



DGR Global Limited
ASX Announcement
4 January 2022
Correction of Typographical Error

DGR Global Limited refers to the Notice of Annual General Meeting lodged on 31 December 2021 “(the announcement)”.

It has come to our attention that there is a typographical error on page 17 of the announcement which we wish to clarify.

The entire page 17 of the announcement should be disregarded and has been deleted from the corrected announcement, which is attached.

This ASX Announcement was authorised by the Company Secretary
Geoff Walker
Company Secretary

Electronic copies and more information are available on the Company website: www.dgrglobal.com.au

Email: info@dgrglobal.com

Twitter: [@DGRGlobal](https://twitter.com/DGRGlobal) LinkedIn: <https://www.linkedin.com/company/dgr-global>

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DGR Global Limited
ABN 67 052 354 837

Notice of Annual General Meeting and Explanatory Memorandum

Date of Meeting: 31 January 2022

Time of Meeting: 11:00am (Brisbane time)

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

COVID-Related Disclosure

If Shareholders wish to attend the Meeting in person, they will need to email the Company Secretary (gwalker@dgrglobal.com.au) in order for the Company to ensure that it will be able to comply with COVID-related restrictions applicable at the time and place of the Meeting.

The Company advises that only shareholders who have received two doses of a COVID vaccine will be able to enter the venue of the Meeting.

Each Resolution to be put to the Meeting will be decided by poll vote, as a combination of proxy votes lodged, together with any votes cast in person at the Meeting. Accordingly, Shareholders are encouraged to lodge their votes online via the Company's Registry (www.linkmarketservices.com.au) or via the proxy form to be supplied.

Any questions that Shareholders would like put to the Meeting can also be emailed to the Company Secretary (gwalker@dgrglobal.com.au) by 5:00pm on 27 January 2022. Responses to any questions will be given verbally at the Meeting.

Notice is given that the Annual General Meeting of Shareholders of DGR Global Limited ACN 052 354 837 (the **Company** or **DGR**) will be held at Level 7, Waterfront Place, 1 Eagle Street, Brisbane Qld 4000, on 31 January 2022 at 11:00am (Brisbane time).

Terms used in this Notice of Meeting are defined in the “**Definitions**” section of the accompanying Explanatory Memorandum.

AGENDA

ORDINARY BUSINESS

Annual Financial Reports

To receive and consider the Company’s Annual Report comprising the Directors’ Report and Auditors’ Report, Directors’ Declaration, Income Statement, Balance Sheet, Statements of Changes in Equity, Cash Flow Statement and the Notes to and forming part of the accounts for the Company and its controlled entities for the financial year ended 30 June 2021.

See the Explanatory Memorandum for further information.

Resolution 1 - Remuneration Report

To consider and, if thought fit, pass the following Advisory Resolution:

“That the Remuneration Report for the year ended 30 June 2021 (as set out in the Directors’ Report) is adopted.”

The vote on Resolution 1 is advisory only and does not bind the Directors of the Company. The Company’s Annual Report 2021, which contains the Remuneration Report, is available on the Company’s website at the following URL: <https://www.dgrglobal.com.au/annual-reports>

See the Explanatory Memorandum for further information.

VOTING RESTRICTION PURSUANT TO SECTION 250R OF THE CORPORATIONS ACT

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- a member of the Key Management Personnel (**KMP**) details of whose remuneration are included in the Remuneration Report; or
- a Closely Related Party of a KMP.

However, this does not apply to a vote cast in favour of the relevant Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the relevant Resolution, in accordance with directions given to the proxy or attorney to vote on the relevant Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the relevant Resolution, in accordance with a direction given to the Chair to vote on the relevant 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 the person excluded from voting, on the relevant Resolution; and
 - the holder votes on the relevant Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

VOTING INTENTION OF CHAIRMAN

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1, other than Resolutions where the Chairman is a related party and the subject of the Resolution, or is an associate of a related party the subject of a Resolution, in which case the Chairman cannot cast undirected proxies in respect to that Resolution.

Resolution 2 - Election of Mr Peter Wright as a Director

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

“That in accordance with Rule 37.2 of the Company’s Constitution, Mr Peter Wright, who was appointed in accordance with Rule 37.1 of the Company’s Constitution to fill a casual vacancy, being eligible and offering himself for election, be elected as a Director of the Company.”

See the Explanatory Memorandum for further information.

Resolution 3 - Re-election of Mr Brian Moller as a Director

To consider and, if thought fit, pass the following Ordinary Resolution:

“That in accordance with Rule 39.8 of the Company’s Constitution, Mr Brian Moller, who retires by rotation in accordance with Rule 39 of the Company’s Constitution, being eligible and offering himself for re-election, be re-elected as a Director of the Company.”

See the Explanatory Memorandum for further information.

Resolution 4 - Ratification of the issue of Placement Shares, Placement Options and Fee Options

To consider and if thought fit, pass the following Ordinary Resolution:

“That in accordance with the provisions of Listing Rule 7.4 and for all other purposes, Shareholders ratify the previous issues pursuant to Listing Rule 7.1 of:

- *57,692,308 fully paid ordinary Shares at an issue price of \$0.052 per Share; and*
- *27,634,616 quoted Options at an exercise price of \$0.12 per Option, each expiring on 25 September 2023,*

*to those recipients identified in the Explanatory Memorandum accompanying this Notice of Meeting (the **EM**), and a further 6 000,000 quoted Options to Bizzell Capital Partners Pty Ltd at an exercise price of \$0.12 per Option, each expiring on 25 September 2023, and in each case otherwise on the terms set out in the EM.”*

See Explanatory Memorandum for further information.

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- as prescribed by Listing Rule 14.11.1, where an agreement is being approved under Listing Rule 7.4—a person who is a counterparty to that agreement;
- Bizzell Capital Partners Pty Ltd or any other person who participated in or directly benefited from the issues; and
- an associate of any of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given 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 the person excluded from voting, on this Resolution; and
 - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

SPECIAL BUSINESS

Resolution 5 - Approval to issue an additional 10% of the issued capital of the Company over a 12-month period pursuant to Listing Rule 7.1A

To consider and if thought fit, pass the following Resolution, as a Special Resolution:

*“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities of up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, over a 12 month period from the date of the Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions described in the Explanatory Memorandum (the **Placement Securities**).”*

See Explanatory Memorandum for further information.

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast in favour of this Special Resolution by a person and any associates of that person who:

- may participate in the issue of the Placement Securities; and
- might obtain a material benefit, except a benefit solely in their capacity as a holder of Shares if the resolution is passed.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- it is cast by the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- it is cast by 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 the person excluded from voting, on this Resolution; and
 - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

IMPORTANT NOTE

The proposed allottees of any Placement Securities are not as yet known or identified. In these circumstances, for a person's vote to be excluded, it must be known that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Placement Securities), shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company. Specific comments relating to the Resolutions are set out in the Explanatory Memorandum.

By order of the Board
Geoff Walker
Company Secretary
31 December 2021

Explanatory Memorandum

Introduction

This Explanatory Memorandum is provided to Shareholders of DGR Global Limited ACN 052 354 837 (the **Company** or **DGR**) to explain the Resolutions to be put to Shareholders at the Annual General Meeting to be held at Level 7, Waterfront Place, 1 Eagle Street, Brisbane, Qld, 4000 on 31 January 2022 commencing at 11:00am (Brisbane time).

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.

Consider the Company's 2021 Annual Report

The Corporations Act requires the financial report, the Directors' Report and the Auditor's Report to be tabled at the Annual General Meeting. There is no requirement either in the Corporations Act or in the Constitution of the Company for Shareholders to approve the financial report, the Directors' Report or the Auditor's Report. The Company's 2021 Annual Report is placed before the Shareholders for discussion only. No voting is required for this item. Shareholders can obtain a copy of the Company's 2021 Annual Report by sending a request to info@dgrglobal.com.au or by downloading a copy from the Company's website: www.dgrglobal.com.au

Shareholders will also have the opportunity to ask any questions they may have about the Annual Report and the Financial Statements of Company management or the auditors.

ORDINARY RESOLUTIONS

Resolution 1 - Remuneration Report

The Board has submitted its Remuneration Report (included in the 2021 Annual Report) to Shareholders for consideration and adoption by way of a non-binding Advisory Resolution.

The Remuneration Report is set out in the Directors' Report section of the 2021 Annual Report. The Report:

- explains the Board's policy for determining the nature and amount of remuneration of executive Directors and senior executives of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Director and the most highly remunerated senior executives of the Company; and
- details and explains any performance conditions applicable to the remuneration of executive Directors and senior executives of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

The Board makes no recommendation on voting for this Resolution. A vote on this Resolution is advisory only and does not bind the Directors of the Company.

A Voting Exclusion Statement is set out in the Notice of Meeting for this Resolution. Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including this Resolution 1, subject to compliance with the Corporations Act.

Resolution 2 - Election of Mr Peter Wright as a Director

In accordance with Rule 37.1 of the Constitution, Mr Peter Wright was appointed a Non-Executive Director by the Board on 19 January 2021, to fill a casual vacancy following the resignation of Mr Ben Cleary. On 26 August 2021 Mr Wright was elected Chairman of the Board in accordance with Rule 46.1 of the Constitution.

In accordance with Rule 37.2 of the Constitution, a Director appointed in accordance with Rule 37.1 shall only hold office until the next following annual general meeting of the Company. Accordingly, Mr Wright now offers himself for election in accordance with Rule 37.2 of the Constitution.

Mr Wright is the portfolio manager at Bizzell Capital Partners Pty Ltd (**BCP**), a Brisbane-based corporate advisory and funds management firm. Mr Wright has over 20 years of experience working primarily on asset transactions, corporate advisory assignments, research and primary market transactions.

Mr Wright is also an executive director of Greenwing Resources Ltd, an executive director of Bass Metals Ltd (ASX:BSM), and a non-executive director of Laneway Resources Ltd (ASX: LNY). Mr Wright has degrees in commerce and economics, has a Graduate Diploma in Applied Finance, and extensive capital raising and stock market experience.

There is no voting exclusion statement for this Resolution.

The Directors (with Mr Wright abstaining) recommend that you vote in favour of this Resolution.

Resolution 3 - Re-election of Mr Brian Moller as a Director

Mr Brian Moller retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Non-Executive Director. Mr Moller has served on the DGR Global Board since 2 August 2002.

Mr Moller is a corporate partner in the Brisbane-based law firm HopgoodGanim where he has been a partner since 1983. He practices almost exclusively in the corporate area with an emphasis on capital raising, mergers and acquisitions. Mr Moller acts for many public listed resource and industrial companies and brings a wealth of experience and expertise to the board particularly in the corporate regulatory and governance areas.

He holds an LLB(Hons) from the University of Queensland and is a member of the Australian Mining and Petroleum Law Association.

Mr Moller is currently also a non-executive director of Aus Tin Mining Ltd (ASX: ANW), Tempest Minerals Ltd (ASX: TEM), NewPeak Metals Ltd (ASX: NPM) and Platina Resources Ltd (ASX: PGM).

There is no voting exclusion statement for this Resolution.

The Directors (with Mr Moller abstaining) recommend that you vote in favour of this Resolution.

Resolution 4 - Ratification of the issue of Placement Shares, Placement Options, and Fee Options

1. Background

The issue of Placement Shares and Placement Options

On 2 July 2021 the Company announced that it had successfully completed a \$3 million strategic placement (the **Placement**).

The Placement consisted of the issue of the following securities (the **Placement Securities**):

- (a) 57,692,308 Shares, at an issue price of \$0.052 per Share (the **Placement Shares**); and
- (b) 27,634,616 Options, at an exercise price of \$0.12 per Option, to be exercised before 25 September 2023 (the **Placement Options**),

to various qualified institutional Sophisticated and Professional Investors (the **Recipients**).

The issue of Fee Options

Bizzell Capital Partners Pty Ltd (**BCP**), was appointed by the Company as the lead manager of the Placement pursuant to the terms of an engagement letter dated 16 June 2021 (the **BCP Engagement Letter**). In part consideration of the services that it provided pursuant to the terms of the BCP Engagement Letter, BCP received 6,000,000 Options on the same terms as the Placement Options (the **Fee Options**).

In summary, the BCP Engagement Letter provides that:

- (1) BCP will (amongst other things) on exclusive basis, have the right to act as lead manager of the Placement to raise \$3 million;

- (2) BCP may appoint a joint manager, joint underwriter, sub-underwriters, co-managers or brokers in relation to the Placement, in consultation with the Company;
- (3) BCP's role will include (but not be limited to): arranging and leading the placement; advising the Company on the appropriate strategy and timing for the placement; determining key investor issues and coordinating appropriate responses/information in order to mitigate these issues; assistance with preparation of offer documentation; coordinating the market road-show for the Placement including assistance in the preparation of a road-show presentation; conducting initial marketing calls to investors in respect of the Placement; monitoring and analysing the Company's share trading activity in the lead up to the Placement announcement and thereafter, including communication with investors as necessary to gauge sentiment and address any company-specific issues; identifying key selling messages and marketing the Placement to investors; assistance in the preparation of relevant ASX releases; in conjunction with the Company's legal advisers assisting in any dealings with the ASX and ASIC; liaising with the Company's advisers; coordinating bids into the placement book, and determining the final placement allocations; and providing such other assistance to the Company with the Placement as agreed from time to time;
- (4) the following fees are payable to BCP in relation to the Placement (the **Fees**):
 - i. a management fee of 1% of the value of all funds raised under the Placement;
 - ii. a selling fee of 5% of the value of all Placement Shares issued; and
 - iv. the issue to BCP or its sub underwriter nominees of two (2) Fee Options for every one (1) dollar raised under the Placement, to be on the same terms as the current listed series of options (ASX: DGRO), being exercisable at \$0.12, to expire on 25 September 2023 (the **Fee Options**);
- (6) BCP will be responsible for any selling fees, stamping fees or sub- underwriting fees it may have to pay out of the Fees (the **Pay Away Arrangements**). These Pay Away Arrangements would include fees otherwise payable to BCP on any amount subscribed for by Tenstar Trading Ltd (**Tenstar**) or any parties introduced by Tenstar; and
- (7) BCP may take payment of up to 50% of the Net Fees – as defined (excluding GST), in Shares at the same issue price per Share as the Placement Shares (the **Fee Shares**). No Fee Shares were issued.

2. Listing Rules 7.1 and 7.4

In broad terms Listing Rule 7.1 (subject to certain exceptions), limits the number of equity securities that a listed company can issue in any 12 month without the approval of its shareholders, to a number equal to 15% of the fully paid ordinary securities that it had on issue at the start of that 12 month period.

The Placement Securities and the Fee Options were issued without Shareholder approval in reliance on Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to utilise its combined capacity under Listing Rule 7.1, in order to take advantage of commercial opportunities as they may arise. Listing Rule 7.4 allows the shareholders of a listed company to approve the issue of equity securities after that issue has been made.

If that approval is granted, the relevant issue will be excluded from the calculation of the listed company's remaining capacity under Listing Rules 7.1.

Accordingly, the Company now seeks Shareholder approval to ratify the issue of the Placement Securities and the Fee Options in accordance with Listing Rule 7.4.

If Resolution 4 is not passed, 57,692,308 Placement Shares, and 27,634,616 Placement and Fee Options will be included when calculating the Company's capacity under Listing Rule 7.1.

3. Information required by Listing Rule 7.5

Listing Rule 7.5 sets out the requirements for notices of meeting at which shareholder approval is sought for the purposes of Listing Rule 7.4. For the purposes of Listing Rule 7.5 the Company notes as follows:

- (1) The Placement Securities and the Fee Options were issued to the various parties listed in the column headed "**Recipients**" and "**Class**" in Table 1 below (the **Recipients**), none of which are related parties of the Company.

In each case the amount of the Placement Shares, Placement Options or Fee Options (as the case may be) issued to the various recipients, is indicated in the column headed “**Number**” in table 1 Below.

- (2) The Company issued a combined total of 57,692,308 Placement Shares which are fully paid ordinary Shares in the capital of the Company. The Placement Shares are subject to 9 months’ voluntary escrow restrictions (ie. the Shares are subject to voluntary escrow until 7 April 2022), but are otherwise issued on the same terms as and rank *pari passu* with the Shares that were already on issue. The rights and liabilities of all Shareholders are set out in the Constitution of the Company. The Constitution can be obtained from the Company’s website at the following link: www.dgrglobal.com.au.
- (3) The Company issued a total of 27,634,616 Placement and Fee Options. The Placement Options were issued on the basis of three (3) Placement Option for every eight (8) Placement Shares subscribed for. Each Option is listed for quotation, and allows the holder to subscribe for a fully paid ordinary Share in the capital of the Company at the issue price of \$0.12 per Share, at any time up until and including 25 September 2023. The other terms on which the Options were issued are set out in **Schedule 1 – Option Terms**.
- (4) The Placement Securities were issued on the dates indicated in Table 1 below in the column headed “**Date of Issue**”.
- (5) The Placement Shares were issued at an issue price of \$0.052 per Share.
- (6) The cash proceeds of the Placement Shares were used primarily to facilitate the Company’s further investment into Armour Energy Ltd (ASX: AJQ), so that the Company could maintain its 19% equity stake in Armour Energy Ltd, as approved by the shareholders of Armour Energy Ltd on 11 June 2021 (the **Use of Funds**).
- (7) Neither the Placement Options nor the Fee Options were issued for cash consideration which means that no funds were raised by the allotment of the Placement Options or the Fee Options themselves. However if all of the Placement Options and the Fee Options are exercised before their expiry, the Company will raise \$3,316,154.
- (8) A Voting Exclusion Statement for this Resolution is set out in the Notice of Meeting.

Table 1 – Recipients of securities the subject of Resolution 4

Recipient	Class	Number	Issue price	Date of issue
CITICORP NOMINEES PTY LIMITED	Shares	28,846,154	\$0.052	7 July 2021
CITICORP NOMINEES PTY LIMITED	Options	10,817,308	Nil (free attaching securities)	7 July 2021
ROOKHARP CAPITAL PTY LIMITED	Shares	14,423,077	\$0.052	7 July 2021
ROOKHARP CAPITAL PTY LIMITED	Options	5,408,654	Nil (free attaching securities)	7 July 2021
W & E MAAS HOLDINGS PTY LTD	Shares	14,423,077	\$0.052	7 July 2021
W & E MAAS HOLDINGS PTY LTD	Options	5,408,654	Nil (free attaching securities)	7 July 2021
BIZZELL CAPITAL PARTNERS PTY LTD	Options	6,000,000	nil	7 July 2021

4. Directors’ Recommendation

The Directors recommend that Shareholders vote in favour of this Resolution.

SPECIAL RESOLUTION

Resolution 5 - Approval to issue an additional 10% of the issued capital of the Company over a 12-month period pursuant to Listing Rule 7.1A

1. Introduction

Pursuant to Resolution 5, the Company is seeking Shareholder approval to issue an additional 10% of its issued capital over a 12-month period pursuant to Listing Rule 7.1A. If passed, this Resolution will allow the Company to allot and issue up to the number of new equity securities calculated in accordance with Listing Rule 7.1A.2 (the **7.1A Placement Shares**), each at an issue price of at least 75% of the VWAP for the Company's equity securities in that class (calculated over the last 15 days on which trades in the equity securities in that class are recorded immediately before the date on which the price at which the relevant 7.1A Placement Shares are to be issued is agreed, or if the 7.1A Placement Shares are not issued within ten trading days of that date, the date on which the 7.1A Placement Shares are issued) (the **Issue Price**).

This approval is sought pursuant to Listing Rule 7.1A, under which small and mid-cap listed entities that meet the eligibility threshold and have obtained the approval of their ordinary shareholders by Special Resolution at their annual general meeting, are permitted to issue an additional 10% of the issued capital over a 12-month period from the date of the annual general meeting (the **Additional 10% Placement**).

The Additional 10% Placement under Listing Rule 7.1A is in addition to the ability of the Company to issue 15% of its issued capital without Shareholder approval over a 12-month period pursuant to Listing Rule 7.1. The Company may issue the 7.1A Placement Shares to raise funds for the Company and as non-cash consideration (further details of which are set out below).

Funds raised from the issue of 7.1A Placement Shares, if undertaken, would be applied towards the acquisition of new assets or investments (including expenses associated with such acquisitions), continued exploration and feasibility study expenditure on the Company's current assets and general working capital.

The Directors unanimously recommend that Shareholders vote in favour of this Special Resolution.

2. Listing Rule 7.1A

Eligibility

An entity is eligible to undertake an Additional 10% Placement if at the time of its Annual General Meeting it has a market capitalisation of \$300 million or less and it is not included in the S&P/ASX300 Index (**Eligible Entity**).

For illustrative purposes only, on 15 December 2021, the Company's market capitalisation was approximately \$62 million based on the closing market price of the Shares on that date. The calculation of market capitalisation will be based on the closing market price of the Shares, on the last trading day on which trades in the Shares were recorded before the date of the Annual General Meeting, multiplied by the number of Shares on issue (excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is also not included in the S&P/ASX300 Index as at the time of this Annual General Meeting, however, it should be noted that the S&P/ASX300 Index is rebalanced twice a year in March and September. The Company is therefore an Eligible Entity and able to undertake an Additional 10% Placement under Listing Rule 7.1A. In the event that the Company for any reason ceases to be an Eligible Entity after the Company has already obtained Shareholder approval pursuant to this Resolution, the approval obtained will not lapse and the Company will still be entitled to issue the 7.1A Placement Shares during the 12-month period following this AGM.

Shareholder Approval by Special Resolution

The ability to issue the 7.1A Placement Shares is conditional upon the Company obtaining Shareholder approval by way of a Special Resolution passed at the Meeting. A Special Resolution is a resolution passed by at least 75% of the votes cast by members entitled to vote on the Resolution. Pursuant to Listing Rule 7.1A, no 7.1A Placement Shares will be issued until and unless this Special Resolution is passed at the Meeting.

3. Formula for calculating 10% Placement Facility – Listing Rule 7.1A.2

Listing Rule 7.1A2 provides that Eligible Entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12-month period after the date of the annual general meeting, a number of the equity securities calculated in accordance with the following formula:

(A x D) – E

A is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement:

plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;

plus the number of fully paid ordinary securities issued in the 12 months on the conversion of convertible securities within Listing Rule 7.2 exception 9 where: (a) the convertible securities were issued to or agreed to be issued before the commencement of the 12 months; or (b) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;

plus the number of fully paid ordinary securities issued in the 12 months under an agreement to issue securities within Listing Rule 7.2 exception 16 where: (a) the agreement was entered into before the commencement of the 12 months; or (b) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;

plus the number of partly paid ordinary securities that became fully paid in the 12 months;

plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4 (this does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval);

less the number of fully paid ordinary securities cancelled in the 12 months.

Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

4. Listing Rules 7.1 and 7.1A

The ability of an entity to issue the equity securities under Listing Rule 7.1A is in addition to the entity's 15% capacity under Listing Rule 7.1.

At the date of this Notice of Meeting, the Company has on issue 1,033,271,035 Shares, 165,049,686 listed Options, and 35,769,456 unlisted Options. If this Resolution is passed the Company will have the capacity to issue the following equity securities immediately following the Meeting:

- (1) 154,990,655 equity securities under Listing Rule 7.1; and
- (2) subject to Shareholder approval being obtained under this Resolution, a further 103,327,104 7.1A Placement Shares under Listing Rule 7.1A.

The actual number of 7.1A Placement Shares that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the 7.1A Placement Shares in accordance with the formula prescribed in Listing Rule 7.1A.2 (and set out below).

5. Information to be given to ASX – Listing Rule 7.1A.4

If Resolution 5 is passed and the Company issues any 7.1A Placement Shares under Listing Rule 7.1A, the Company will give to ASX:

- (1) a list of allottees of the 7.1A Placement Shares and the number of the 7.1A Placement Shares allotted to each placee (this list will not be released to the market); and
- (2) details of the proposed issue of equity securities in the form of, or accompanied by, and Appendix 3B.

6. Specific Information required by Listing Rule 7.3A

Listing Rule 7.3A sets out the requirements for notices of meeting at which shareholder approval is sought for the additional capacity to issue equity securities under Listing Rule 7.1A. For the purposes of Listing Rule 7.1A the Company advises as follows:

1. *Period of time for which approval granted under Listing Rule 7.1A will be valid – Listing Rule 7.3A.1*

If this Resolution is passed, Shareholder approval for the Additional 10% Placement will be valid from the date of the Meeting until the earlier to occur of:

- (1) the date that is 12 months after the date of the Meeting; or
- (2) the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking); or
- (3) such longer period if allowed by ASX.

Accordingly, if Shareholders give approval for the issue of the 7.1A Placement Shares pursuant to this Resolution, then that approval will expire on 31 January 2023 unless Shareholder approval is granted pursuant to Listing Rules 11.1.2 or 11.2 prior to that date.

2. *Minimum Price of securities issued under Listing Rule 7.1A – Listing Rule 7.3A.2*

Pursuant to and in accordance with Listing Rule 7.1A.3, the 7.1A Placement Shares issued pursuant to an approval under Listing Rule 7.1A must have an issue price of not less than 75% of the VWAP for the equity securities over the 15 trading days immediately before:

- (1) the date on which the price at which the 7.1A Placement Shares are to be issued is agreed; or
- (2) if the 7.1A Placement Shares are not issued within ten trading days of the date in paragraph (1) above, the date on which the 7.1A Placement Shares are issued.

The Company will disclose to the ASX the issue price on the date of issue of the 7.1A Placement Shares.

3. *Purpose – Listing Rule 7.3A.3*

As noted above, the purpose for which the 7.1A Placement Shares may be issued include to raise funds to be applied towards the acquisition of new assets or investments (including expenses associated with such acquisitions), continued exploration and feasibility study expenditure on the Company's current assets and general working capital.

4. *Risk of Economic and Voting Dilution – Listing Rule 7.3A.4*

As provided by Listing Rule 7.3A.2, if this Resolution is passed and the Company issues the 7.1A Placement Shares, there is a risk of economic and voting dilution to the existing Shareholders. The Company currently has on issue 1,033,271,035 Shares, 165,049,686 listed Options, and 35,769,456 unlisted Options Shares. Subject to the passing of this Special Resolution, the number of Shares that the Company could issue pursuant to Listing Rule 7.1A will be 103,327,104 (however, it is important to note that the exact number of 7.1A Placement Shares which may be issued will be calculated in accordance with the formula contained in Listing Rule 7.1A.2, the details of which are set out above). Any issue of the 7.1A Placement Shares will have a dilutive effect on existing Shareholders.

There is a specific risk that:

- (1) the closing market price for the Company's equity securities may be significantly lower on the date of the issue of any 7.1A Placement Shares than it is on the date of the Meeting; and
- (2) the 7.1A Placement Shares may be issued at a price that is at a discount to the closing market price for the Company's equity securities on the issue date,

which may have an effect on the amount of funds raised by the issue or the value of the 7.1A Placement Shares.

As required by Listing Rule 7.3A.2, Table 2 below shows the potential economic and voting dilution effect, in circumstances where the issued share capital has doubled and the closing market price of the shares has halved. Table 2 also shows additional scenarios in which the issued share capital has increased (by both 50% and 100%) and the closing market price of the Shares has:

- (1) decreased by 50%; and
- (2) increased by 100%.

Table 2:

	<u>50% decrease in Closing Market Price</u>		<u>Current Closing Market Price</u>		<u>100% increase in Closing Market Price</u>	
	\$ 0.03		\$ 0.06		\$ 0.12	
	<u>10% Voting Dilution</u>	<u>Capital Raised</u>	<u>10% Voting Dilution</u>	<u>Capital Raised</u>	<u>10% Voting Dilution</u>	<u>Capital Raised</u>
<u>Present Issued Share Capital</u> 975,578,727	103,327,104	\$ 3,099,813	103,327,104	\$ 6,199,626	103,327,104	\$ 12,399,252
<u>50% Increase in Share Capital</u> 1,463,368,091	154,990,655	\$ 4,649,720	154,990,655	\$ 9,299,439	154,990,655	\$ 18,598,879
<u>100% increase in Share Capital</u> 1,951,157,454	206,654,207	\$ 6,199,626	206,654,207	\$ 12,399,252	206,654,207	\$ 24,798,505

Assumptions and Explanations for Table 2

- a. The closing market price is \$0.06, based on the closing market price of the Shares on ASX on 15 December 2021.
- b. The above table only shows the dilutionary effect based on the issue of the 7.1A Placement Shares (assuming only Shares are issued), and not any Shares issued under the 15% capacity under Listing Rule 7.1.
- c. The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. It shows the number of shares that the Company's share capital will increase by.
- d. The Company issues the maximum number of 7.1A Placement Shares.
- e. As prescribed by Listing Rule 7.3A.4, the issued Share capital figure used in Table 2 is the same as the variable "A" in the formula prescribed by Listing Rule 7.1A.2, calculated as at 15 December 2021.
- f. The issue price of the 7.1A Placement Shares used in the table is the same as the closing market price and does not take into account the discount to the closing market price (if any).
- g. The table above does not show the potential dilutionary effect to a particular shareholder.

5. Company's Allocation Policy – Listing Rule 7.3A.5

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of the 7.1A Placement Shares. The identity of the allottees of 7.1A Placement Shares will be determined on a case-by-case basis having regard to a number of factors including but not limited to the following:

- (1) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which existing shareholders can participate;
- (2) the effect of the issue of the 7.1A Placement Shares on the control of the Company;
- (3) the financial situation and solvency of the Company; and
- (4) advice from corporate, financial and broking advisers (if applicable).

The allottees of the 7.1A Placement Shares have not been determined as at the date of this Notice but may include existing substantial Shareholders and new Shareholders who are not related parties or associates of a related party of the Company.

Furthermore, if the Company is successful in acquiring new assets or investments for which 7.1A Placement Shares are issued as consideration, it is likely that the allottees of some of the 7.1A Placement Shares will be the vendors of the new assets or investments.

6. Details of all equity securities issued under Listing Rule 7.1A.2 where Shareholder approval under Listing Rule 7.1A was previously obtained – Listing Rule 7.3A.6

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the previous Annual General Meeting held on 18 January 2021. The Company has not issued any securities under Listing Rule 7.1A.2 since that approval was granted.

7. Voting Exclusion Statement – Listing Rule 7.3A.7

A Voting Exclusion statement for Resolution 5 is set out in the Notice of Meeting accompanying this Explanatory Memorandum.

8. Further information required by Listing Rule 14.1A

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval as set out in Listing Rule 7.1.

7. Directors' Recommendation

The Directors recommend that you vote in favour of this Special Resolution.

Definitions

Terms used in this Explanatory Memorandum shall have the meanings ascribed to them and the Listing Rules or the Corporations Act as appropriate, unless otherwise defined below, or in the body of the Explanatory Memorandum. The following terms shall have the meanings ascribed to the below:

Additional 10% Placement means the additional 10% of issued capital over a 12-month period from the date of the Annual General Meeting under Listing Rule 7.1A.

Advisory Resolution has the same meaning as when used in section 250R of the Corporations Act.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691.

BCP means Bizzell Capital Partners Pty Ltd.

Board means the board of Directors of the Company.

Closely Related Party (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- (e) a company the member controls; or
- (f) a person prescribed by regulations made pursuant to the Corporations Act.

Company or **DGR** means DGR Global Limited ACN 052 354 837.

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

Director means a director of the Company.

Director means a director of the Company.

Executive Director means a Director of the Company who is also an executive officer of the Company or otherwise employed by the Company to be engaged in its day-to-day management.

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

Key Management Personnel or **KMP** has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity.

Listing Rules means the listing rules of ASX as amended, varied or replaced from time to time.

Meeting or **Annual General Meeting** means the annual general meeting of the Company to be held on 31 January 2022.

Non-Executive Director means a Director who is not an Executive Director.

Notice of Meeting or **Notice** means the Notice of Meeting convening the Meeting and this Explanatory Memorandum.

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

Options means an option to subscribe for Shares granted by the Company.

Resolution means a resolution to be proposed at the Meeting.

7.1A Placement Shares means the new equity securities for the purposes of Listing Rule 7.1A.

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

Shareholder means a holder of Shares in the Company.

Sophisticated and Professional Investors means a person or entity to whom securities may be issued without disclosure in reliance on either section 708(8) or 708(11) of the Corporations Act as the case may be.

Special Resolution means a Resolution passed by more than 75% of the votes cast at a general meeting of Shareholders.

VWAP means volume weighted average price.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Geoff Walker (the Company Secretary):

DGR Global Limited
Street address: Level 27, 111 Eagle Street, Brisbane QLD 4000
Postal address: GPO Box 5261, Brisbane QLD 4001
Ph: (07) 3303 0680 Fax: (07) 3303 0681
Email: walker@dgrglobal.com.au

Schedule 1 – Option Terms

The terms of the Options, as set out below.

- (1) The Options shall be issued for no cash consideration.
- (2) The exercise price of each Option is \$0.12 (the **Exercise Price**).
- (3) The Options will expire on 25 September 2023 (the **Expiry Date**) unless earlier exercised.
- (4) The Options will be listed on the ASX.
- (5) The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise (the **Exercise Notice**) together with payment for the Exercise Price per Option to the Company at any time on or after the date of issue of the Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods.
- (6) The number of Options that may be exercised at one time must be not less than 25,000, unless the holder of the Option (the **Option Holder**) holds less than 25,000 Options in which case all Options must be exercised at one time.
- (7) Within 20 Business Days after the valid exercise of the Options and payment of the Exercise Price, the Company will:
 - (a) allot and issue the number of fully paid ordinary Shares ranking *pari passu* with the then issued Shares as required under these terms and conditions in respect of the number of Options specified in the Exercise Notice and for which cleared funds have been received by the Company; and
 - (b) if admitted to the official list of ASX at the time, apply for Official Quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (8) Option Holders do not have any right to participate in new issues of securities in the Company made to Shareholders generally. The Company will, where and only to the extent required pursuant to the Listing Rules, provide Option Holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to Shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.
- (9) Option Holders do not participate in any dividends unless the Options are exercised, and the resultant Shares of the Company are issued prior to the record date to determine entitlements to the dividend.
- (10) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - (a) the number of Options, the Exercise Price of the Options, or both will be reorganised (as appropriate) in a manner consistent with the Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the Option Holders are not conferred on Shareholders; and
 - (b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Options will remain unchanged.
- (11) If there is a pro rata issue (except a bonus issue), the Exercise Price of Option may be reduced according to the following formula:

$$O_n = \frac{O - E [P - (S + D)]}{N + 1}$$

where,

On is the new exercise price of the Option;

O is the old exercise price of the Option;

E is the number of underlying securities into which one Option is exercisable;

P is the volume weighted average market price per security of the underlying securities during the 5 trading days ending on the day before the ex-right date or the ex-entitlements date;

S is the subscription price for a security under the pro rata issue;

D is dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue); and

N is the number of securities with rights or entitlements that must be held to receive a right to one new security.

(12) If there is a bonus issue to the Shareholders of the Company, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the Option Holder would have received if the Option had been exercised before the record date for the bonus issue.

(13) The terms of the Options shall only be changed if Shareholders (whose votes are not to be disregarded) of in the Company approve of such a change. However, unless all necessary waivers of the Listing Rules are obtained, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.

(14) The Company intends to apply for listing of the Options on the ASX.