is unclear what the Company's share price will be at the grant date, we have adopted an expected hypothetical range for the share price having regard to Table 7.9 of this Report, detailing the historical Monthly VWAPs from February 2024 to January 2025. Specifically, we have considered DGR's 3-month VWAP between November 2024 and January 2025 (\$0.010) and increments of \$0.002 to establish a sensitivity range either side of this value.
Volatility	80.0% to 120.0%	We have determined an expected volatility range, having regard to: <ul style="list-style-type: none"> – The historical volatilities for ASX:DGR over a 5-year period from the date of this analysis - refer Section 10.3.3 for this analysis. – The historical three-year volatility of ASX:DGR, being the time to maturity of the options, is 121.6%. – Our view that shorter-term volatility figures (e.g. 1-year at 184.2%) can often be elevated by transient market dynamics. Multi-year averages typically offer a more reliable representation of long-term share price fluctuations. – Our experience valuing options for resource-sector companies at a similar stage of development, where a moderately lower bound is often more reflective of sustainable risk levels. <p>Overall, the selected range captures both the observed high volatility in recent historical data and the possibility that shorter-term spikes may not be entirely representative of the forward-looking risk profile.</p>
Annual dividend yield	Nil	Assumed to be nil as ASX:DGR currently pay no dividends. We are instructed by Management that no dividends are currently foreseeable in the future.

10.3.3 Volatility analysis

Table 10.2 below summarises the historical volatility of ASX:DGR for a 5-year period prior to the date of this analysis.

Table 10.2: Summary of historical volatility of ASX:DGR as at 14 January 2025

Ticker	ASX:DGR
Name	DGR
1 Year	184.2%
2 Year	141.9%
3 Year	122.7%
5 Year	104.0%
Average	138.2%

10.3.4 Value

Table 10.3 sets out the value per option based on the inputs provided in Table 10.1. Given the uncertainty surrounding the expected volatility and share price inputs, we have included an output value for multiple inputs. For the sensitivity analysis, we estimated the share price in increments of \$0.002 and the volatility in increments of 10%.

Table 10.3: Value per option output of the Black-Sholes option pricing model

(AUD)		Volatility				
Share price (AUD)		80.0%	90.0%	100.0%	110.0%	120.0%
	0.002	0.00010	0.00018	0.00029	0.00041	0.00054
	0.004	0.00047	0.00071	0.00097	0.00124	0.00152
	0.006	0.00108	0.00147	0.00189	0.00230	0.00270
	0.008	0.00186	0.00241	0.00296	0.00349	0.00401
	0.010	0.00278	0.00347	0.00414	0.00479	0.00540
	0.012	0.00382	0.00463	0.00542	0.00616	0.00686
	0.014	0.00496	0.00588	0.00676	0.00759	0.00837
	0.016	0.00617	0.00720	0.00817	0.00908	0.00992
	0.018	0.00746	0.00857	0.00962	0.01060	0.01151

Table 10.4 below details the total expected option value, having regard to the expected value per option detailed in Table 10.3 and the number of options agreed to be issued being 180 million options to Samuel.

Table 10.4: Total option value output of the Black-Sholes option pricing model

(AUD)		Volatility				
Share price (AUD)		80.0%	90.0%	100.0%	110.0%	120.0%
	0.006	18,034	32,705	51,389	73,108	96,802
	0.008	85,133	127,679	174,663	223,882	273,532
	0.009	193,570	265,197	339,441	413,705	486,064
	0.011	334,286	433,291	532,298	628,778	720,956
	0.012	500,652	624,613	745,805	861,976	971,607
	0.014	687,844	834,275	975,295	1,108,999	1,234,140
	0.015	892,268	1,058,838	1,217,600	1,366,997	1,506,039
	0.017	1,111,177	1,295,768	1,470,447	1,633,964	1,785,551
	0.018	1,342,426	1,543,144	1,732,142	1,908,425	2,071,403

APPENDIX A: GLOSSARY

Reference	Definition
A\$ or \$	Australian dollars
ADZ	ADZ Energy Pty Ltd
ACL	Australian Consumer Law
Act, the	The Corporations Act 2001
AFCA	Australian Financial Complaints Authority
Alara	Alara Resources Limited
APES 225	Accounting Professional and Ethical Standards Board professional standard APES 225 <i>Valuation Services</i>
AQC	Australia Pacific Coal Limited
Armour	Armour Energy Limited
Armour Group	Armour and its group companies
ASIC	Australian Securities and Investment Commission
ASM	Australian Strategic Materials Ltd
ASX	Australian Securities Exchange
ASX Approvals	Together, the Security Interest, Upside Sharing Fee, and Litigation Fee under the Facility Agreement to which DGR shareholders are to vote in favour of or against at the Meeting.
Atlantic Lithium	Atlantic Lithium Ltd
Audalia	Audalia Resources Limited
BCM	Bank Cubic Metre
BDO Persons	The partners, directors, agents or associates of BDO
BDOCF	BDO Corporate Finance Ltd
Choice	Choice Investments (Dubbo) Pty Ltd
Choice Facility Agreement	The facility agreement between DGR and Choice to fund DGR's DOCA proposals for Armour announced to the ASX on 17 January 2024.
Choice Options	The options granted by DGR to Choice under the Choice Facility Agreement.
CNSX	Canadian Securities Exchange
Cokal	Cokal Limited
COMEX	The Commodity Exchange
Company, the	DGR Global Limited
Court	The Supreme Court of Queensland
DGR	DGR Global Limited
DOCA	Deed of Company Arrangement
EM2	Eagle Mountain Mining Limited
Equities First	Equities First Holdings LLC
Example SolGold Baseline VWAP, the	The 10-day SolGold VWAP of £0.0713 per share, as at 12 February 2025, used for the purpose of assessing DGR's funding need and the Upside Sharing Fee

Reference	Definition
Existing Litigation	The matter of DGR Global Limited v P.T. Limited & Ors - BS 15575/2023 including to the extent that the relevant statement of claim may be amended from time to time including by the joining of new claimants and / or defendants and any appeal arising out of the judgment of the relevant court.
Facility Agreement, the	The proposed facility agreement between DGR and Samuel to fund the refinancing of existing debt facilities, provide working capital and ongoing legal fees for the Existing Litigation
FSG	Financial Services Guide
FYXX	The financial year or 12-month period ended on 30 June 20XX
GBP or £	Great British Pounds
General Security Deed	Means the document entitled 'General Security Deed - DGR Global' dated on or about the date of the Notice of Meeting granted over DGR and its guarantors' assets and undertakings in favour of Samuel
GSE	Ghana Securities Exchange
ICSG	International Copper Study Group
ICT	International Commodity Trade Pte Ltd
IRR	Internal rate of return
Lakes Blue	Lakes Blue Energy NLL
LSE	London Stock Exchange
McArthur Oil and Gas	McArthur Oil and Gas Limited
Meeting, the	General meeting to be held on or around 2 April 2025
Mr Mather's Relevant Interest	Mr Mather's interest in approximately 16.34% of the Company's issued share capital
Non-Associated Directors, the	The Directors of DGR who are not associated with Samuel
Non-Associated Shareholders, the	The shareholders of DGR who are not associated with Samuel
Notice of Meeting, the	The Notice of Meeting and Explanatory memorandum dated 20 February 2025 prepared by DGR
NPAT	Net profit after tax
NPV	Net present value
Options	The options proposed to be issued to Samuel under the Facility Agreement
OTCQX	Over-the-Counter Market for established, investor-focused companies
Perpetual parties	P.T. Limited and Perpetual Corporate Trust Limited
PFS	Pre-feasibility study
PPA	Personal Property Securities Act 2009
Regulations, the	The Corporation Regulations 2001
Report, this	This independent expert's report prepared by BDOCF and dated 20 February 2025
RG 111	Regulatory Guide 111: <i>Content of Expert Reports</i> , issued by ASIC
RG 76	Regulatory Guide 77: <i>Related Party Transactions</i> , issued by ASIC
RGs	Regulatory guides published by ASIC

Reference	Definition
Samuel	Samuel Holdings Pty Ltd as trustee for the Manumbar Pastoral Trust
Secured Property, the	The assets over which security is granted
September Payment	The \$2.75 million principal payment Armour failed to pay on the 29 September 2023 for the secured amortising notes issued in 2019, triggering an event of default.
Share Pledge	Means the document entitled 'Share Pledge' dated on or about the date of the Notice of Meeting granted by DGR in favour of Samuel over all of the SolGold shares owned, now or in the future, by DGR (including those subject to a first ranking charge in favour of Equities First, with any such shares becoming subject to a second ranking charge in favour of Samuel)
Shunkang	Shunkang Holding Group
SolGold	SolGold Plc
SolGold Baseline VWAP	The 10-day VWAP for SolGold shares on the LSE (in £) at the inception of the Facility Agreement and used to calculate the Upside Sharing Fee.
Substantial Asset	An asset if its value or the consideration for it is, or in ASX's opinion is, 5% or more of the value of the equity interests of the entity, as set out in the latest accounts given to the ASX in accordance with the ASX listing rules
Substantial Holder	A person who has relevant interest, or had a relevant interest at any time in the six months before the transaction, in at least 10% of the voting power of the company
Terramin	Terramin Australia Limited
TSX	Toronto Stock Exchange
Upside Sharing Fee	Means the financial benefit provided by DGR to Samuel under the Facility Agreement upon DGR's disposal of SolGold shares.
US\$	United States Dollar
VWAP	Volume weighted average price
We, us, our	BDO Corporate Finance Ltd

APPENDIX B: COMPARABLE COMPANY DEBT METRICS

This section sets out information in relation to debt metrics of companies that are broadly comparable to DGR. The information set out below includes a summary of various financing commitments we have considered to assess the reasonableness of the terms on offer to DGR under the Facility Agreement.

We have identified a group of ASX-listed companies broadly similar to DGR using a multi-screening approach that included the following criteria:

- ▶ **Market Capitalisation:** Companies within a market capitalisation range of \$2 million to \$200 million, ensuring comparability in size and scale to DGR;
- ▶ **Revenue:** Companies with a revenue range of \$0 million to \$10 million, reflecting a similar capacity to service debt obligations as DGR;
- ▶ **Existing Debt:** Companies with debt already present on their balance sheets, as this reflects reliance on external funding similar to DGR's circumstances.

From an initial pool of 34 companies, we considered 12 companies with existing debt (current and non-current) over \$5 million to ensure a more meaningful comparison to DGR's financial position and funding requirements. The pool of comparables is inherently limited, as companies in this stage of their lifecycle typically rely on non-traditional debt structures or equity funding rather than generating sufficient cash flow to service conventional debt obligations. Subsequently, a selection of 7 companies had funding arrangements that were considered broadly comparable to DGR's existing arrangements.

B.1 Debt Metrics from Listed Comparable Companies

A summary of the 7 companies selected and their debt arrangements is detailed below.

Audalia Resources Limited ('Audalia')

In September 2023, Audalia advised it had negotiated a further extension to the A\$2 million investor loan facility established in March 2015 to advance its pre-feasibility study at the flagship Medcalf Project. Key terms of this facility include:

- ▶ **Repayment Date:** 31 July 2025
- ▶ **Interest Rate:** 8% per annum, accruing on a daily basis and payable on the Repayment Date
- ▶ **Security:** The loan facility is unsecured
- ▶ **Fees:** No fees are payable by Audalia for the establishment or provision of the loan.

In September 2023, Audalia advised it had negotiated a further extension to the A\$1 million private investor loan facility established in March 2018 to complete regional exploration and evaluation activities at the Medcalf Project. Key terms of this facility include:

- ▶ **Repayment Date:** 31 July 2025
- ▶ **Interest Rate:** 10% per annum, accruing on a daily basis and payable on the Repayment Date
- ▶ **Security:** The loan facility is unsecured
- ▶ **Fees:** No fees are payable by Audalia for the establishment or provision of the loan.

In September 2023, Audalia advised it had negotiated a further extension in relation to the A\$1 million in loan facilities from Audalia director, Siew Swan Ong, to meet its working capital requirements. Key terms of this related party loan include:

- ▶ **Repayment Date:** 31 July 2025
- ▶ **Interest Rate:** Interest free
- ▶ **Security:** The loan facility is unsecured
- ▶ **Fees:** No fees are payable by Audalia for the establishment or provision of the loan.

In September 2023, Audalia advised it had negotiated a further extension in relation to the A\$2 million in loan facilities from Audalia director, Siew Swan Ong, to meet its working capital requirements. Key terms of this related party loan include:

- ▶ **Repayment Date:** 31 July 2025
- ▶ **Interest Rate:** 5% per annum, accruing on a daily basis and payable on the Repayment Date
- ▶ **Security:** The loan facility is unsecured
- ▶ **Fees:** No fees are payable by Audalia for the establishment or provision of the loan.

Australian Pacific Coal Limited ('APC')

In October 2024, APC announced the increase in existing senior debt facility from US\$60 million to US\$90 million (\$131.0 million) from Vitol Asia Pte Ltd ('Vitol') to provide working capital for the Dartbrook Joint Venture with Tetra Dartbrook Pty Ltd and enable the restart of mining operations and commercial production. Key terms of the existing senior debt facility include:

- ▶ Repayment Date: 31 December 2027
- ▶ Interest Rate: 15% per annum
- ▶ Security: Senior security over the assets of the Dartbrook Joint Venture
- ▶ Fees: No fees are payable by APC for the establishment or provision of the loan
- ▶ Unique terms: Repayment of the facility will be made by way of fixed \$/tonne deductions from the price of coal sold, subject to a minimum payment per quarter, commencing 31 October 2025. The existing senior debt facility is contingent upon APC securing a A\$20 million junior debt facility, of which APC will fund 50% (being A\$10 million), which may only be drawn once the senior existing debt facility is fully drawn down.

In October 2024, APC announced the conditions precedent to the existing senior debt facility of the establishment of a subordinated junior debt facility of A\$20 million to be 50% funded by APC. Key terms of the subordinated junior debt facility include:

- ▶ Repayment Date: 31 December 2027
- ▶ Interest Rate: 20% per annum (drawn amounts)
- ▶ Security: Second ranking security over the existing senior debt facility's security on the assets of the Dartbrook Joint Venture
- ▶ Fees: 10% per annum (undrawn/commitment fee)
- ▶ Unique terms: Existing senior debt facility to be fully utilised.

In July 2023, APC announced it had agreed to binding terms with its major shareholder, Trepang Services, for a loan of A\$3 million for additional working capital while negotiations with potential lenders for the balance of the restart capex (~A\$120 million) are finalised. Key terms of the existing senior debt facility include:

- ▶ Repayment Date: 13 July 2024 or when third party funding is secured.
- ▶ Interest Rate: 10% per annum
- ▶ Security: Subordinate to Vitol who has first ranking security over the assets of the Dartbrook Joint Venture
- ▶ Fees: No fees are payable by APC for the establishment or provision of the loan.

Australian Strategic Materials Ltd ('ASM')

In June 2024, ASM announced it had successfully refinanced existing Korean loan facilities associated with their Korean Metals Plant ('KMP'). The refinancing extends the maturity date of the previous Opex Loan and provides financial flexibility for the Company to continue to focus on ramp up activities for the KMP. The ~A\$16.6 million in new financing is comprised of:

- ▶ A ~\$3.3 million unsecured loan facility from Hana Bank at 3.95% per annum, with a repayment date of 30 May 2025; and
- ▶ A ~\$13.1 million secured loan facility from Korean Development Bank in South Korea, secured against KMP assets and with a repayment date of 10 June 2025.

Alara Resources Limited ('Alara')

In September 2021, Alara entered into a facility agreement with Sohar International Bank ('Sohar') for construction of mining and processing infrastructure at their 51% joint venture vehicle's Al Wash-hi Majaza copper-gold project in Oman. The ~A\$97.33 million (OMR 24.8 million) facility includes the following key terms:

- ▶ Repayment Date: June 2031 (term of 9 years and 9 months from first drawing)
- ▶ Interest Rate: 6.5% per annum for amounts drawn in OMR and 5.15% for amounts drawn in US\$
- ▶ Security: Secured by a legal mortgage over Alara's assets including processing plant, land and buildings.

In July 2023, Alara entered into a loan agreement with Trafigura Pte Ltd to further capitalise the Al-Wash-hi Majaza copper-gold project in Oman. The A\$5.07 million (US\$3.45 million) loan facility includes the following key terms:

- ▶ Repayment Date: 30 June 2029
- ▶ Interest Rate: SOFR plus a margin of 5.15% per annum
- ▶ Security: Warrants (options) were issued to Trafigura Pte Ltd enabling the conversion of the outstanding balance at the time of any event of default into Alara shares, subject to a cap of 179,521,885 shares (20% of post-exercise voting power) in Alara.

Cokal Limited ('Cokal')

In July 2021, Cokal entered into a facility agreement with International Commodity Trade Pte Ltd ('ICT') for development of the BBM Coking Coal Project. The US\$20 million facility includes the following terms:

- ▶ Repayment Date: 20 November 2029, each drawdown repayable within 5 years from drawdown.
- ▶ Interest Rate: N/A, 10% per annum under payment default
- ▶ Security: Corporate guarantee
- ▶ Fees: Total fee of US\$0.20 per BCM of overburden removal at BBM, capped at a maximum amount of 200 million BCM (\$US40 million). Fee is payable monthly, with minimum of US\$400,000 per month.

In February 2024, Cokal entered into an additional loan facility with ICT to continue development of the BBM Coking Coal Project. The US\$3 million loan facility includes the following key terms:

- ▶ Repayment Date: February 2025
- ▶ Interest Rate and Facility Fee: A facility fee of 20% per annum is payable over 4 quarters (5% per quarter)
- ▶ Security: Unsecured.

In September 2020, Cokal entered into loan facility with Aahana Minerals Resources SDN BHD for US\$800,000. The loan facility includes the following key terms:

- ▶ Repayment Date: Within 30 days of receipt of a written demand for repayment by Aahana
- ▶ Interest Rate: 12% per annum payable on the funds drawn down
- ▶ Security: Corporate guarantee.

In April 2021, Cokal entered into loan facility with Alpine Invest Holding Ltd for US\$750,000. The loan facility includes the following key terms:

- ▶ Repayment Date: April 2022
- ▶ Interest Rate: 12% per annum payable on the funds drawn down
- ▶ Security: Unsecured.

Eagle Mountain Mining Limited ('EM2')

In November 2019, EM2's 100% wholly owned subsidiary, Wedgetail Operations LLC entered into a secured loan with Vincere Resource Holdings LLC for US\$6.4 million. Key terms of the secured loan include:

- ▶ Repayment Date: November 2029.
- ▶ Interest Rate: 3.15% per annum for first 5 years, no interest accruing thereafter
- ▶ Security: Secured over all of the assets of Wedgetail Operations LLC
- ▶ Key term: Vincere Resource Holdings LLC has the right to convert up to US\$1 million of the secured loan into ordinary shares of EM2 upon completion of the PFS, commitment is made to proceed with a bankable feasibility study, and a commitment is made to commission the financing of the project as evidenced by a feasibility study sufficient to obtain third party financing.

In May 2023, EM2 entered into a loan facility agreement with Metech Super Pty Ltd for A\$3 million to advance the company's Oracle Ridge Copper Project and for general working capital purposes. Key terms of the loan facility include:

- ▶ Repayment Date: 31 December 2024.
- ▶ Interest Rate: 10% per annum
- ▶ Security: Unsecured
- ▶ Key terms: No early repayment, no restriction for financing utilisation, and the option for the lender to convert all or part of the principal and interest into ordinary shares in EM2 up until the date which is 90 days prior to maturity. Conversion of shares will be dependent upon shareholder approval and compliance with the Corporations Act and the price will be at the greater of a 15% discount to the 15-day VWAP and a floor price of \$0.14.

Terramin Australia Limited ('Terramin')

In July 2024, Terramin successfully extended both secured facility agreements with major shareholder Asipac Group Pty Ltd for a total of \$27.2 million. Key terms of the secured loan include:

- ▶ Repayment Date: 31 January 2025.
- ▶ Interest Rate: 12% payable upon termination date
- ▶ Security: First ranking security over a real property mortgage over land acquired at Bird in Hand, a general security interest over all the assets of Terramin Exploration Pty Ltd and a specific security over the shares of Terramin Exploration Pty Ltd.
- ▶ Key term: Vincere Resource Holdings LLC has the right to convert up to US\$1 million of the secured loan into ordinary shares of EM2 upon completion of the PFS, commitment is made to proceed with a bankable feasibility study, and a commitment is made to commission the financing of the project as evidenced by a feasibility study sufficient to obtain third party financing.

B.2 Listed Comparable Companies

Table B.1: Comparable Companies - Business Description

Company Name	Classification	Market Capitalisation A\$(million)	Business Description
Audalia Resources Limited (ASX:ACP)	Mineral Exploration	17.4	Audalia Resources Limited engages in the exploration and evaluation of mineral properties in Australia. The company focuses on vanadium, titanium, and iron deposits. It holds a 100% interest in the Medcalf project, which covers an area of approximately 38 square kilometers located to the southeast of Perth near Lake Johnston, Western Australia.
Australian Pacific Coal Limited (ASX:AQC)	Coal Exploration	53.9	Australian Pacific Coal Limited acquires, explores for, and develops thermal and metallurgical coal prospects in Australia. It holds 100% interests in the Dartbrook coal project covering an area of approximately 3,268 hectares located in the coal region of the Hunter Valley, New South Wales, and the Matuan Downs bentonite project located in Queensland.
Australian Strategic Materials Ltd (ASX:ASM)	Critical Minerals Production	87.0	Australian Strategic Materials Ltd (ASM) is an emerging vertically integrated producer of critical metals for advanced and clean technologies. ASM's "mine to metals" strategy involves extracting, refining, and manufacturing high-purity metals, alloys, and powders, supplying directly to global manufacturers in clean energies, electric vehicles, aerospace, electronics, and communications. The Dubbo Project, based on a long-term, globally significant resource of rare earths, zirconium, niobium, and hafnium, is a flagship project for clean resource development.
Alara Resources Limited (ASX:AUQ)	Mineral Exploration	23.7	Alara Resources Limited engages in the exploration, evaluation, and development of mineral resources in Australia, Saudi Arabia, and Oman. The company focuses on copper, zinc, silver, and gold deposits. Alara's flagship project is the Al Wash-hi - Majaza Copper-Gold Project in Oman.
Cokal Limited (ASX:CKA)	Coal Exploration	62.6	Cokal Limited engages in the identification and development of coal projects within the Central Kalimantan coking coal basin in Indonesia. The company explores for metallurgical coal deposits. Its flagship property is the 60% owned Bumi Barito Mineral (BBM) project, a metallurgical coal project that covers an area of 14,980 hectares located in Kalimantan, Indonesia.
Eagle Mountain Mining Limited (ASX:EM2)	Mineral Exploration	3.2	Eagle Mountain Mining Limited, together with its subsidiaries, engages in the exploration and development of mineral resources in Australia and the United States. The company focuses on copper, gold, silver, and base and precious metal deposits. It holds a 100% interest in the Oracle Ridge copper project and the Silver Mountain project, both located in Arizona, USA.
Terramin Australia Limited (ASX:TZN)	Mineral Exploration	177.8	Terramin Australia Limited, together with its subsidiaries, explores for, evaluates, and develops base and precious metals, and other economic mineral deposits in Australia and Northern Africa. The company primarily explores for zinc, lead, gold, and copper deposits. Its flagship project is the 65% owned Tala Hamza Zinc project located on the Mediterranean coast of Algeria.

Source: Capital IQ, as at 30 January 2025

APPENDIX C: IMPLIED INTEREST RATE

This section sets out the implied interest rate to Samuel for the Facility Agreement, calculated with respect to several provisions relating to fees and interest. The provisions include the Interest Rate, Establishment Fee & Broker Fee, Upside Sharing Fee, Litigation Fee, Security & Arranger Fee, and the Options granted under the Option Deed.

C.1 Facility Agreement - Interest Rate

The interest rate applicable to the Facility Agreement is 14.60% per annum based on the outstanding balance drawn down. Interest:

- ▶ Accrues daily at 14.60% per annum;
- ▶ Is to be calculated on the basis of a 365-day year; and
- ▶ Is payable seven days prior to the last day of each month.

Both parties agree that the interest which has accrued and is payable to Samuel on each payment date be paid by:

- ▶ Samuel applying an amount equal to the payment from the Interest and Fee Reserve Account until such time as the funds available in the Interest and Fee Reserve Account have been extinguished; and
- ▶ In the event that the funds available in the Interest and Fee Reserve Account have been extinguished, DGR pay the balance in immediately cleared funds.

For the purposes of calculating an implied interest rate, we have assumed that the interest is paid in cash from the Interest and Fee Reserve Account.

C.2 Facility Agreement - Establishment Fee & Broker Fee

The Establishment Fee & Broker Fee, defined under the Facility Agreement, is \$680,000 (plus any applicable GST). This fee is payable to Samuel on or before the inception of the Facility Agreement (first drawdown). If the fee is not paid before the first drawdown date, the fee will be paid by way of transfer of funds from the Interest and Fee Reserve Account.

For the purposes of calculating an implied interest rate, we have assumed the Establishment Fee & Broker Fee is paid by way of transfer of funds from the Interest and Fee Reserve Account.

C.3 Facility Agreement - Upside Sharing Fee

Under the Facility Agreement, the Upside Sharing Fee is the financial benefit provided by DGR to Samuel that arises from the obligation to pay Samuel a fee, upon disposal of any SolGold shares, equivalent to:

- ▶ 15% of any realised gain from any disposal of SolGold shares above the SolGold Baseline VWAP, provided any disposal of SolGold shares occurs before April 2031 (i.e. the date which is six years after the date of the Facility Agreement);
- ▶ 7.5% of any realised gain from any disposal of SolGold shares above the SolGold Baseline VWAP, provided any disposal of SolGold shares occurs between April 2031 and April 2035 (i.e. from the date which is six years and one day after the date of the Facility Agreement until the date which is ten years after the date of the Facility Agreement); and
- ▶ If no SolGold shares are sold before April 2035 (i.e. ten years and one day post the inception of the Facility Agreement) or no gain is realised above the SolGold Baseline VWAP, no Upside Sharing Fee is payable.

The Upside Sharing Fee is due and payable on demand following any disposal of DGR's SolGold shares.

For the purposes of calculating an implied interest rate, we have assumed the following scenarios for the Upside Sharing Fee, using the Example SolGold Baseline VWAP of £0.0713 per share:

- ▶ **Low:** No Upside Sharing Fee is payable, as a result of DGR not disposing of SolGold shares within the ten year period or the SolGold share price achieved upon disposal does not exceed £0.0713 per share;
- ▶ **Medium:** Disposal of all SolGold shares currently held by DGR (204,151,800 shares) at the lower analyst forecast (£0.35, -\$0.70) seven years post the inception of the Facility Agreement (i.e. 7.5% of the upside is payable to Samuel).
- ▶ **High:** Disposal of all SolGold shares currently held by DGR (204,151,800 shares) at the higher analyst forecast (£0.63, -\$1.26) five years post the inception of the Facility Agreement (i.e. 15.0% of the upside is payable to Samuel)

C.4 Facility Agreement - Litigation Fee

Under the Facility Agreement, the Litigation Fee is the financial benefit provided by DGR to Samuel that arises from the obligation to pay Samuel a fee, upon win or settlement of the Existing Litigation, equivalent to:

- ▶ 15% of any win or settlement proceeds up to \$35.0 million (after the deduction of any amount awarded for the recovery of legal costs); and
- ▶ 10% of any win or settlement proceeds in excess of \$35.0 million.

The fee applies to the proceeds of any win or settlement (net of legal costs) achieved by DGR from the Existing Litigation, regardless of the timing or nature of the resolution and is due and payable upon demand, within two business days of receipt by DGR of the relevant payment.

For the purposes of calculating an implied interest rate, we have assumed the following scenarios for the Litigation Fee:

- ▶ **Low:** No Litigation Fee is payable, as a result of an unsuccessful outcome from the Existing Litigation;
- ▶ **Medium:** DGR recover the initial quantum of claim of \$28.6 million (refer to Section 7.2.3) to be received in three years; and
- ▶ **High:** For the purposes of the high scenario, we have assumed DGR recover a settlement value of \$60 million to be received in three years. This assumption has considered the initial quantum of claim (\$28.6 million), and the proposed value of DGR's shares in Armour the directors believe was achievable (\$129 million).

We have assumed a recovery period for any successful win or settlement to be received in three years from inception of the Facility Agreement. Noting the complexity of claims and number of defendants involved in the Existing Litigation, there is uncertainty surrounding the prospects, timeframe and extent of appeals which could delay judgement or settlement payment, if any.

We have not been informed by Management or DGR's counsel regarding the above scenarios and these have been established hypothetically to determine an implied interest rate based on the level of fees that may be payable under the Facility Agreement.

C.5 Facility Agreement - Security & Arranger Fee

The Security & Arranger Fee applicable to the Facility Agreement is 5.0% per annum and is charged according to the total commitment of the Facility Agreement (\$23.5 million). The Security & Arranger Fee:

- ▶ Accrues daily at 5.0% per annum;
- ▶ Is to be calculated on the basis of a 365-day year; and
- ▶ Is payable seven days prior to the last day of each month.

Both parties agree that the Security & Arranger Fee which has accrued and is payable to Samuel on each payment date be paid by:

- ▶ Payment in cash in immediately cleared funds by way of transfer of funds from the Interest and Fee Reserve Account; or
- ▶ If DGR requests in writing five business days prior to the relevant payment date, an issuance or transfer of SolGold shares with a value which, using a 10% discount to the 3-day VWAP for SolGold shares on the LSE, have a value up to 50% of the full amount of the Security & Arranger Fee then owing, with the remaining balance to be paid in cash in immediately cleared funds by way of transfer of funds from the Interest and Fee Reserve Account.

For the purposes of calculating an implied interest rate, we have assumed that the Security & Arranger Fee is paid in cash from the Interest and Fee Reserve Account.

C.6 Option Deed - Options

Under the Facility Agreement, execution and delivery of the Option Deed is a condition precedent prior to the first drawdown and inception of the Facility Agreement. Under the Option Deed, DGR is to grant 180 million options to Samuel with an exercise price being the lower of:

- ▶ \$0.03; or
- ▶ An adjusted price formula triggered if the Company issues Equity Securities at a price below \$0.03, provided the issuance exceeds 15% of the Company's outstanding shares (excluding ESOP issuance capped at 5%).

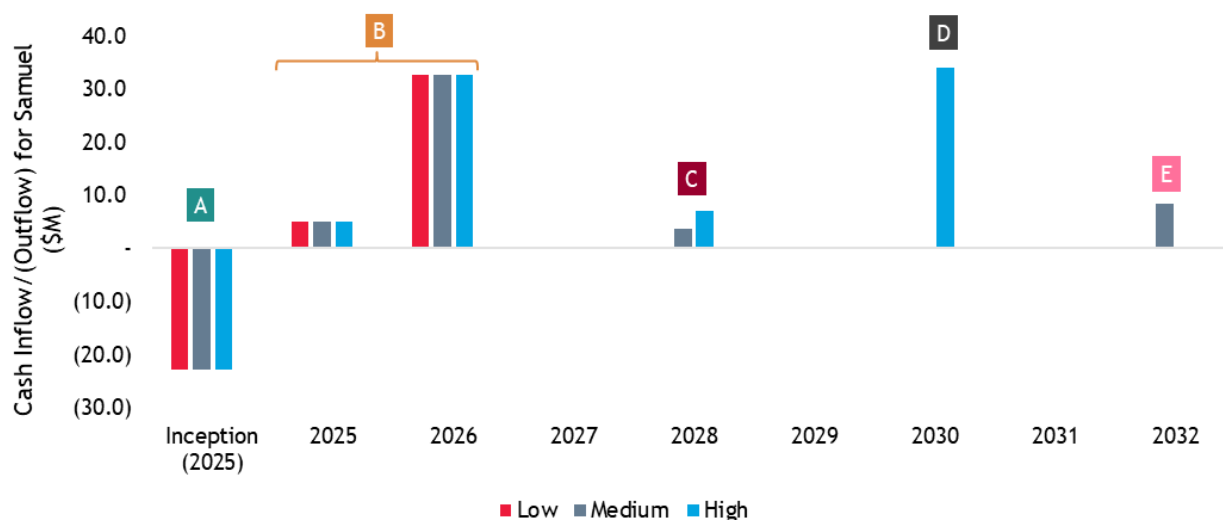
Having regard to the valuation of the Options set out in Section 10, and for the purposes of calculating an implied interest rate, we have assumed the value of the Options granted at the inception of the Facility Agreement be \$745,805 for all scenarios, using 100% volatility and a share price on grant date of \$0.010 (based on the 3-month VWAP between November 2024 and January 2025).

C.7 Implied Interest Rate

Table C.1: Implied Interest Rate Summary of Components

Company Name	Low	Medium	High
Interest Rate	14.60% p.a. on the outstanding balance	14.60% p.a. on the outstanding balance	14.60% p.a. on the outstanding balance
Establishment Fee & Broker Fee	\$680,000	\$680,000	\$680,000
Upside Sharing Fee	N/A	\$8.4 million Paid in January 2032	\$34.0 million Paid in January 2030
Litigation Fee	N/A	\$3.7 million Paid in January 2028	\$7.2 million Paid in January 2028
Security & Arranger Fee	5% p.a on the total commitment	5% p.a on the total commitment	5% p.a on the total commitment
Options	\$746k granted in Options	\$746k granted in Options	\$746k granted in Options
Implied Interest Rate	26.7%	36.5%	54.3%

Chart C.1: Cashflow to Samuel



Source: BDOCF analysis

Notes to Chart C.1

A	Drawdown of Facility
	<ul style="list-style-type: none"> Under the proposed Facility Agreement, in 2025 DGR is likely to drawdown the full \$23.5 million available. This cash outflow to Samuel is partially offset by DGR granting Samuel Options under the Option Deed, which has been valued at \$745,805 (refer to Section 10 and C.6 above).
B	Repayment of Facility (including fees and interest)
	<ul style="list-style-type: none"> Under the 21 month and 3-week term, we have assumed under all scenarios that DGR will repay the total outstanding balance drawn down under the Facility Agreement, including any fees or interest that have been transferred from the Interest and Fee Reserve Account to Samuel (i.e. Establishment Fee & Broker Fee, Security & Arranger Fee and Interest). Refer to Sections C.1, C.2 and C.5 above. Where the Interest and Fee Reserve Account has been extinguished, DGR will be required to pay Samuel in immediately cleared funds.
C	Litigation Fee
	<ul style="list-style-type: none"> Note C represents the Litigation Fee paid to Samuel in 2028 under both the medium (\$3.7 million) and high (\$7.2 million) scenarios. Refer to Section C.4 above. No fee has been assumed under the low scenario.
D	Upside Sharing Fee - High Scenario
	<ul style="list-style-type: none"> Note D represents the Upside Sharing Fee paid to Samuel in 2030 under the high (\$34.0 million) scenario. Refer to Section C.3 above. No fee has been assumed under the low scenario.
E	Upside Sharing Fee - Medium Scenario
	<ul style="list-style-type: none"> Note E represents the Upside Sharing Fee paid to Samuel in 2032 under the medium scenario (\$8.4 million). Refer to Section C.3 above. No fee has been assumed under the low scenario.

Source: BDOCF analysis

Note: Conversion of £ to \$ has been done at the average January 2025 exchange rate of £0.5043 per \$.



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