



ASX ANNOUNCEMENT

11 November 2022

FINANCING AGREEMENT REACHED BETWEEN SOLGOLD PLC & OSISKO ROYALTIES INC, SOLGOLD CEO REPLACED

The Board of Directors of DGR Global Limited (**ASX: DGR, the company**) wish to advise of a financing agreement reached between SolGold Plc (**LSE: SOLG** and **TSX: SOLG**) and Osisko Gold Royalties Inc (**Osisko**) in Canada. SolGold announced the agreement on Monday 7 November 2022 ([refer announcement here](#)).

Highlights:

- Osisko to purchase a 0.6% Net Smelter Royalty (**NSR**) in Cascabel for USD\$50m
- Appointments of new SolGold directors and Maxit Capital to drive SolGold Strategic Business Review to restore SolGold shareholder value
- Forecast copper shortages on London Metal Exchange
- DGR is one of SolGold's largest shareholders
- Merger with Cornerstone capital Resources and issue of 18.5% of SolGold to consolidate Cascabel ownership and endorse Strategic Business Review.
- SolGold CEO Darryl Cuzzubbo replaced by Scott Caldwell appointed as Interim CEO

Under the terms of the agreement, Osisko will purchase a 0.6% net smelter return royalty in production from the Cascabel tenement in northern Ecuador for USD\$50 million. Proceeds will be dedicated to expenditure to advance the Cascabel Copper Gold Porphyry Project in Northern Ecuador.

Details may be reviewed in SolGold's announcement. The financing is considered by DGR to be highly value accretive to SolGold.

Cascabel holds one of the world's largest undeveloped copper gold deposits in a portfolio of potentially world class copper gold exploration tenements covering the length of Ecuador, the most under explored sector of the Andean Copper Belt, the world's richest and most productive copper province.

Exemplifying the opportunity, SolGold's 100% owned Carchaposa Porphyry on the Porvenir tenement in Southern Ecuador was discovered last year, ([refer announcement here](#)).

The main deposit at Cascabel, Alpala holds a contained metal resource of approximately 23.2 m oz of Gold and 10.8 mt of copper ([refer to announcement here](#)). Additional resources at Tandyama on the Cascabel tenement have also

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been defined as contained 3.16 Moz Gold measured and indicated and 1.89 Mt Copper measured and indicated ([refer to announcement](#)).

DGR Global and SolGold's founder, Nick Mather, CEO of DGR are among the largest shareholders of SolGold with an aggregate current interest of approximately 12.8%. Pursuant to the recent agreement with Cornerstone Capital Resources Inc which holds approximately 6.89% of SolGold itself, Cornerstone shareholders will also emerge with up to 18.5% of the share capital of SolGold following the merger.

As part of the merger, SolGold appointed two nominees to the SolGold Board; experienced Canadian Mining Engineer Scott Caldwell, who possesses a wealth of copper gold porphyry experience, and Dan Vucjic who possesses a wealth of resource banking experience at Morgan Stanley and Citi, including involvement in financing Fortescue's Pilbara development and First Quantum's acquisition and development of the Cobre Panama copper porphyry project. Mr Caldwell has also been appointed Interim CEO replacing Darryl Cuzzubbo.

In addition, SolGold is undertaking a strategic review of its entire business with a view to maximising the returns for current shareholders. SolGold has appointed Maxit Capital, one of Canada's most effective and successful resource business corporate advisory firms to manage the strategic review.

Commenting on the agreement with Osisko, DGR's CEO and SolGold founder, Mr Nicholas Mather, commented:

"The recent appointments and the agreement with Osisko represent just the first steps in the restoration of value for SolGold shareholders. SolGold's exploration portfolio, and indeed the upside still evident for additional discovery, will drive the restoration. At a time when major banks are forecasting significant global copper shortfalls from 2030 onwards and current stockpiles represent only weeks of current demand, the SolGold's resource and exploration inventory presents an enormous opportunity for the definition of not just one mine but an entire copper province. SolGold developed a blueprint for discovery at Cascabel for less than \$3.00 per ounce Au equivalent or less than 1 cent per pound of copper equivalent and that blueprint can be applied over the length of Ecuador. The deal with Osisko takes financing overhang away and values the Cascabel project at levels well above SolGold's market capitalisation."

This ASX Announcement was authorised by the Board of Directors

Geoff Walker | Company Secretary

Electronic copies and more information are available on the Company website: www.dgrglobal.com.au e: info@dgrglobal.com | Twitter: @DGRGlobal

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About DGR Global Limited

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

This is achieved through:

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

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

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