DGRGLOBAL

DGR GLOBAL LIMITED
AND CONTROLLED ENTITIES

ACN: 052 354 837

ANNUAL REPORT 2016

CORPORATE INFORMATION

DIRECTORS
William (Bill) Stubbs
Nicholas Mather
Brian Moller
Vincent Mascolo

COMPANY SECRETARY
Karl Schlobohm

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COUNTRY OF INCORPORATION
Australia

STOCK EXCHANGE LISTING
Australian Securities Exchange Ltd
ASX Code: DGR

INTERNET ACCESS
www.dgrglobal.com.au

AUSTRALIAN BUSINESS NUMBER
ABN 67 052 354 837

DGRGLOBAL

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CHAIRMAN'S REPORT

Dear Shareholders,

This has been another busy and successful year for DGR.

Whilst our share price does not fully mirror our efforts and success, our net asset backing does and with time and consistency our share price will follow. I believe in time it will not only reflect our underlying asset value but once our model's success and consistency are better understood, trade at a premium to it.

I have set out below a table illustrating the progress and increase in underlying asset value between 30 June 2015 and 26 September 2016:

Entity	30 June 2015	30 June 2016	26 September 2016
Armour Energy Ltd	$3,377,250	$4,127,750	$5,703,800
Aus Tin Mining Ltd	$1,290,153	$2,296,215	$3,608,337
Dark Horse Resources Ltd (formerly Navaho Gold Pty Ltd)	$227,087	$567,717	$1,021,891
IronRidge Resources Ltd	$5,339,884	$4,728,972	$10,764,288
SolGold plc	$3,439,853	$8,445,760	$55,042,557
Net receivables/(payables)	($648,547)	$18,533,884	$11,758,194
Total value per DGR Global Ltd share (cps)	**3.14**	**7.02**	**15.95**

Our year has focussed on building and nurturing our sponsored companies. Details will be given in our Review of Operations, Mineral Resources and Future Developments but suffice to say DGR Global has used its funds and expertise to:

1. Support Armour Energy in its transformation from an explorer to a producer with its Roma Shelf acquisition already producing oil and soon to be producing gas;
2. Support SolGold in its aggressive and extraordinarily successful exploration at the Cascabel Project in Ecuador which has secured the involvement of a major TSX-listed gold mining company, as well as one of the world's major mining houses;
3. Support Aus Tin in its development and growth to become a tin producer in Tasmania; and
4. Support IronRidge, which under the management of our director Vincent Mascolo, has grown into a more diverse explorer with world-class lithium and gold opportunities in the Ivory Coast, Ghana and Chad. Vince has done a great job with IronRidge.

Our other sponsored companies are receiving funding, managerial and prospect generating assistance in their particular areas, and I look forward to continuing their growth and consolidation.

Our Managing Director Nick Mather has worked tirelessly and with great vision and implementation throughout the year and I thank him for that. His task has involved enormous amounts of travel and fund raising for DGR and our sponsored companies - not an easy task in this market. He would not want to be, and should not be, singled out for mention as it has very much been a team effort. Karl and Priy have seamlessly managed our accounting, compliance, office and stock exchange requirements as well as those of our sponsored entities and I thank them, and Greg Runge, our general and tenements manager, for their sterling efforts. Brian Moller has always been on hand to steer us on the right path legally and his sage experienced advice is always appreciated.

So I conclude by acknowledging and thanking my fellow Directors, our staff and assisting geologists who come up with the ideas, for their superb and dedicated efforts during the year. But above all I would like to thank you, our shareholders, for your faith and courage in taking the journey with us. We all have skin in the game and are determined to achieve a pay day for all.

William (Bill) Stubbs
Non-Executive Chairman

REVIEW OF OPERATIONS, MINERAL RESOURCES AND FUTURE DEVELOPMENTS

Introduction

DGR Global's business is resource-project generation and discovery across a range of commodities, including copper, gold, nickel, tin, iron ore, titanium, bauxite, coal, oil and gas. The group focuses on delivering value through discovery of ore bodies by the application of innovative exploration techniques and reassessment strategies of existing pre-development projects and to new greenfields areas. DGR Global is generating and developing several independently funded and managed resource companies in order to progress each of these projects. The company maintains its cornerstone investor position in subsidiaries that move to listing on a recognised stock exchange as illustrated in the following Figure 1.

Figure 1: DGR Global created listed investments (as at 30 June 2016)

Corporate

Key events for the company during 2016 included:

- Successfully raising over $4.9 million via a fully underwritten 1 for 4 rights issue @ 3.8 cents per share.
- Supporting Aus Tin Mining (tin) and Dark Horse Resources - formerly Navaho Gold - (coal) in development and diversification projects (refer later sections).
- Supporting Armour Energy in the major farm-in arrangement with American Energy Partners in the NT shale gas tenements, and the acquisition of the Origin Roma Shelf gas production and distribution business (refer later section).
- Supporting SolGold (copper, gold) in advancing the Cascabel discovery.
- Applying for substantial exploration areas over bauxite occurrences in southern Queensland (refer later section).

REVIEW OF OPERATIONS, MINERAL RESOURCES AND FUTURE DEVELOPMENTS (continued)

Investments in Listed Companies

Armour Energy Ltd (23.25%) – ASX: AJQ www.armourenergy.com.au

- Holds highly prospective whole basin oil and gas positions in Northern Territory and North West Qld covering 139,000 km^2, and a track record of exploration success.
- Binding Agreements signed with American Energy for US$130 million farm-out of NT petroleum areas, 9.9% placement @ 20 cents per share, and additional cash payments of up to US$23 million to Armour[1]. American Energy failed to complete and proceedings were instituted in the Supreme Court of Queensland. The Supreme Court delivered a judgement in favour of Armour.
- Acquired petroleum resources, tenures, and production and transportation infrastructure assets on the Roma Shelf from Origin Energy. Planned program to recommission plants and wells to bring on production and early cash flow[2].
- Wholly owned subsidiary Ripple Resources Pty Ltd emerges as a highly prospective lead-zinc explorer with over 20,000 km^2 under application or tenure in Northern Australia[3].

SolGold plc (15.99%) – LSE: SOLG www.solgold.com.au

- Focus on discovery of a world class high grade copper gold porphyry system at Cascabel in Ecuador. Cascabel is close to the capital and ports, has low elevation, adequate water supplies and access to power.
- Assay results from 17 drill holes to date confirm discovery of a large scale, high grade porphyry system at the Alpala Prospect. Many significant long high grade drill intersections were announced to the London Stock Exchange during the year.
- Numerous porphyry centres have now been identified within the Cascabel project area, with drill ready targets at Aguinaga and Trevino. It is entirely possible that Alpala is not the richest and/or largest deposit that will be discovered at Cascabel.

IronRidge Resources Ltd (26.33%) – LSE: IRR www.ironridgeresources.com.au

- Highly prospective hematite rich iron targets evident in Tchibanga and Belinga Sud licence areas in Gabon - total tenure 5,400 km^2. Tchibanga is less than 70 km from the port of Mayumba.
- Assore Limited and Sumitomo Corporation secured as cornerstone investors for successful IronRidge Resources IPO and listing on LSE – AIM in first quarter 2015[4].
- Wholly owned subsidiary Eastern Exploration Pty Ltd has discovered high grade Direct Shipping Ore (DSO) bauxite mineralisation at the Monogorilby project in Queensland, Australia[5].
- Commenced a top-down global search for province scale, grass roots and/or advanced projects in new frontiers which show potential for the discovery of world-class deposits.

Aus Tin Mining Ltd (22.80%) – ASX: ANW www.austinmining.com.au

- Maiden JORC resource estimate confirms Taronga as a world class tin project.
- Metallurgical flow sheet completed for Taronga pre-feasibility study. Ore described as coarse grained, having simple metallurgy, and highly amenable to pre-concentration[6].
- The Pre-Feasibility Study released to the ASX on 7 April 2014 confirms the technical and economic viability of the Taronga Tin Project and highlights areas of potential economic upside[7].
- Progressing low CAPEX development option at Taronga, with active exploration program at McDonalds and other nearby prospects.
- Lithium mineralisation identified on NSW tenements[10], and high grade cobalt results from target extension at the Mt. Cobalt Project in Qld[11].
- Completes acquisition of the Granville Tin Project in Tasmania after high grade drill results[8]. Recommissioning of the Granville Tin processing plant commenced in late June 2016[9].
- Subsequent to 30 June 2016, Aus Tin Mining commenced tin production at the Granville Tin Project becoming Australia's second tin producer listed on the ASX.

REVIEW OF OPERATIONS, MINERAL RESOURCES AND FUTURE DEVELOPMENTS (continued)

Dark Horse Resources Ltd (15.45%) – ASX: DHR www.darkhorseresources.com

- Advancement of the highly prospective Nirihuau Coal Project in Rio Negro province in Argentina (DHR earning up to 75%).
- Further progress on the development of a thermal power station at Nirihuau to supply low-cost base-load power to the Rio Negro region and into the main Argentinian electricity supply network[12].
- Plans for low cost coal production and sale to local industries within the San Juan province in Argentina (Marayes Coal Project).
- Subsidiary Navgas Pty Ltd has released an exciting presentation on the company's oil and gas projects in Queensland and South Australia (which can be viewed on the company's website). Relatively low risk oil and gas prospects on the Roma Shelf mixed with high volume, higher risk prospects in the Proterozoic Cambrian aged formations in South Australia.

Exploration and Development of Unlisted Subsidiaries and Projects

During the year the group was strongly focused on advancing exploration projects within the parent and subsidiary companies. Field reconnaissance programs including mapping, soil, and stream and rock sampling were undertaken.

Significant activities which occurred during the year included:

Archer Resources Ltd (63% owned by DGR Global Ltd)

Archer is focussed on the discovery and development of zinc, copper, gold and silver deposits in Eastern Australia. The company has 5 key project areas in eastern Qld - Mt Abbot, Gayndah and Calgoa (which already host encouraging drill intersections), Hawkwood and Great Blackall (see Figure 2).

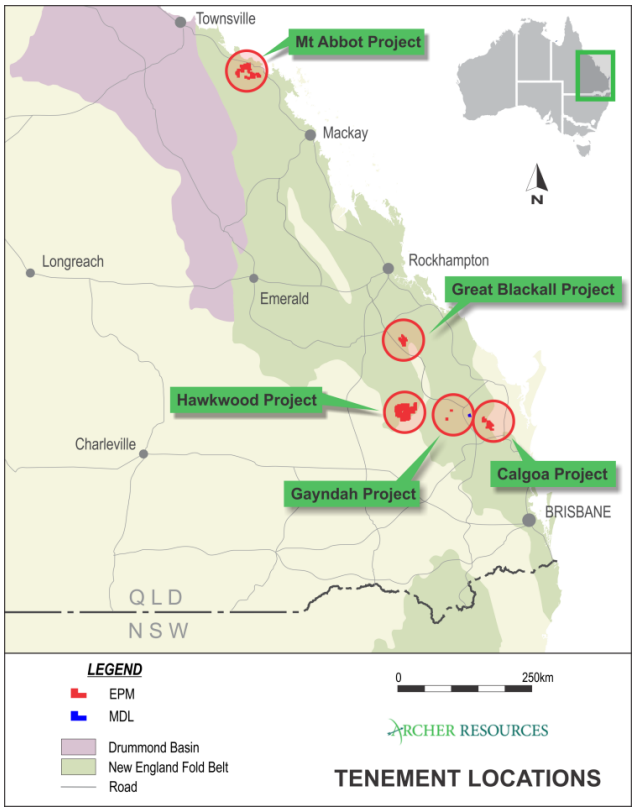

Figure 2: Map showing location of Archer Resources exploration tenements in Eastern Queensland

REVIEW OF OPERATIONS, MINERAL RESOURCES AND FUTURE DEVELOPMENTS (continued)

The **Mount Abbott Project** area (west of Bowen, Qld) lies 30 km northeast along the strike trend of the recent high sulphidation Cu Au Ag discovery at Mount Carlton (Evolution). There are three porphyry copper moly gold centres known and all are believed to offer improving grades at depth.

As shown in Figure 3, the largest porphyry target is at **Stockyard Creek** where copper and moly is exposed only in the lowest topography, nestled between extensive hills of silica clay altered breccias. Two other porphyries occur nearby at **The Springs** and **Euri Creek**. These are exposed at a slightly deeper level than at Stockyard and have stronger surface exposures.

At the **Three Sisters Prospect** on EPM 19379 (north of Calgoa) Archer has re-examined a high level argillic altered system of mineralised breccia pipes. Rock and soil sampling at Three Sisters has also revealed a second Mo Cu Au target area that was never previously recognised.

The **Calgoa** EPM 18451 covers two large porphyry copper systems, Marodian and Mt. Suthers-Bullock Creek. Additionally, the EPM covers two large areas of gold only mineralisation associated with diorite porphyries - historically the Yorkeys and Colo goldfields.

Marodian is probably the largest untested copper molybdenum gold porphyry system in the south west Pacific. Within the 30 - 40 km² Cu Mo and Au zone (see Figure 4) there are widespread areas of breccia vein stockworks and disseminations of generally low grade but with locally richer patches that have supported small underground mines in the past. Historical surface geochemistry is incomplete, covering less than half the system, and rarely tested for gold. Porphyry copper deposits are normally tested with holes of 300m or deeper (due to the scale of the deposits) but no holes at Marodian are deeper than 100m and almost all are less than 60m. The deepest previous drilling (by the Qld Government) tested the underground workings around the former Lug I Noor mine at the western extremity of the Marodian system. These holes gave variable results but verified the existence of high grade structures within widespread sub economic grades.

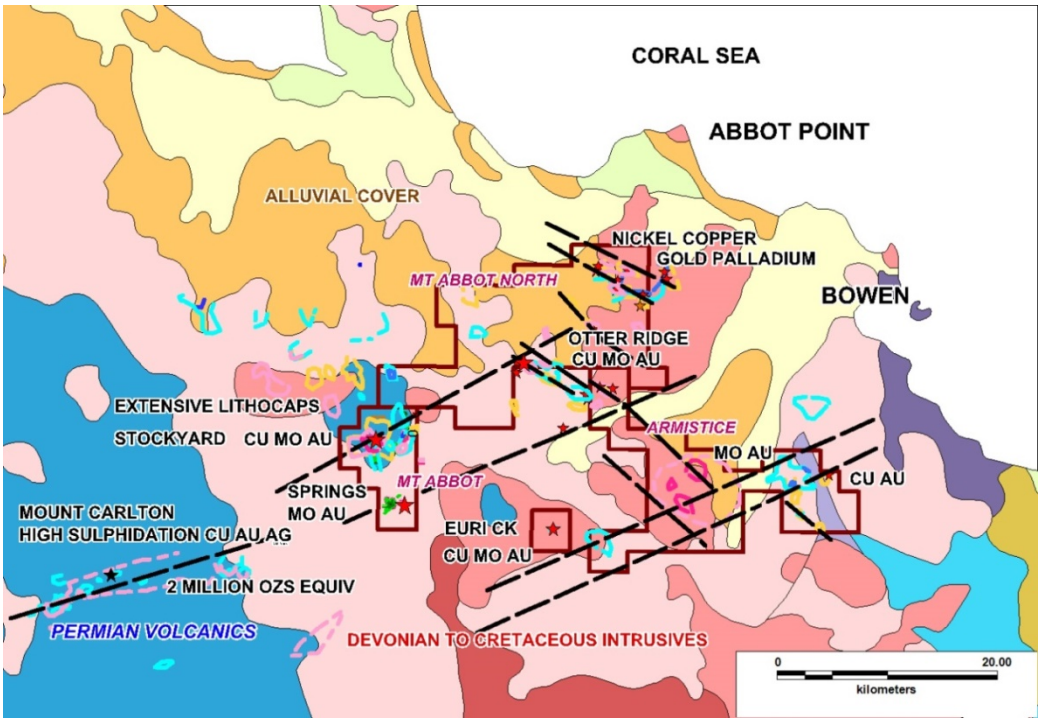

Figure 4: Location of the main prospects within the Mt Abbott Project Area

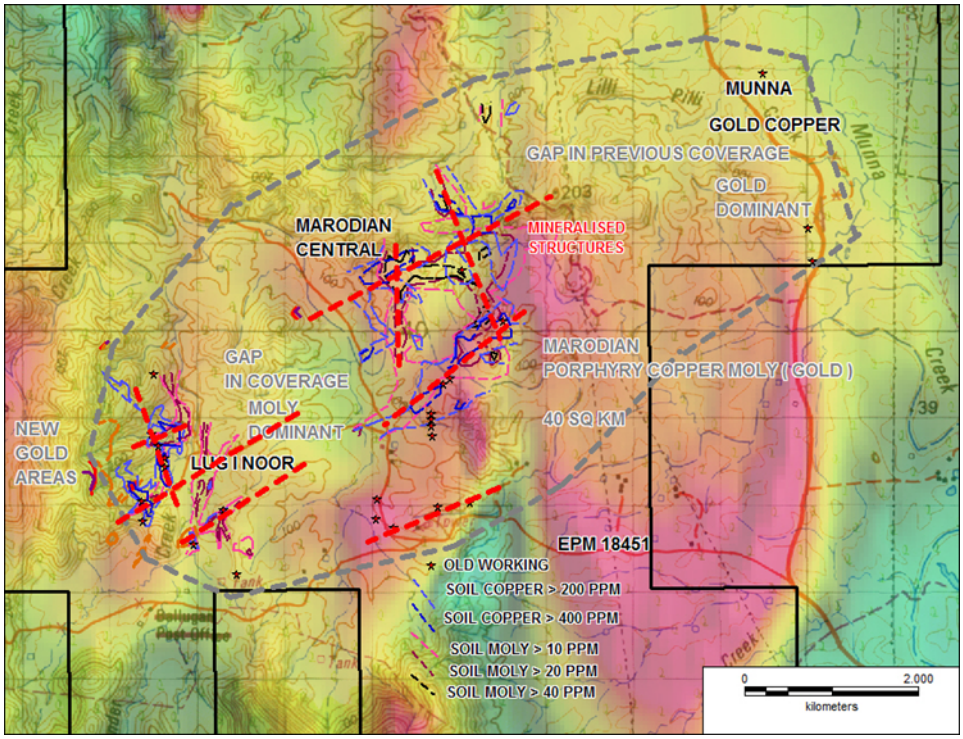

Figure 5: Marodian Cu Mo Au system targets (with historical soil chemistry)

Archer and DGR geoscientists have reviewed all the historical drill data for the Ban Ban Zinc Deposit (held on MDL 409). The tenement has an orebody that had historically been deemed too small to be economic. For the first time the historic drilling data has been modelled in 3D and has revealed significant areas where little is known, and confirms that the deposit may be open to the north but most certainly is open at depth. This is clearly evident in the long section shown in Figure 5.

Based on 3D modelling of the historical drill data the company has internally generated an exploration target of approximately 2 million tonnes to approximately 5 million tonnes grading approximately 7% zinc to approximately 10% zinc and approximately 8 g/t silver to approximately 10 g/t silver. It should be noted that the potential grade and tonnage is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource, and that it is uncertain if future exploration drilling will result in the estimation of an economic Mineral Resource. Archer Resources is undertaking a seed raising to raise $1.5 m by the issue of 30 million shares @ 5 cents per share. A significant portion of the funds raised will be used in a new drilling program at Ban Ban with the aim of testing the model for the exploration target and delivering an initial JORC compliant resource within 12 months. Funds will also be spent to advance exploration at key project areas such as Mt. Abbot, Calgoa, Three Sisters, and Gayndah. Initial reviews will also be commenced on new tenements at Great Blackall and Hawkwood.

REVIEW OF OPERATIONS, MINERAL RESOURCES AND FUTURE DEVELOPMENTS (continued)

Ban Ban Zinc Deposit, Biggenden QLD - Long-Section showing kriging interpolations for 1%, 2%, 4% and 7% Zinc

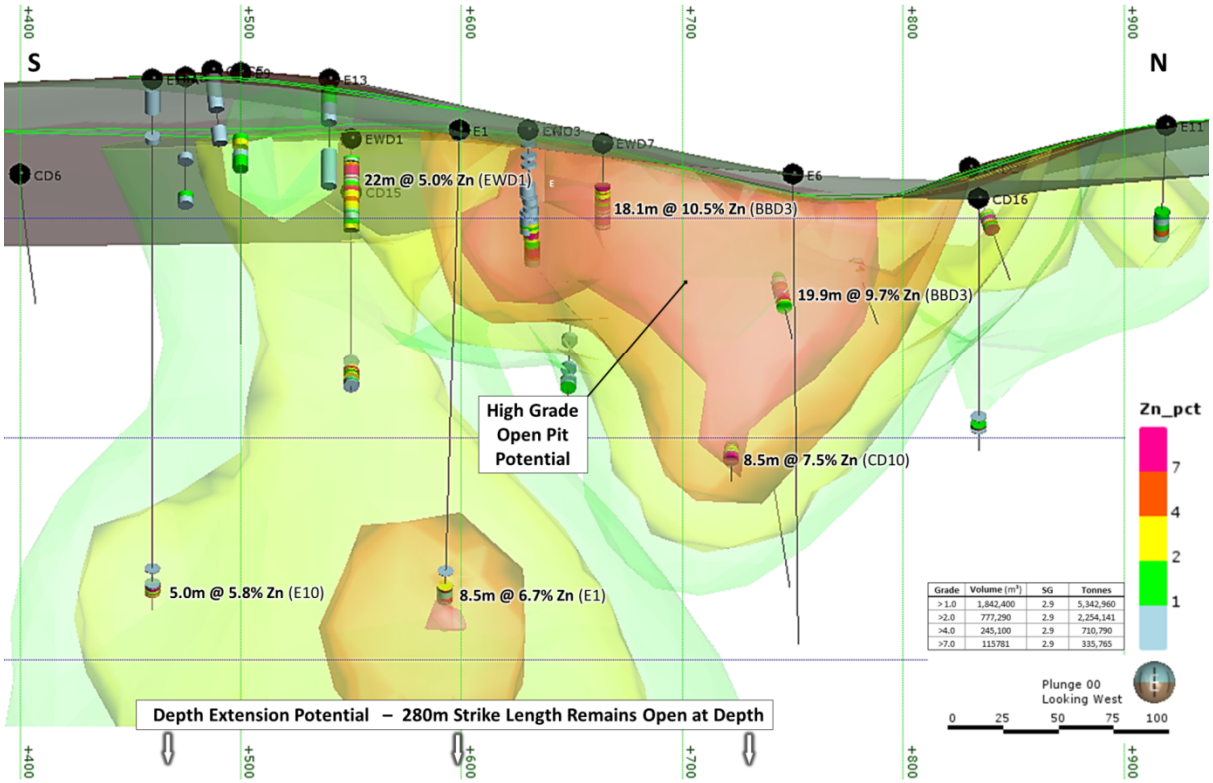

Figure 5: Long section screen shot of Ban Ban Zinc Deposit modelled in 3D Software

Pinnacle Gold Pty Ltd (94% owned by DGR Global Ltd)

Pinnacle Gold has now secured substantial and extensive gold exploration tenements south of Charters Towers in Queensland (see Figure 6). Most of the area is soil covered, with previous exploration efforts by earlier explorers largely confined to areas of outcrop and focussed on mapping and sampling known workings. Only two areas have been drilled. No one has ever done a systematic geochemical survey yet the area clearly lies on potentially mineralising structures (Charters Towers - Black Jack - Mt Leyshon). It would appear that earlier explorers have been distracted by small high grade gold bearing quartz veins with no size potential. Significant stream anomalism may not all be due to "noise" from small veins.

After reviewing the historical exploration programs Pinnacle considers it is time to re-think how to explore this mostly soil covered area. Looking for large targets, Pinnacle will commence a field program of low gold detection limit soil lines on a grid pattern with infill gridding of any elevated results. Also, further investigation will be undertaken of some identified areas of high gold stream sediment geochemistry that have had limited follow up.

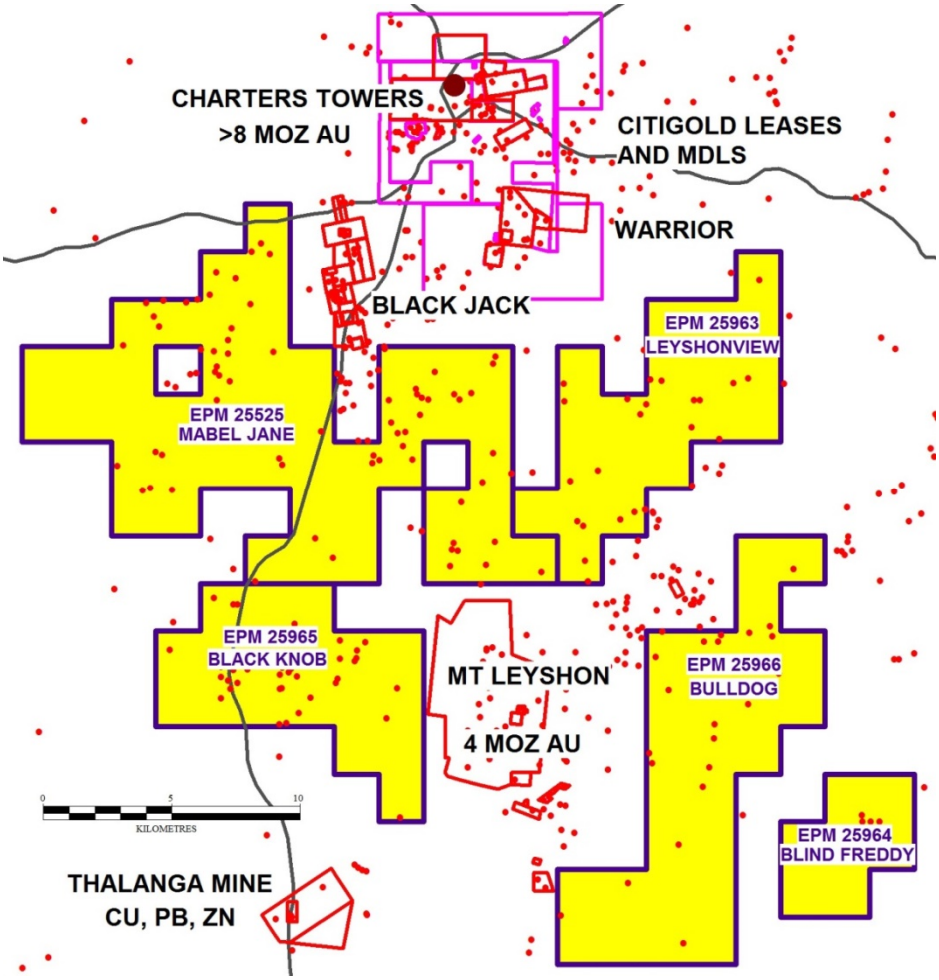

Figure 6: Location of Exploration Permits near the former Black Jack and Mt Leyshon Mines

Coolgarra Minerals Pty Ltd (100% owned by DGR Global Ltd)

Coolgarra holds two EPMs north of Greenvale prospective for gold and antimony. The Greenvale Project Area covers substantial historic gold workings, with identified initial prospects at "Janelle's Hope" and "Wades". The Wades Prospect has two parallel belts > 5 km in length - see Figure 7.

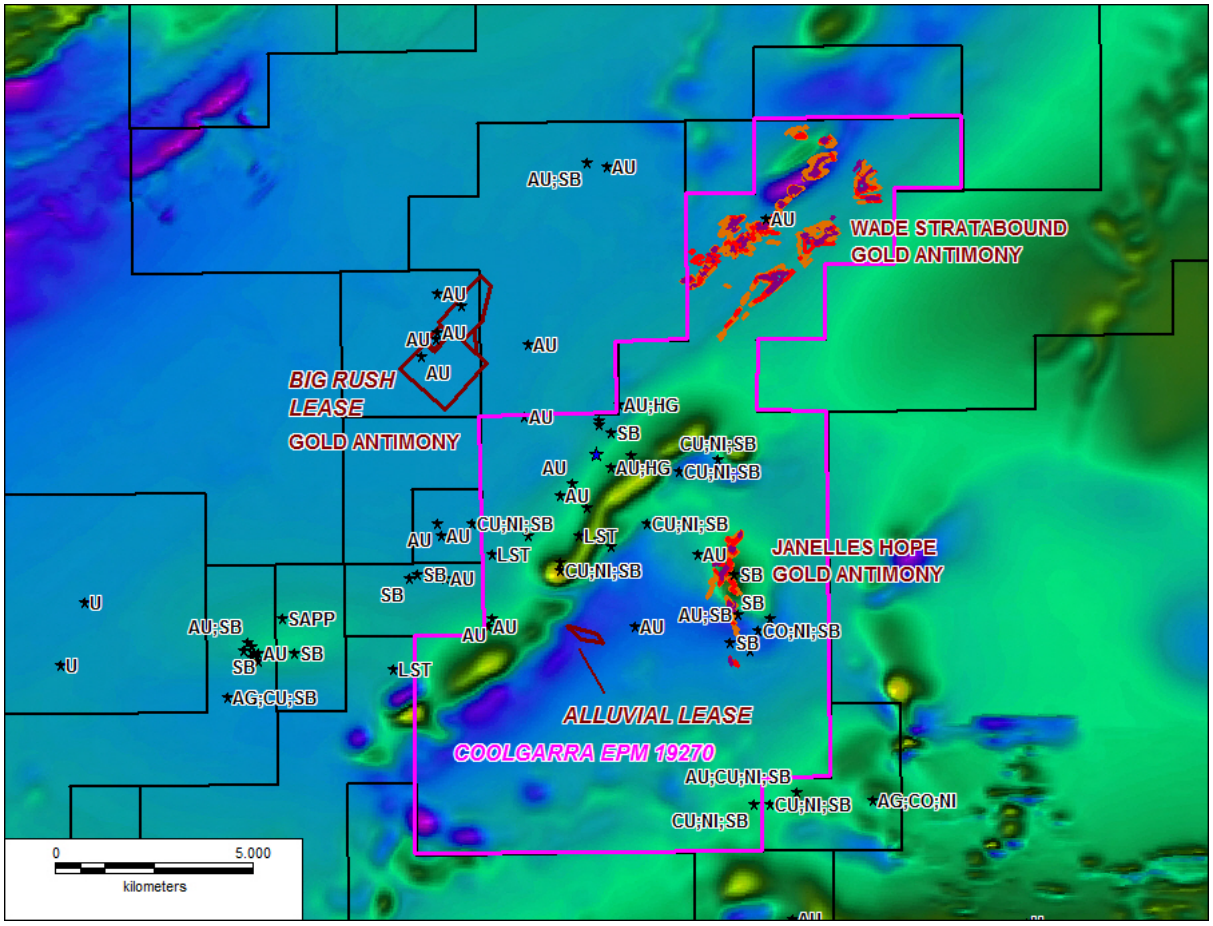

Figure 7: Pandanus Creek EPM - old workings and soil anomalies on Magnetics

Albatross Bauxite Pty Ltd (100% owned by DGR Global Ltd)

Albatross holds 3 granted exploration permits and has lodged a further two applications to explore for bauxite in eastern Queensland.

Mineral Resources

As announced to the ASX on 4 August 2014[13], following a drilling program, the Shamrock Tailings Dam at the Company's Shamrock mine site, near Kilkivan in Queensland contains a JORC 2012 compliant Mineral Resource of:

- Indicated: 770,000 tonnes @ 0.58 g/t Au for 450,000 grams (14,000 ounces) gold, and
- Inferred: 770,000 tonnes @ 11 g/t Ag for 8,242,400 grams (265,000 ounces) silver.

There has been no change to the mineral resource since that time. The Company is not aware of any new information or data that materially affects the information included in the original estimation of the resource. All previous assumptions and technical parameters underpinning the initial estimate have not materially changed.

REVIEW OF OPERATIONS, MINERAL RESOURCES AND FUTURE DEVELOPMENTS (continued)

Mineral Resource Governance Arrangements

The mineral resource estimates listed in this report are subject to DGR Global Ltd's governance arrangements and internal controls. The Company's mineral resource estimates are derived by a Competent Person (as an internal Company resource or an independent external consultant) with the relevant experience in the style of mineralisation and type of deposit under consideration, and to the activity which they are undertaking. Geological models are generated by DGR Global and reviewed by the Competent Person. The Competent Person carries out reviews of the quality and suitability of the data underlying the mineral resource estimate, and typically conducts a site visit.

The mineral resource estimates listed in this report were calculated in 2014 by Mr Neil Wilkins, who is employed by Ascry Pty Ltd which provides services to DGR Global Ltd including Mr Wilkin's role as Group Exploration Manager, who acted as Competent Person. The Company periodically reviews its mineral resource in light of any new geological and / or exploration related data pertinent to the estimation or calculation of the resource. Any revision or re-estimation of the mineral resource is calculated and approved by a Competent Person.

Future Developments

DGR Global aims to hold its key positions in the listed resource companies that it has created as they mature and develop. This review has outlined several unlisted subsidiaries that may progress to listing within the next 12 - 18 months, depending on market conditions.

Footnotes:

[1]AJQ ASX Releases 20/8 and 11/9/15
[2]AJQ ASX Release 2/9/15
[3]AJQ ASX Release 31/7/15
[4]DGR ASX Release 13/2/15
[5]IRR LSE:AIM Release 15/12/15
[6]ANW ASX Release 23/10/13
[7]ANW ASX Release 7/4/14
[8]ANW ASX Release 7/12/15
[9]ANW ASX Release 23/6/16
[10]ANW ASX Release 16/6/16
[11]ANW ASX Release 5/7/16
[12]DHR ASX Release 12/1/16
[13]DGR ASX Release 4/8/14

Competent Persons Statement

The information herein that relates to Exploration Targets and Exploration Results is based on information compiled by Nicholas Mather B.Sc (Hons) Geol., who is a Member of The Australian Institute of Mining and Metallurgy. Mr Mather is employed by Samuel Capital Pty Ltd which provides certain consultancy services including the provision of Mr Mather as the Managing Director of DGR Global Ltd (and a Director of DGR Global Ltd's subsidiaries).

Nicholas Mather has more than five years experience which is relevant to the style of mineralisation and type of deposit being reported and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' (the JORC Code). This public report is issued with the prior written consent of the Competent Person(s) as to the form and context in which it appears.

DIRECTORS' REPORT

Your Directors' submit their report for the year ended 30 June 2016.

DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

William (Bill) Stubbs
Nicholas Mather
Brian Moller
Vincent Mascolo

William (Bill) Stubbs - Non-Executive Chairman
LLB

Mr Stubbs is a lawyer of over 35 years experience and has previously worked with DGR Global Ltd CEO Nicholas Mather on the Boards of numerous emerging globally significant resource companies. He was the co-founder of the legal firm Stubbs Barbeler and has practiced extensively in the area of Commercial Law including Stock Exchange listings and all areas of mining law.

Mr Stubbs has held the position of Director of various public companies over the past 25 years in the mineral exploration and biotech fields. He is also the former Chairman of Alchemia Ltd, and Bemax Resources NL which discovered and developed extensive mineral sands resources in the Murray Basin. He was the founding Chairman of Arrow Energy NL which originally pioneered coal seam gas development in Queensland's Bowen and Surat Basins from 1998, and is now a world-wide coal seam gas company.

During the past three years Mr Stubbs has also served as a director of the following listed and public companies:

- Armour Energy Ltd
- Lakes Oil NL (appointed 7 February 2012)
- Stradbroke Ferries Ltd
- Coalbank Ltd (resigned 22 November 2013)

Mr Stubbs is a member of the Audit and Risk Committee and the Remuneration and Nomination Committee.

Nicholas Mather - Managing Director and Chief Executive Officer
BSc (Hons, Geol) (Univ. QLD), MAusIMM

Mr Mather has over 30 years of experience in exploration and resource company management. His career has taken him to a variety of countries exploring for precious and base metals and fossil fuels. He has focused his attention on the identification of and investment in large resource exploration projects.

Mr Mather was Managing Director of Bemax Resources NL and instrumental in the discovery of the world class Gingko mineral sand deposit in the Murray Basin in 1998. As an Executive Director of Arrow Energy NL, Mr Mather drove the acquisition and business development of Arrow's large Surat Basin Coal Bed Methane project in South East Queensland. He was Managing Director of Auralia Resources NL, a junior gold explorer before its $23 million merger with Ross Mining NL in 1995. He was also a Non-Executive Director of Ballarat Goldfields NL, having assisted that company in its re-emergence as a significant emerging gold producer.

During the past three years Mr Mather has also served as a director of the following listed companies:

- Armour Energy Ltd
- Lakes Oil NL
- Orbis Gold Ltd (resigned 16 February 2015)
- Aus Tin Mining Ltd
- Dark Horse Resources Ltd (formerly Navaho Gold Ltd)
- SolGold plc, which is listed on the London Stock Exchange (AIM)
- IronRidge Resources Ltd, which is listed on the London Stock Exchange (AIM)

DIRECTORS' REPORT (continued)

DIRECTORS (continued)

Brian Moller - Non Executive Director
LLB (Hons)

Mr Moller is a corporate partner in the Brisbane based law firm HopgoodGanim. He was admitted as a solicitor in 1981 and has been a partner since 1983. He practices almost exclusively in the corporate area with an emphasis on capital raising, mergers and acquisitions.

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

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.

During the past three years Mr Moller has also served as a director of the following listed companies:

- Aus Tin Mining Ltd
- Platina Resources Ltd
- Dark Horse Resources Ltd
- SolGold plc, which listed on the London Stock Exchange (AIM)
- Buccaneer Energy Ltd (appointed 2 July 2013, resigned 29 November 2013)
- Aguia Resources Ltd

Mr Moller is a member of the Audit and Risk Committee and the Remuneration and Nomination Committee.

Vincent Mascolo - Non Executive Director
BEng Mining, MAusIMM, MEI Aust

Mr Mascolo is a qualified mining engineer with extensive experience in a variety of fields including, gold and coal mining, quarrying, civil-works, bridge-works, water and sewage treatment and estimating.

Mr Mascolo has completed numerous assignments in the Civil and Construction Industry, including construction and project management, engineering, quality control and environment and safety management. He is also a member of both the Australian Institute of Mining and Metallurgy and the Institute of Engineers of Australia.

Mr Mascolo serves as Managing Director of London Stock Exchange listed (AIM) IronRidge Resources Ltd.

Mr Mascolo is a member of the Audit and Risk Committee and the Remuneration and Nomination Committee.

As at the date of this report, the interest of the Directors in the shares and options of DGR Global Ltd were:

	Number of ordinary shares	Number of options over ordinary shares
William (Bill) Stubbs	1,778,082	7,275,000
Nicholas Mather	105,413,341	13,750,000
Brian Moller	2,604,618	7,275,000
Vincent Mascolo	5,000,000	6,650,000

COMPANY SECRETARY

Karl Schlobohm - Company Secretary
B.Comm, B.Econ, M.Tax, CA, AICD

Mr Schlobohm is a Chartered Accountant with over 20 years of experience across a wide range of industries and businesses. He has extensive experience with financial accounting, corporate governance, company secretarial duties and board reporting. He currently acts as the Company Secretary for ASX-listed DGR Global Ltd, Aus Tin Mining Ltd, Armour Energy Ltd, Dark Horse Resources Ltd and LSE(AIM)-listed SolGold Plc and IronRidge Resources Ltd.

DIRECTORS' REPORT (continued)

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was mineral exploration. There were no significant changes in the nature of the Group's principal activities during the financial year.

DIVIDENDS PAID OR RECOMMENDED

On 26 June 2015, the company announced a fully franked dividend of $0.0025 per share. The dividend was subsequently paid on the 31 July 2015.

There were no other dividends paid or recommended during the current and previous financial year.

REVIEW OF OPERATIONS

Detailed comments on operations and exploration programs up to the date of this report are included separately in the Annual Report under Review of Operations and Future Developments.

REVIEW OF FINANCIAL CONDITION

Capital structure

Ordinary Shares

On 2 April 2015 2,038,409 shares were issued at an average price of $0.0288, being conversion to equity of interest payable on convertible note for the period 16 May 2014 to 15 May 2015 at the note holder's election.

On 31 July 2015, 7,407,167 $0.03 ordinary shares were issued pursuant to the Dividend Reinvestment Plan offered under the dividend announced to the market on 26 June 2015.

On 12 November 2015, 35,268,795 $0.038 ordinary shares were issued pursuant to the institutional offer under the Company's rights issue.

On 7 December 2015, 93,959,691 $0.038 ordinary shares were issued. Of these shares, 70,144,342 were issued pursuant to the Company's rights issue and 23,815,349 were issued pursuant to a private placement.

Options

On 15 April 2015, 4,400,000 unlisted options exercisable at $0.065, expiring 14 April 2016, were issued to executives and employees as remuneration and incentive.

On 13 July 2015, 1,500,000 unlisted options exercisable at $0.12, expiring 27 May 2017, and 1,000,000 unlisted options exercisable at $0.065, expiring 10 July 2016 were issued to a contractor under the Employee Share Option Plan.

On 1 October 2015, 23,000,000 unlisted options exercisable at $0.065, expiring 30 September 2017, were issued to employees under the Employee Share Option Plan.

On 2 December 2015, 22,950,000 unlisted options exercisable at $0.065, expiring 25 November 2017, were issued to Directors under the Employee Share Option Plan.

DIRECTORS' REPORT (continued)

REVIEW OF FINANCIAL CONDITION (continued)

Capital structure (continued)

Position at 30 June 2016 and Position at the Date of this Report

Financial position

The net assets of the Group have increased by $7,595,901 to $44,103,691 as at 30 June 2016 from $36,507,790 as at 30 June 2015. This increase has largely resulted from:

- Increase in the value of SolGold plc and Aus Tin Mining Ltd investments accounted for as assets at fair value through profit or loss;
- Increase in the value of Armour Energy Ltd and Dark Horse Resources Ltd investments accounted for using the equity method;
- Decrease in the Group's trade and other payables; and
- Decrease in the Group's income tax payable.

During the past year the Group has continued investing in its mineral exploration tenements.

Treasury policy

The Group does not have a formally established treasury function. The Board is responsible for managing the Group's currency risks and finance facilities. The Group does not currently undertake hedging of any kind.

Liquidity and funding

At 30 June 2016 the cash balance of the Group was $531,101. Subsequent to year-end, the Group executed short-term secured loan facility agreements with two international financiers for CAD$3,000,000 for a period of 6 months on commercial terms.

OPERATING RESULTS

For the year ended 30 June 2016, the Group profit after income tax was $616,292 (2015 profit of $6,551,094).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the Group that occurred during the financial year under review not otherwise disclosed in this report or the financial statements of the Group for the financial year.

SIGNIFICANT EVENTS AFTER BALANCE DATE

On 1 July 2016, the Company executed a short-term unsecured loan agreement with SolGold plc to provide up to $7 million in funding for the period through to 31 December 2016. The loan bears interest of 9.5% per annum and is repayable by SolGold plc on the earlier of any capital raising event, or 31 December 2016. Interest accrued on the loan is only payable on the repayment date. The Company can, at its sole election, convert all or part of the loan, including accrued interest, into further equity as part of a SolGold plc capital raising, and at the same price as third party participants. On 29 August 2016, the Company converted $5,700,000 of the debt funding provided to SolGold into SolGold shares in accordance with the terms of the loan arrangements announced to the market on 1 July 2016.

On 5 July 2016, the Company executed short-term secured loan facility agreements with two international financiers for CAD$3,000,000 for a period of 6 months on commercial terms. The purpose of the loan facility agreements is to provide DGR Global Ltd with access to adequate working capital to continue to facilitate the on-going development of the various companies in which it holds significant equity interests.

DIRECTORS' REPORT (continued)

SIGNIFICANT EVENTS AFTER BALANCE DATE (continued)

On 29 July 2016, the Company agreed to an extension of the Armour Energy Ltd Loan Facility to 30 September 2016. This two month extension was granted to Armour Energy Ltd on the current terms of the facility, which is secured and has an interest rate of 15% per annum. All other key terms of the Armour Energy Ltd Loan Facility remained as previously advised. On 28 September 2016, DGR Global Ltd has further extended the Armour Energy Loan Facility to 31 December 2016. This two month extension was agreed by DGR on the current terms of the facility which is secured and has an interest rate of 15% per annum. Again, all other key terms of the Armour Energy Loan Facility remain as previously advised.

On 22 September 2016, DGR Global Ltd agreed to partially underwrite Aus Tin Mining Ltd's Non-Renounceable Entitlement Offer up to $828,829. A fee of 5% of the underwritten amount is payable on completion of the offer. DGR Global Ltd is currently owed approximately $430,000 by Aus Tin Mining Ltd and any resultant net underwriting commitment is expected to be absorbed via the full or partial conversion of this amount under the entitlement issue.

The Directors are not aware of any other significant changes in the state of affairs of the Group or events after the balance date that would have a material impact on the consolidated financial statements.

FUTURE DEVELOPMENTS

Likely developments in the operations of the Group and the expected results of those operations in subsequent financial years have been discussed where appropriate in the Annual Report under Review of Operations and Future Developments.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is subject to environmental regulation in relation to its exploration activities. The Group has conducted an extensive review of the environmental status of the Mining Leases and has estimated the potential costs for future rehabilitation and restoration to be $838,778. There are no matters that have arisen in relation to environmental issues up to the date of this report.

REMUNERATION REPORT (AUDITED)

Remuneration policy

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

The Remuneration and Nomination Committee of the Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and the Executive team. The Remuneration and Nomination Committee assesses the appropriateness of the nature and amount of remuneration of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Executive team. Such officers are given the opportunity to receive their base remuneration in a variety of forms including cash and fringe benefits. It is intended that the manner of payments chosen will be optimal for the recipient without creating undue cost for the Company. Further details on the remuneration of Directors and Executives are set out in this Remuneration Report.

The Company aims to reward the Executive Director and Senior Management with a level and mix of remuneration commensurate with their position and responsibilities within the Company. The Board's policy is to align Director and Executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering long-term incentives. During the year the Group did not engage the services of Remuneration consultants.

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive Director and Senior Management remuneration is separate and distinct.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Non-Executive Director Remuneration

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders. The Company's specific policy for determining the nature and amount of remuneration of Board members of the Company is as follows:

The Constitution of the Company provides that the Non-Executive Directors are entitled to remuneration as determined by the Company in general meeting to be apportioned among them in such manner as the Directors agree and, in default of agreement, equally. The aggregate remuneration currently determined by the Company is $350,000 per annum. Additionally, Non-Executive Directors are entitled to be reimbursed for properly incurred expenses.

If a Non-Executive Director performs extra services, which in the opinion of the Directors are outside the scope of the ordinary duties of the Director, the Company may remunerate that Director by payment of a fixed sum determined by the Directors in addition to or instead of the remuneration referred to above. However, no payment can be made if the effect would be to exceed the maximum aggregate amount payable to Non-Executive Directors. A Non-Executive Director is entitled to be paid travelling and other expenses properly incurred by them in attending Directors' or general meetings of the Company or otherwise in connection with the business of the Company.

All Directors have the opportunity to qualify for participation in the Directors' and Executive Officers' option plan, subject to the approval of shareholders.

The remuneration of Non-Executive Directors for the year ended 30 June 2016 is detailed in this Remuneration Report.

Executive Director and Senior Management Remuneration

The Company aims to reward the Executive Director and Senior Management with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward Executives for company and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of Executives with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

The remuneration of the Executive Director and Senior Management may from time to time be fixed by the Board. The remuneration will comprise a fixed remuneration component and also may include offering specific short and long-term incentives, in the form of:

- performance-based salary increases and/or bonuses; and/or
- the issue of options.

During 2016 there were $180,000 (2015: nil) in bonuses paid. There were no performance based salary increases or options issued that were performance related during the current financial year.

All Directors and Executives have the opportunity to qualify for participation in the Directors' and Executive Officers' Option Plan, subject to the approval of shareholders. All employees have the opportunity to qualify for participation in the DGR Global Employee Share Option Plan.

The remuneration of the Executive Director and Senior Management for the year ended 30 June 2016 is detailed in this Remuneration Report.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Relationship between remuneration and Company performance

The Company and its subsidiaries' principal activity is mineral exploration and accordingly does not generate any revenues from operations and historically has generated losses.

The Company listed on the ASX on 21 August 2003. The following table shows the share price at the end of the financial year for the Company for the last five (5) years:

	2012	2013	2014	2015	2016
Share price at year end	$0.06	$0.024	$0.03	$0.036	$0.025
Dividend declared	-	-	-	$0.0025	-

During the year ended 30 June 2016 the market price of the Company's ordinary shares ranged from a low of $0.024 to a high of $0.047.

On 26 June 2015, the Company announced a fully franked dividend of $0.0025 per share. The dividend was subsequently paid on the 31 July 2015.

As the Company is still in the exploration and development stage, the link between remuneration, company performance and shareholder wealth is tenuous. Share prices are subject to the influence of metals prices and market sentiment toward the sector, and as such increases or decreases may occur quite independent of Executive performance or remuneration.

Employment contracts

It is the Board's policy that employment agreements are entered into with all Executive Directors, Executives and employees. Contracts do not provide for pre-determining compensation values or method of payment. Rather the amount of compensation is determined by the Board in accordance with the remuneration policy set out above.

The current employment agreement with the Managing Director has a notice period of three (3) months. All other Executive employment agreements have between 1 and 3 months notice periods. No current employment contracts contain early termination clauses. The terms of appointment for Non-Executive Directors are set out in letters of appointment.

Key Management Personnel are entitled to their statutory entitlements of accrued annual leave and long service leave together with any superannuation on termination. No other termination payments are payable.

Managing Director

DGR Global Ltd has an agreement with Samuel Capital Pty Ltd, an entity associated with Nicholas Mather for the provision of certain consultancy services. The agreement was last updated on 1 July 2015. Samuel Capital Pty Ltd will provide Nicholas Mather as the Managing Director of DGR Global Ltd for a base fee of $250,000 per annum. There is no fixed term specified in this agreement.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Employment contracts (continued)

Managing Director (continued)

Under the terms of the present contract:

- Both DGR Global Ltd and Samuel Capital Pty Ltd are entitled to terminate the contract upon giving three (3) months written notice (6 months where triggered by a change of control);
- DGR Global Ltd is entitled to terminate the agreement upon the happening of various events in respect of Samuel Capital Pty Ltd's solvency or other conduct or if Nicholas Mather ceases to be a Director of DGR Global Ltd;
- The contract provides for a six monthly review of performance by DGR Global Ltd. The Company currently has not set any specific KPIs.

There is no termination payment provided for in the Executive Service Contract with Samuel Capital Ltd, other than the agreed notice periods.

Senior Management

The base salary of senior management are as follows:

Position	Base Salary
Company Secretary	$190,000
Chief Financial Officer	$250,000
General Manager	$200,000
Exploration Manager	$700 per day

The employment contracts entered into with senior management contain the following key terms:

Event	Company Policy
Performance based salary increases and/or bonuses	Board discretion
Short and long-term incentives, such as options	Board discretion
Resignation/notice period	1 – 3 months
Serious misconduct	Company may terminate at any time
Payouts upon resignation or termination, outside industrial regulations (i.e. 'golden handshakes')	None

Details of Key Management Personnel

(i) Directors

William (Bill) Stubbs
Nicholas Mather
Brian Moller
Vincent Mascolo

(ii) Other Key Management Personnel

Greg Runge	General Manager
Karl Schlobohm	Company Secretary
Priy Jayasuriya	Chief Financial Officer
Barry Stoffell	Chief Geologist, New Opportunities Group (resigned 30 June 2015)
Amanda Geard	Business Generation Manager, New Opportunities Group (resigned 30 June 2015)
Neil Wilkins	Exploration Manager

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DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Remuneration Details

Remuneration of Key Management Personnel

Directors	Short term benefits			Post-employment	Share-based payments Equity settled		Total	Consisting of options	Consisting of performance related
	Salary & fees	Cash bonus	Other	Superannuation	Options	Shares			
	$	$	$	$	$	$		%	%
William (Bill) Stubbs									
- 2016	70,000	10,000	6,450	-	58,788	-	145,238	40%	7%
- 2015	70,000	-	7,190	-	-	-	77,190	-	-
Nicholas Mather[1]									
- 2016	250,000	35,000	20,850	-	113,782	-	419,632	27%	8%
- 2015	311,913	-	21,590	-	-	-	333,503	-	-
Brian Moller									
- 2016	50,000	10,000	6,450	-	58,788	-	125,238	47%	8%
- 2015	50,000	-	7,190	-	-	-	57,190	-	-
Vincent Mascolo[1]									
- 2016	50,000	35,000	6,450	-	58,788	-	150,238	39%	23%
- 2015	155,000	-	7,190	-	-	-	162,190	-	-
Sub-total remuneration									
- 2016	**420,000**	**90,000**	**40,200**	**-**	**290,146**	**-**	**840,346**		
- 2015	**586,913**	**-**	**43,160**	**-**	**-**	**-**	**630,073**		

[1]Includes remuneration from IronRidge Resources Ltd until the date of deconsolidation, 12 February 2015.

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DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Remuneration Details (continued)

Other Key Management Personnel	Short term benefits			Post-employment	Share-based payments Equity settled		Total	Consisting of options	Consisting of performance related
	Salary & fees $	Cash bonus $	Other $	Superannuation $	Options $	Shares $		%	%
Greg Runge									
- 2016	161,573	10,000	16,050	15,349	40,114	-	243,086	17%	4%
- 2015	155,611	-	16,790	14,783	6,935	-	194,119	4%	-
Karl Schlobohm									
- 2016	189,209	40,000	6,450	-	40,114	-	275,773	15%	15%
- 2015	171,000	-	7,190	-	6,935	-	185,125	4%	-
Priy Jayasuriya									
- 2016	228,311	40,000	12,450	21,690	40,114	-	342,565	12%	12%
- 2015	211,009	-	13,190	20,046	6,935	-	251,180	3%	-
Barry Stoffell[1]									
- 2016	-	-	-	-	-	-	-	-	-
- 2015	249,715	-	-	-	-	-	249,715	-	-
Amanda Geard[2]									
- 2016	-	-	-	-	-	-	-	-	-
- 2015	249,715	-	-	-	-	-	249,715	-	-
Neil Wilkins									
- 2016	26,830	-	-	-	20,057	-	46,887	43%	-
- 2015	37,800	-	-	-	3,467	-	41,267	8%	-
Sub-total remuneration									
- 2016	**605,923**	**90,000**	**34,950**	**37,039**	**140,399**	**-**	**908,311**		
- 2015	**1,074,850**	**-**	**37,170**	**34,829**	**24,272**	**-**	**1,171,121**		
Total remuneration									
- 2016	**1,025,923**	**180,000**	**75,150**	**37,039**	**430,544**	**-**	**1,748,656**		
- 2015	**1,661,763**	**-**	**80,330**	**34,829**	**24,272**	**-**	**1,801,194**		

[1]Barry Stoffell resigned as Chief Geologist, New Opportunities Group effective 30 June 2015.
[2]Amanda Geard resigned as the Business Generation Manager, New Opportunities Group effective 30 June 2015.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Remuneration Details (continued)

Performance income as a proportion of total remuneration

Performance based bonuses are paid on set monetary figures, rather than proportions of salaries. The remuneration committee has set these bonuses to encourage achievement of specific goals that have been given a high level of importance in relation to the future growth of the consolidated Group.

The remuneration committee will review the performance bonuses to gauge their effectiveness against achievement of the set goals, and adjust future years' incentives as they see fit, to ensure the most cost effective and efficient methods.

Performance based bonuses are paid on set monetary figures, rather than proportions of salaries. The remuneration committee has set these bonuses to encourage achievement of specific goals that have been given a high level of importance in relation to the future growth of the consolidated Group.

There were $180,000 in bonus payments made during the year ended 30 June 2016 (2015: nil).

Shares and options issued in DGR Global Ltd as part of remuneration for the year ended 30 June 2016

Shares and options are not issued based on performance criteria, as the Board does not consider this appropriate for a junior exploration company. Options are issued to the majority of key management personnel and executives to align comparative shareholder return and reward for Directors and executives. There were no shares issued in DGR Global Ltd to directors or key management personnel during the year. The terms and conditions of the grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Key Management Personnel Options	1/10/2015	1/10/2015	30/09/2017	$0.065	$0.01
	2/12/2015	2/12/2015	25/11/2017	$0.065	$0.013

Options granted carry no dividend or voting rights. There was no amount paid or payable by the recipients.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2016 are set out below:

	Number of options granted during the year 2016	Number of options vested during the year 2016
Directors		
William (Bill) Stubbs	4,650,000	4,650,000
Nicholas Mather	9,000,000	9,000,000
Brian Moller	4,650,000	4,650,000
Vincent Mascolo	4,650,000	4,650,000
Other Key Management Personnel		
Greg Runge	4,000,000	4,000,000
Karl Schlobohm	4,000,000	4,000,000
Priy Jayasuriya	4,000,000	4,000,000
Neil Wilkins	2,000,000	2,000,000
Total	**36,950,000**	**36,950,000**

All options issued will convert to 1 share in DGR Global Ltd on exercise.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Remuneration Details (continued)

	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consisting of DGR Global Ltd options for the year %	Vested options %
Directors					
William (Bill) Stubbs	58,788	-	-	40%	100%
Nicholas Mather	113,782	-	-	27%	100%
Brian Moller	58,788	-	-	47%	100%
Vincent Mascolo	58,788	-	-	39%	100%
Other Key Management Personnel					
Greg Runge	40,114	-	(6,935)	17%	100%
Karl Schlobohm	40,114	-	(6,935)	15%	100%
Priy Jayasuriya	40,114	-	(6,935)	12%	100%
Neil Wilkins	20,057	-	(3,467)	43%	100%
Total	**430,545**	**-**	**(24,272)**		

Shares issued on exercise of remuneration options

There were no options exercised into ordinary shares by employees during the year that were previously granted as remuneration (2015: nil).

The Board's current policy does not allow Directors and executives to limit their risk exposure in relation to equities or options without the approval of the Board.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Additional disclosures relating key management personnel

Shareholding

The number of shares in the company and controlled subsidiaries held during the financial year by each director and other member of the key management personnel of the consolidated entity, including their personally related parties is set out below:

DGR Global Ltd

	Balance at the start of the year	Received as part of remuneration	Received on exercise of options	Other#	Balance at the end of the year
Directors					
William (Bill) Stubbs	1,422,466	-	-	355,616	1,778,082
Nicholas Mather	58,605,599	-	-	46,807,742	105,413,341
Brian Moller	2,133,694	-	-	470,924	2,604,618
Vincent Mascolo	4,000,000	-	-	1,000,000	5,000,000
Other Key Management Personnel					
Greg Runge	5,927,778	-	-	1,581,637	7,509,415
Karl Schlobohm	2,585,640	-	-	414,360	3,000,000
Priy Jayasuriya	78,000	-	-	23,832	101,832
Neil Wilkins	4,452,857	-	-	-	4,452,857
Total	**79,206,034**	**-**	**-**	**50,654,111**	**129,860,145**

#Other includes the balance of shares held on appointment/resignation, and shares acquired and sold for cash in on-market transactions.

There were no shares held nominally at the end of the year.

Archer Resources Ltd

	Balance at the start of the year	Received as part of remuneration	Received on exercise of options	Other	Balance at the end of the year
Directors					
William (Bill) Stubbs	-	-	-	-	-
Nicholas Mather	-	-	-	-	-
Brian Moller	100,000	-	-	-	100,000
Vincent Mascolo	100,000	-	-	-	100,000
Other Key Management Personnel					
Greg Runge	400,000	-	-	200,000	600,000
Karl Schlobohm	-	-	-	-	-
Priy Jayasuriya	-	-	-	-	-
Neil Wilkins	-	-	-	200,000	200,000
Total	**600,000**	**-**	**-**	**400,000**	**1,000,000**

There were no shares held nominally at the end of the year.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Additional disclosures relating key management personnel (continued)

Shareholding (continued)

Pinnacle Gold Pty Ltd

	Balance at the start of the year	Received as part of remuneration	Received on exercise of options	Other	Balance at the end of the year
Directors					
William (Bill) Stubbs	200,000	-	-	-	200,000
Nicholas Mather	200,000	-	-	-	200,000
Vincent Mascolo	200,000	-	-	-	200,000
Other Key Management Personnel					
Greg Runge	500,000	-	-	-	500,000
Karl Schlobohm	100,000	-	-	-	100,000
Priy Jayasuriya	50,000	-	-	-	50,000
Neil Wilkins	400,000	-	-	-	400,000
Total	**1,650,000**	**-**	**-**	**-**	**1,650,000**

There were no shares held nominally at the end of the year.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Additional disclosures relating key management personnel (continued)

Option holding

The number of options over ordinary shares in the company and controlled subsidiaries held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

DGR Global Ltd

	Balance at the start of the year	Granted as remuneration	Exercised	Other#	Balance at the end of the year	Vested at the end of the year	Vested and exercisable at the end of the year	Vested and unexercisable at the end of the year
Directors								
William (Bill) Stubbs	2,625,000	4,650,000	-	-	7,275,000	7,275,000	7,275,000	-
Nicholas Mather	4,750,000	9,000,000	-	-	13,750,000	13,750,000	13,750,000	-
Brian Moller	2,625,000	4,650,000	-	-	7,275,000	7,275,000	7,275,000	-
Vincent Mascolo	2,000,000	4,650,000	-	-	6,650,000	6,650,000	6,650,000	-
Other Key Management Personnel								
Greg Runge	2,500,000	4,000,000	-	(1,000,000)	5,500,000	5,500,000	5,500,000	-
Karl Schlobohm	2,500,000	4,000,000	-	(1,000,000)	5,500,000	5,500,000	5,500,000	-
Priy Jayasuriya	2,500,000	4,000,000	-	(1,000,000)	5,500,000	5,500,000	5,500,000	-
Barry Stoffell	1,500,000	-	-	(1,500,000)	-	-	-	-
Amanda Geard	1,500,000	-	-	(1,500,000)	-	-	-	-
Neil Wilkins	2,000,000	2,000,000	-	(500,000)	3,500,000	3,500,000	3,500,000	-
Total	**24,500,000**	**36,950,000**	**-**	**(6,500,000)**	**54,950,000**	**54,950,000**	**54,950,000**	**-**

#Other includes the balance of options held on appointment / resignation, options held on deconsolidation from the Group, and options expired during the period.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Additional disclosures relating key management personnel (continued)

Option holding (continued)

Archer Resources Ltd

There were no options over ordinary shares in Archer Resources Ltd held during the financial year by Directors' or key management personnel.

Loans to Directors and Key Management Personnel

There were no loans made, guaranteed or secured to directors and key management personnel by the entity or any of its controlled entities.

Other transactions with Key Management Personnel

(i) Mr Brian Moller (a Director), is a partner in the firm HopgoodGanim Lawyers. Hopgood Ganim Lawyers were paid $137,889 (2015: $247,992) for the provision of legal services to the Group during the year. The services were based on normal commercial terms and conditions. At 30 June 2016 there was a balance of $23,788 owing (2015: $7,967) included within current liabilities.

(ii) On 28 February 2014, BillTed Investments, an entity associated with DGR Global Ltd Chairman Mr William (Bill) Stubbs provided a secured loan for $500,000 at an interest rate of 12% per annum. The loan was secured by 2,816,901 Orbis Gold Ltd shares. The loan was repaid in full on 2 December 2014. A total interest charge of $nil (2015: $25,315) was accrued and paid during the year ended 30 June 2016.

(iii) On 5 March 2014, Mather Investments, an entity associated with DGR Global Ltd Managing Director and Chief Executive Officer Mr Nicholas Mather provided a secured loan for $200,000 at an interest rate of 12% per annum. The loan was secured by 1,126,760 Orbis Gold Ltd shares. The loan was repaid in full on 1 December 2014. A total interest charge of $nil (2015: $9,995) was accrued and paid during the year ended 30 June 2016.

(End of Remuneration Report)

DIRECTORS' REPORT (continued)

DIRECTORS' MEETINGS

The number of meetings of Directors held during the period and the number of meetings attended by each Director were as follows:

	Board		Audit & Risk Management Committee		Remuneration & Nomination Committee	
	Number of meetings held while in office	Meetings attended	Number of meetings held while in office	Meetings attended	Number of meetings held while in office	Meetings attended
William (Bill) Stubbs	9	9	2	2	2	2
Nicholas Mather	9	9	N/A	N/A	N/A	N/A
Brian Moller	9	8	2	1	2	1
Vincent Mascolo	9	8	2	2	2	2

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

Each of the Directors and secretary of the Company has entered into a Deed with the Company whereby the Company has provided certain contractual rights of access to books and records of the Company to those Directors. The Company has insured all of the Directors of DGR Global Ltd. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and amount of the premium paid. The Corporations Act does not require disclosure of the information in these circumstances.

The Company has not indemnified or insured its auditor.

OPTIONS

At the date of this report, the unissued ordinary shares of DGR Global Ltd under option are as follows:

Grant date	Date of Expiry	Exercise Price	Number under Option
2 December 2013	30 November 2016	$0.12	12,000,000
29 May 2014	29 May 2017	$0.12	9,500,000
13 July 2015	10 July 2016	$0.065	1,000,000
13 July 2015	29 May 2017	$0.12	1,500,000
1 October 2015	30 September 2017	$0.065	23,000,000
2 December 2015	25 November 2017	$0.065	22,950,000
11 December 2015	14 December 2017	$0.065	6,000,000

At the date of this report, there is no unissued ordinary shares of Archer Resources Ltd under option.

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

DIRECTORS' REPORT (continued)

NON-AUDIT SERVICES

There were no non-audit services provided by the entity's auditor BDO Audit Pty Ltd for the year ending 30 June 2016 (2015: $134,959).

Principally, the Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of DGR Global Ltd support the principles of good corporate governance. The Company's Corporate Governance Statement has been released as a separate document and is located at www.dgrglobal.com.au, our website.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor Independence Declaration forms part of the Directors' Report and can be found on page 29.

Signed in accordance with a resolution of the Directors.

Nicholas Mather
Managing Director

30 September 2016

AUDITOR'S INDEPENDENCE DECLARATION

BDO

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DECLARATION OF INDEPENDENCE BY D P WRIGHT TO THE DIRECTORS OF DGR GLOBAL LIMITED

As lead auditor of DGR Global Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of DGR Global Limited and the entities it controlled during the period.

D P Wright
Director

BDO Audit Pty Ltd

Brisbane, 30 September 2016

SHAREHOLDER INFORMATION

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 16 September 2016.

(a) Distribution Schedule

Fully Paid Ordinary Shares, and Unlisted Options

	Ordinary Shares		Unlisted $0.12 options exercisable on or before 30 November 2016		Unlisted $0.12 options exercisable on or before 29 May 2017	
	Number of holders	Number of shares	Number of holders	Number of options	Number of holders	Number of options
1 - 1,000	202	15,106	-	-	-	-
1,001 - 5,000	194	601,505	-	-	-	-
5,001 - 10,000	232	1,989,084	-	-	-	-
10,001 - 50,000	506	13,496,875	-	-	-	-
50,001 - 100,000	141	11,089,325	-	-	-	-
100,001 and over	401	523,689,982	4	12,000,000	11	9,500,000
Total	**1,676**	**550,881,877**	**4**	**12,000,000**	**11**	**9,500,000**

	Unlisted $0.065 options exercisable on or before 30 September 2017		Unlisted $0.065 options exercisable on or before 25 November 2017		Unlisted $0.065 options exercisable on or before 14 December 2017	
	Number of holders	Number of options	Number of holders	Number of options	Number of holders	Number of options
1 - 1,000	-	-	-	-	-	-
1,001 - 5,000	-	-	-	-	-	-
5,001 - 10,000	-	-	-	-	-	-
10,001 - 50,000	-	-	-	-	-	-
50,001 - 100,000	-	-	-	-	-	-
100,001 and over	13	23,000,000	4	2,295,000	1	6,000,000
Total	**13**	**23,000,000**	**4**	**2,295,000**	**1**	**6,000,000**

The number of shareholders holding less than a marketable parcel of shares is 673 (holding a total of 3,115,759 ordinary shares).

(b) Substantial Shareholders

The following parties are substantial shareholders in the Company:

Name	Number of Shares	%
Tenstar Trading Limited	110,012,044	19.97%
Nicholas Mather*	105,413,341	19.14%

*Includes indirect holdings

(c) Voting Rights

All ordinary shares carry one vote per share without restriction.

SHAREHOLDER INFORMATION (continued)

(d) Restricted Securities

As at the date of this report, there were no restrictions over the Company's shares.

(e) Twenty Largest Holders

The names of the twenty largest holders, in each class of quoted security in DGR Global Ltd are:

TENSTAR TRADING LTD *	110,012,044	19.97
SAMUEL HOLDINGS PTY LTD	56,176,147	10.20
NICHOLAS MATHER & JUDITH MATHER	41,310,000	7.50
MR YEE TECK TEO	25,000,000	4.54
HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	10,844,098	1.97
MR JEFFREY DOUGLAS PAPPIN	8,100,000	1.47
MATHER FOUNDATION LTD	7,020,788	1.27
ROOKHARP INVESTMENTS PTY LTD	6,843,158	1.24
WADLEY BICKLE PTY LTD	5,142,856	0.93
MR VINCENT DAVID MASCOLO	5,000,000	0.91
MR GUY LANCE JONES	4,537,500	0.82
PINEGOLD PTY LTD	4,500,000	0.82
AIKEN AND ASSOCIATES LTD	4,281,660	0.78
FORTUNATO PTY LTD	3,600,001	0.65
FRASAMA PTY LTD	3,515,000	0.64
HAYES PASTORIAL CORPORATION PTY LTD	3,500,000	0.64
DR LEON EUGENE PRETORIUS	3,491,287	0.63
MR ANDREW THOMAS GLADMAN	3,400,000	0.62
LIMITS PTY LTD	3,300,000	0.60
JONES ORG PTY LTD	3,000,000	0.54
Top 20	**312,574,539**	**56.74**
Total	**550,881,877**	**100.00**

*These shareholders have more than one shareholding and these shareholdings have been merged for the purposes of this table.

INTEREST IN TENEMENTS

As at the date of this report, the Group has an interest in the following tenements.

Tenure Type, Number and Name	Current Holder	Registered Interest of Holder (%)	Date of Expiry
EPMA 25976 Childers	Albatross Bauxite Pty Ltd	100	Under Application
EPM 25977 Howard	Albatross Bauxite Pty Ltd	100	5-Jun-2019
EPM 25983 Aranbanga	Albatross Bauxite Pty Ltd	100	25-Nov-2018
EPM 26000 Mt Redhead	Albatross Bauxite Pty Ltd	100	29-Nov-2018
EPM 19379 Three Sisters	Archer Resources Ltd	100	29-Jan-2018
EPM 19815 Kola South	Archer Resources Ltd	100	04-Mar-2016
EPM 25266 Whitehorse	Archer Resources Ltd	100	21-Aug-2018
EPM 25607 Kariboe Creek	Archer Resources Ltd	100	23-Jun-2018
EPM 25948 Hawkwood	Archer Resources Ltd	100	2-Oct-2019
EPM 26012 Rosehall	Archer Resources Ltd	100	2-Oct-2019
EPM 26013 Walkers Road	Archer Resources Ltd	100	13-Mar-2019
EPM 26023 Munna	Archer Resources Ltd	100	16-Dec-2018
EPMA 26245 Nerangy	Archer Resources Ltd	100	Under Application
EPMA 26248 Titi Creek	Archer Resources Ltd	100	Under Application
EPM 15134 Gayndah	Barlyne Mining Pty Ltd	100	23-Sep-2017
EPM 18451 Calgoa	Barlyne Mining Pty Ltd	100	20-May-2018
EPM 19087 Mt Abbot	Barlyne Mining Pty Ltd	100	28-Jul-2018[1]
EPM 25157 Armistice	Barlyne Mining Pty Ltd	100	28-May-2017
EPM 25189 Mt Abbot North	Barlyne Mining Pty Ltd	100	01-May-2017
EPMA 26274 Euri Creek	Barlyne Mining Pty Ltd	100	Under Application
EPM 19270 Pandanus Creek	Coolgarra Minerals Pty Ltd	100	17-Sep-2018[1]
EPM 25416 Pandanus North	Coolgarra Minerals Pty Ltd	100	10-Jul-2017
EPMA 26265 Britannia	Coolgarra Minerals Pty Ltd	100	Under Application
EPM 15238 Manumbar	DGR Global Ltd	100	13-Dec-2016
MDL 409 Daddamarine	DGR Global Ltd	100	31-Dec-2018[2]
ML 3678 United Reefs	DGR Global Ltd	100	31-May-2022
ML 3741 Shamrock Extd.	DGR Global Ltd	100	30-Sep-2030
ML 3749 North Chinaman	DGR Global Ltd	100	31-Jul-2017
ML 3752 Shamrock Tailings	DGR Global Ltd	100	31-Jan-2020
3753 Shamrock Tailings Extd.	DGR Global Ltd	100	31-Aug-2021
ML 50059 Manumbar	DGR Global Ltd	100	31-Dec-2018
ML 50099 Manumbar Extd.	DGR Global Ltd	100	31-Aug-2025
ML 50148 Tableland	DGR Global Ltd	100	30-Apr-2029
ML 50291 Black Shamrock	DGR Global Ltd	100	Under Application[3]
EPM 19625 Manumbar South	Pinnacle Gold Pty Ltd	100	10-Jul-2016[1]
EPM 25225 Mabel Jane	Pinnacle Gold Pty Ltd	100	14-Jan-2020
EPM 25963 Leyshonview	Pinnacle Gold Pty Ltd	100	23-Dec-2018
EPM 25964 Blind Freddy	Pinnacle Gold Pty Ltd	100	23-Dec-2018
EPM 25965 Black Knob	Pinnacle Gold Pty Ltd	100	23-Dec-2018
EPM 25966 Bulldog	Pinnacle Gold Pty Ltd	100	23-Dec-2018

Note:
1. Renewal applications have been lodged in respect of these Exploration Permits and Mining Leases.
2. Tenement being transferred to Barlyne Mining Pty Ltd.
3. Replaces expired ML 3748.

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2016

	Notes	2016 $	2015 $
Revenue and other income			
Revenue	2	3,433,809	1,493,668
Other income	2	1,362,385	28,091,011
Total revenue and other income		**4,796,194**	**29,584,679**
Expenses			
Finance costs		(1,266)	(257,111)
Employee benefits expenses		(2,126,015)	(1,652,226)
Depreciation		(37,475)	(40,032)
Legal expenses		(83,618)	(223,084)
Administration and consulting expenses		(1,204,097)	(981,166)
Exploration and evaluation assets written-off		(289,316)	(773,515)
Rehabilitation expense		(290,007)	-
Share of profit/(loss) from associates	13(a)	(5,236,593)	(2,184,242)
Impairment of investment in associate	13(a)	6,186,254	(12,615,179)
Share-based payments expense		(533,771)	(30,513)
Profit (loss) before income tax	**3**	**1,180,290**	**10,827,611**
Income tax (expense)/benefit	4	(563,998)	(4,276,517)
Profit (loss) for the year		**616,292**	**6,551,094**
Other comprehensive income: items that may be reclassified into profit or loss			
Recycling of available for sale reserve through profit or loss on initial application of AASB 9		-	(1,560,000)
Change in fair value of financial assets	11(c)	2,416,739	(5,429,191)
Share of associates other comprehensive income	13(a)	(493,967)	(552,325)
Income tax relating to other comprehensive income	4	(624,109)	2,262,455
Other comprehensive income for the year, net of tax		**1,298,663**	**(5,279,061)**
Total comprehensive income for the year		**1,914,955**	**1,272,033**
Profit / (loss) for the year attributable to:			
Owners of the parent company		711,173	6,442,817
Non-controlling interests		(94,881)	108,277
		616,292	**6,551,094**
Total comprehensive income for the year attributable to:			
Owners of the parent company		2,009,836	1,163,756
Non-controlling interests		(94,881)	108,277
		1,914,955	**1,272,033**
Earnings per share attributable to owners of the parent company		**Cents / share**	**Cents / share**
Basic earnings per share	8	**0.1**	1.6
Diluted earnings per share	8	**0.1**	1.6

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2016

	Notes	2016 $	2015 $
Current assets			
Cash and cash equivalents	9	531,101	19,636,608
Trade and other receivables	10	1,771,036	1,088,115
Other current assets	16	11,068	-
Total current assets		**2,313,205**	**20,724,723**
Non-current assets			
Other financial assets	11	11,972,909	6,468,767
Investments accounted for using the equity method	13	9,340,496	8,884,802
Property, plant and equipment	14	510,601	511,462
Exploration and evaluation assets	15	5,090,663	4,639,240
Loans with related parties	26(d)	18,194,410	-
Total non-current assets		**45,109,079**	**20,504,271**
Total assets		**47,422,284**	**41,228,994**
Current liabilities			
Trade and other payables	17	913,419	1,736,662
Other financial liabilities	18	518,143	-
Income tax payable	4(a)	-	2,196,264
Total current liabilities		**1,431,562**	**3,932,926**
Non-current liabilities			
Deferred tax liabilities	4(c)	1,253,602	151,955
Provisions	19	633,429	636,323
Total non-current liabilities		**1,887,031**	**788,278**
Total liabilities		**3,318,593**	**4,721,204**
Net assets		**44,103,691**	**36,507,790**
Equity			
Issued capital	20	28,968,824	24,057,609
Reserves	21	29,067,422	27,608,776
Accumulated losses	22	(14,515,534)	(15,069,116)
Equity attributable to owners of the parent company		**43,520,712**	**36,597,269**
Non-controlling interests		582,979	(89,479)
Total equity		**44,103,691**	**36,507,790**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2016

	Attributable to Owners of Parent Company								
	Issued Capital $	Accumulated Losses $	Share-Based Payments Reserve $	Financial Assets Revaluation Reserve $	Change in Proportionate Interest Reserve $	Profit Reserve $	Total $	Non-Controlling Interests $	Total Equity $
Balance at 1 July 2014	23,999,223	(15,069,116)	6,268,621	2,656,564	18,269,405	-	36,124,697	(307,191)	35,817,506
Profit for the year	-	6,442,817	-	-	-	-	6,442,817	108,277	6,551,094
Other comprehensive income	-	-	-	(5,279,061)	-	-	(5,279,061)	-	(5,279,061)
Total comprehensive income for the year	-	6,442,817	-	(5,279,061)	-	-	1,163,756	108,277	1,272,033
Issue of shares	60,000	-	-	-	-	-	60,000	-	60,000
Issue of shares to non-controlling interests	-	-	-	-	255,533	-	255,533	319,085	574,618
Share issue costs, net of tax	(1,614)	-	-	-	-	-	(1,614)	-	(1,614)
Share-based payments	-	-	30,513	-	-	-	30,513	-	30,513
Non-controlling interest in subsidiary disposed	-	-	-	-	-	-	-	(209,650)	(209,650)
Transfer to profit reserve	-	(6,442,817)	-	-	-	6,442,817	-	-	-
Dividend declared	-	-	-	-	-	(1,035,616)	(1,035,616)	-	(1,035,616)
Balance at 30 June 2015	**24,057,609**	**(15,069,116)**	**6,299,134**	**(2,622,497)**	**18,524,938**	**5,407,201**	**36,597,269**	**(89,479)**	**36,507,790**
Profit for the year	-	711,173	-	-	-	-	711,173	(94,881)	616,292
Other comprehensive income	-	-	-	1,298,663	-	-	1,298,663	-	1,298,663
Total comprehensive income for the year	-	711,173	-	1,298,663	-	-	2,009,836	(94,881)	1,914,955
Issue of shares	5,132,900	-	-	-	-	-	5,132,900	-	5,132,900
Issue of shares to non-controlling interests	-	-	-	-	107,128	-	107,128	62,872	170,000
Change in proportionate interest	-	-	-	-	(704,467)	-	(704,467)	704,467	-
Share issue costs, net of tax	(221,685)	-	65,960	-	-	-	(155,725)	-	(155,725)
Share-based payments	-	-	533,771	-	-	-	533,771	-	533,771
Transfers of reserves on disposal of investments	-	(157,591)	-	157,591	-	-		-	
Balance at 30 June 2016	**28,968,824**	**(14,515,534)**	**6,898,865**	**(1,166,243)**	**17,927,599**	**5,407,201**	**43,520,712**	**582,979**	**44,103,691**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2016

	Notes	2016 $	2015 $
Cash flows from operating activities			
Receipts in the course of operations (including GST)		2,679,328	927,963
Payments to suppliers and employees (including GST)		(3,721,529)	(3,401,107)
Interest received		1,646,361	14,430
Interest and other costs of finance paid		(1,266)	(174,366)
Income taxes paid		(2,187,717)	-
Net cash (outflow) from operating activities	29	**(1,584,823)**	**(2,633,080)**
Cash flows from investing activities			
Security deposit (payment)/refunds		(14,426)	(534,722)
Payments for property, plant and equipment		(36,614)	(14,142)
Payments for financial assets at fair value through other comprehensive income		(227,182)	(2,354,102)
Payments for investments in associates		(350,000)	-
Proceeds from the sale of investments in available for sale financial assets		766,575	26,986,305
Payments for exploration and evaluation assets		(727,064)	(1,275,856)
Cash disposed of on deconsolidation	32	-	(371,342)
Loans to related parties		(26,934,039)	-
Repayments of loans by related parties		5,997,051	-
Net cash (outflow) inflow from investing activities		**(21,525,699)**	**22,436,141**
Cash flows from financing activities			
Proceeds from the issue of shares		4,762,192	-
Proceeds from the issue of shares in subsidiaries to non-controlling interests		170,000	574,618
Capital raising expenses		(113,776)	(1,614)
Proceeds from borrowings		-	2,072,306
Repayment of borrowings		-	(3,309,059)
IPO proceeds received in advance (prior to deconsolidation)		-	171,077
Dividends paid to company's shareholders		(813,401)	-
Net cash inflow (outflow) from financing activities		**4,005,015**	**(492,672)**
Net (decrease) increase in cash and cash equivalents		**(19,105,507)**	**19,310,389**
Cash and cash equivalents at the beginning of the financial year		19,636,608	(205,157)
Effects of exchange rate changes on cash and cash equivalents		-	531,376
Cash and cash equivalents at end of year	**9**	**531,101**	**19,636,608**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2016

This note provides a list of all significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of DGR Global Ltd and its subsidiaries.

Corporate Information

The consolidated financial report of DGR Global Ltd for the year ended 30 June 2016 was authorised for issue in accordance with a resolution of the Directors on 30 September 2016.

DGR Global Ltd (the "Parent" or the "Company") is a public company limited by shares incorporated and domiciled in Australia. The Company's registered office is located at Level 27, One One One, 111 Eagle Street, Brisbane, QLD 4000. DGR Global Ltd is a for-profit entity.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

Basis of Preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the Group comprising of DGR Global Ltd and its subsidiaries and is presented in Australian dollars.

Compliance with IFRS
Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of DGR Global Ltd comply with International Financial Reporting Standards (IFRS).

Going concern
The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the year ended 30 June 2016 the Group generated a consolidated profit of $616,292 and incurred operating cash outflows of $1,584,823. As at 30 June 2016 the Group had cash and cash equivalents of $531,101, net current assets of $881,643 and net assets of $44,103,691.

The ability of the Group to continue as a going concern is dependent upon the Group being able to manage its liquidity requirements by taking some or all of the following actions:

1. Raising additional capital or securing other forms of financing, as and when necessary to meet the levels of expenditure required for the Group and to meet the Group's working capital requirements;
2. Collecting the loans to related parties or converting a proportion of the loans to equity;
3. Realisation of listed shares;
4. Successful exploration and subsequent exploitation of the Group's tenements and investments;
5. Reducing its working capital expenditure; and
6. Disposing of non-core assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Basis of Preparation (continued)

Going concern (continued)
These conditions give rise to a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

Notwithstanding the above, the Directors consider it appropriate to prepare the financial statements on a going concern basis after having regard to the following matters:

1. On 5 July 2016, the Company executed short-term secured loan facility agreements with two international financiers for CAD$3,000,000 for a period of 6 months on commercial terms. The purpose of the loan facility agreements is to provide DGR Global with access to adequate working capital to continue to facilitate the on-going development of the various companies in which it holds significant equity interests;
2. The Group has the ability to sell its interest in its listed shares to support the Group's short term funding needs.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amount and classification of liabilities that might be required should the Group not be able to achieve the matters set out above and thus be able to continue as a going concern.

Accounting Policies

(a) New Accounting Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except the following new and amended Australian Accounting Standards and AASB Interpretations adopted as of 1 July 2015:

Reference	Title	Application date of standard	Application date for the Company
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	1 July 2015	1 July 2015
AASB 2015-5	Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception	1 July 2015	1 July 2015

The adoption of the above standards and interpretations did not have any material impact on the current or any prior period.

Australian Accounting Standards and Interpretations that have been recently issued or amended but are not yet effective have not been adopted by the Company for the annual reporting period ended 30 June 2016. The Consolidated Entity is yet to evaluate the impact of those standards and interpretations on the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Accounting Policies (continued)

The Company anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information of new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below.

Reference	Title	Application date of standard	Application date for the Company
AASB 14	Regulatory deferral accounts	1 January 2016	1 July 2016
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	1 January 2016	1 July 2016
AASB 2014-4	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	1 January 2016	1 July 2016
AASB 15	Revenue from Contracts with Customers	1 January 2018	1 July 2018
AASB 2014-9	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016	1 July 2016
AASB 2014-10	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	1 January 2016	1 July 2016
AASB 2015-1	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	1 January 2016	1 July 2016
AASB 2015-2	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	1 January 2016	1 July 2016
AASB 2015-3	Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception	1 July 2015	1 July 2015
AASB 2015-5	Amendments to Australian Accounting Standards – Scope and Application Paragraphs [AASB 8, AASB 133 & AASB 1057]	1 July 2015	1 July 2015
AASB 2015-9	Amendments to Australian Accounting Standards – Scope and Application Paragraphs [AASB 8, AASB 133 & AASB 1057]	1 January 2016	1 July 2016
AASB 16	Leases	1 January 2019	1 July 2019
AASB 2016-1	Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]	1 January 2017	1 July 2017
AASB 2016-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	1 January 2017	1 July 2017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Accounting Policies (continued)

(b) Basis of Consolidation

Subsidiaries

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all inter-company balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in subsidiaries held by DGR Global Ltd are accounted for at cost in the separate financial statements of the parent entity less any impairment charges. Dividends received from subsidiaries are recorded as a component of other revenues by the parent entity, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the parent will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or discount on acquisition.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent.

Losses are attributed to the non-controlling interest even if that results in a deficit balance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Accounting Policies (continued)

(b) Basis of Consolidation (continued)

Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income where applicable. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Joint Arrangements

Joint Operations
The proportionate interests in the assets, liabilities and expenses of a joint operation activity have been incorporated in the financial statements under the appropriate headings.

Joint Ventures
Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends receivable from joint venture entities reduces the carrying amount of the investment.

Changes in Ownership Interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of DGR Global Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Accounting Policies (continued)

(b) Basis of Consolidation (continued)

Changes in Ownership Interests (continued)

When the Group ceases to have control, or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value through profit and loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured.

(d) Operating Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This may include start-up operations which are yet to earn revenues.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Accounting Policies (continued)

(e) Cash and Cash Equivalents

For the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(f) Trade and Other Receivables

Receivables generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor or debts more than 90 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(g) Financial Instruments

Recognition and Initial Measurement
Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement

(i) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(ii) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets. These assets are measured at fair value with gains or losses recognised in the profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Accounting Policies (continued)

(g) Financial Instruments (continued)

Classification and Subsequent Measurement (continued)

(iii) Financial assets at fair value through other comprehensive income

Equity investments are classified as being at fair value through Other Comprehensive Income. After initial recognition at fair value (being cost), the Company has elected to present in Other Comprehensive Income changes in the fair value of equity instrument investments.

Unrealised gains and losses on investments are recognised in the financial assets revaluation reserve until the investment is sold or otherwise disposed of, at which time the cumulative gain or loss is transferred to retained earnings.

The Company derecognises an investment when it is sold or it transfers the investment and the transfer qualifies for derecognition in accordance with AASB 9. Upon derecognition, unrealised gains/losses net of tax relating to the investment are transferred from the financial assets revaluation reserve to profits appropriation reserve.

(iv) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all other financial assets and liabilities, where appropriate, including recent arm's length transactions, reference to similar instruments and option pricing models.

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other revenue when the Company's right to receive payments is established (see note 11) and as long as they represent a return on investment.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income or other expenses in the income statement as applicable. Interest income from these financial assets is included in the net gains/(losses). Dividend income is presented as other revenue.

Details on how the fair value of financial instruments is determined are disclosed in note 31.

Derecognition

An assessment is made at each balance date to determine whether there is objective evidence that a specific financial asset or a group of financial assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined from available information such as quoted market prices or by calculating the net present value of future anticipated cash flows. In estimating these cash flows, management makes judgements about a counter-party's financial situation and the net realisable value of any underlying collateral. Impairment losses are recognised in the profit or loss.

Impairment losses on assets measured at amortised cost using the effective interest rate method are calculated by comparing the carrying value of the asset with the present value of estimated future cash flows at the original effective interest rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Accounting Policies (continued)

(g) Financial Instruments (continued)

Derecognition (continued)
Where there is objective evidence that an available for sale financial asset is impaired (such as a significant or prolonged decline in the fair value of an available for sale financial asset) the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When a subsequent event reduces the impairment of an available for sale debt security the impairment loss is reversed through profit or loss. When a subsequent event reduces the impairment of an available for sale equity instrument the fair value increased is recognised in other comprehensive income.

(h) Property, Plant & Equipment

Property, plant & equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant & equipment constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate portion of fixed and variable costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial year in which they are incurred.

Depreciation
The depreciable amount of all property, plant & equipment is depreciated over their useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

Class of property, plant & equipment	Depreciation
Freehold building	2.5% Straight line
Plant and equipment	10% - 35% Straight line
Computers and office equipment	33.3% Straight line
Furniture and fittings	20% Straight line
Motor vehicles	25% Straight line

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss.

Derecognition
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Accounting Policies (continued)

(i) Exploration and Evaluation Assets

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not include overheads or administration expenditure not having a specific nexus with a particular area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

A regular review has been undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

A provision is raised against exploration and evaluation assets where the Directors are of the opinion that the carried forward net cost may not be recoverable or the right of tenure in the area lapses. The increase in the provision is charged against the results for the year. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

Costs of site restoration are provided over the life of the area from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structure, waste removal, and rehabilitation of the site in accordance with clauses of mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that restoration will be completed within one year of abandoning the site.

(j) Impairment of Non-Financial Assets

At each reporting date, the Group reviews the carrying values of its non-financial assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(k) Trade and Other Payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30-60 days of recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Accounting Policies (continued)

(l) Provisions and Employee Benefits

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee Benefits

(i) Wages, salaries and annual leave
Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave
The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wages and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on Australian Corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(m) Leases

Leases of property, plant & equipment where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Group are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Accounting Policies (continued)

(n) Share Capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit.

(o) Share-Based Payments

The Group may provide benefits to Directors, employees or consultants in the form of share-based payment transactions, whereby services may be undertaken in exchange for shares or options over shares ("equity-settled transactions").

The fair value of options granted to Directors, employees and consultants is recognised as an employee benefit expense with a corresponding increase in equity (share-based payments reserve). The fair value is measured at grant date and recognised over the period during which the recipients become unconditionally entitled to the options. Fair value is determined using the Black-Scholes option pricing model. An expense is still recognised for options that do not ultimately vest because a market condition was not met.

Where the terms of options are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, at the date of the modification, a further expense is recognised for any increase in fair value of the transaction as a result of the change.

Where options are cancelled, they are treated as if vesting occurred on cancellation and any unrecognised expenses are taken immediately to the profit or loss. If new options are substituted for the cancelled options and designated as a replacement, the combined impact of the cancellation and replacement options are treated as if they were a modification.

(p) Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Services
Management fees are recognised as services are provided.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Interest
Interest revenue is recognised as interest accrues using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

All revenue is stated net of the amount of goods and services tax (GST).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Accounting Policies (continued)

(q) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax is recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates expected to apply to the period when the asset is realised or liability is settled. Deferred tax is recognised in profit or loss except where it relates to items that may be recognised directly in other comprehensive income or equity, in which case the deferred tax is recognised in other comprehensive income or directly against equity respectively. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences and unused tax losses can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

DGR Global Ltd and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. DGR Global Ltd is responsible for recognising the current tax assets and liabilities and deferred tax assets attributable to tax losses for the tax consolidation group. The tax consolidated group have entered a tax funding agreement whereby each company in the tax consolidation group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidation group.

(r) GST

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Accounting Policies (continued)

(r) GST (continued)

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(s) Borrowings

Loans and borrowings are initially recognised at the fair value of consideration received net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, the loans or borrowings are classified as non-current.

(t) Earnings per Share

Basic earnings per share is calculated as net profit (loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity other than ordinary shares, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(u) Comparatives

When required by Australian Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(v) Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Accounting Policies (continued)

(v) Fair Value Measurement (continued)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(w) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judegments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key judgments – exploration & evaluation assets
The Group performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on detailed surveys and analysis of drilling results performed to balance date.

The Directors have assessed that for the exploration and evaluation assets recognised at 30 June 2016, the facts and circumstances do not suggest that the carrying amount of an asset may exceed its recoverable amount. In considering this the Directors have had regard to the facts and circumstances that indicate a need for an impairment as noted in Accounting Standard AASB 6 "Exploration for and Evaluation of Mineral Resources".

Exploration and evaluation assets at 30 June 2016 were $5,090,663 (2015: $4,639,240).

Key judgments – provision for restoration
A provision has been made for the anticipated costs for the future rehabilitation and restoration of the Mining Leases. The provision recognised is based on independent advice received from different parties. Changes to the provision is periodically reviewed and updated based on the facts and circumstances available at the time.

Key judgments – share based payment transactions
The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity settled share based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact the profit or loss and equity.

Key judgments – loans with related parties
Loans with related parties are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The loans are generally repayable within 12 months and may be renegotiated from time to time. No losses arising from impairment was recognised as the loans are viewed as recoverable, on the basis that it will be repaid or converted upon completion of a capital raising.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 2: Revenue and Other Income

	2016 $	2015 $
Revenue		
- Interest	1,806,350	14,430
- Management fees - related parties	1,627,459	1,479,238
Total Revenue	**3,433,809**	**1,493,668**
Interest revenue from:		
Deposits held with financial institutions	73,981	14,430
Related party loans	1,732,369	-
Total Interest Revenue	**1,806,350**	**14,430**
Gain on loss of control of subsidiaries (refer note 32)	-	11,618,981
Recycling of available for sale reserve through profit or loss on initial application of AASB 9	-	1,560,000
Gain on disposal of financial assets at fair value through profit and loss	-	14,896,305
Net foreign exchange gains	1,332,355	-
Other income	30,030	15,725
Total other income	**1,362,385**	**28,091,011**

Note 3: Profit/(Loss)

	2016 $	2015 $
Finance costs		
- External	1,266	35,310
- Related parties	-	221,801
Total finance costs	**1,266**	**257,111**
Share-based payments expense	533,771	30,513
Superannuation contributions expense	100,135	67,124
Minimum lease rentals under operating leases	451,197	432,473
(Gain)/loss on foreign exchange	(1,332,355)	(494,625)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 4: Income Tax

	2016 $	2015 $
(a) Components of tax expense/(benefit) in profit or loss comprise:		
Current tax	-	2,196,264
Deferred tax	563,998	2,080,253
	563,998	**4,276,517**
Components of tax expense/(benefit) in other comprehensive income comprise:		
Deferred tax	624,109	(2,262,455)
	624,109	**(2,262,455)**
(b) The prima facie tax on profit / (loss) before income tax is reconciled to the income tax expense/(benefit) as follows:		
Prima facie tax on profit / (loss) before income tax at 30% (2015: 30%)	354,087	3,248,283
Add tax effect of:		
Permanent differences	160,239	-
Other	-	-
Derecognise tax losses	110,440	-
Reduction in cost base under debt forgiveness rules	-	454,549
Derecognition of prior year tax losses (permanently unavailable)	-	1,207,015
	624,766	**4,909,847**
Less tax effect of:		
Permanent differences	(6,167)	(390,683)
Prior year loss now recognised	-	(107,157)
Other	(35,141)	(41,600)
Recognition of temporary differences	(19,460)	(93,890)
Income tax expense/(benefit)	**563,998**	**4,276,517**
Amounts recognised directly in equity:		
Net deferred tax – debited (credited) directly to equity	86,460	-
	86,460	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 4: Income Tax (continued)

(c) Recognised deferred tax assets and liabilities

2016	Opening balance $	Net charged to income $	Net charged to other comprehensive income $	Net charged to other equity $	Closing balance $
Deferred tax asset					
Carried forward tax losses	1,756,003	(67,775)	-	-	1,688,228
Accruals/provisions	12,667	53,339	-	-	66,006
Capital raising costs expensed	150,576	(97,582)	-	86,460	139,454
Investment in associates	389,756	(250,379)	148,190	-	287,567
AFS revaluation	1,609,544	(47,278)	(772,508)	-	789,758
	3,918,546	**(409,675)**	**(624,318)**	**86,460**	**2,971,013**
Deferred tax liability					
AFS revaluation	(1,259)	-	209	-	(1,050)
Related party loans	-	(214,473)	-	-	(214,473)
Investment in associates	(2,364,771)	(30,065)	-	-	(2,394,836)
Exploration and evaluation assets	(1,636,872)	90,215	-	-	(1,546,657)
Property, Plant and Equipment	(67,599)	-	-	-	(67,599)
	(4,070,501)	**(154,323)**	**209**	**-**	**(4,224,615)**
Net deferred tax recognised	**(151,955)**	**(563,998)**	**(624,109)**	**86,460**	**(1,253,602)**
Deferred tax assets not recognised					
Unused tax losses	1,147,066	300,284	-	-	1,447,350
Unused capital losses	-	67,848	-	-	67,848
Temporary differences	64,866	(64,866)	-	-	-
Tax benefit at 30%	**363,580**	**90,980**	**-**	**-**	**454,560**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 4: Income Tax (continued)

2015	Opening balance $	Net charged to income $	Net charged to other comprehensive income $	Net charged to other equity $	Closing balance $
Deferred tax asset					
Carried forward tax losses	7,987,405	(6,231,402)	-	-	1,756,003
Accruals/provisions	19,353	(6,686)	-	-	12,667
Capital raising costs expensed	107,177	43,399	-	-	150,576
Investment in associates	355,692	34,064	-	-	389,756
AFS revaluation	542,609	-	1,066,935	-	1,609,544
	9,012,236	**(6,160,625)**	**1,066,935**	**-**	**3,918,546**
Deferred tax liability					
AFS revaluation	(4,190,179)	2,993,400	1,195,520	-	(1,259)
Investment in associates	(3,489,817)	1,125,046	-	-	(2,364,771)
Exploration and evaluation assets	(1,598,799)	(38,073)	-	-	(1,636,872)
Property, Plant and Equipment	(67,599)	-	-	-	(67,599)
	(9,346,394)	**4,080,373**	**1,195,520**	**-**	**(4,070,501)**
Net deferred tax recognised	**(334,158)**	**(2,080,252)**	**2,262,455**	**-**	**(151,955)**
Deferred tax assets not recognised					
Unused tax losses	6,889,578	(5,742,512)	-	-	1,147,066
Temporary differences	-	64,866	-	-	64,866
Tax benefit at 30%	**2,066,873**	**(1,703,294)**	**-**	**-**	**363,579**

In order to recoup carried forward losses in future periods, either the Continuity of Ownership Test (COT) or Same Business Test must be passed. The majority of losses are carried forward at 30 June 2016 under COT.

Deferred tax assets which have not been recognised as an asset, will only be obtained if:

(i) the Company derives future assessable income of a nature and of an amount sufficient to enable the losses to be realised;
(ii) the Company continues to comply with the conditions for deductibility imposed by the law; and
(iii) no changes in tax legislation adversely affect the Company in realising the losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 5: Key Management Personnel

Refer to the Remuneration Report contained in the Directors Report for details of the remuneration paid or payable to each member of the Group's Key Management Personnel for the year ended 30 June 2016. The totals of remuneration for Key Management Personnel during the year are as follows:

	2016 $	2015 $
Short-term employee benefits	1,281,073	1,742,093
Post-employment benefits	37,039	34,829
Share-based payments	430,544	24,272
Total	**1,748,656**	**1,801,194**

Note 6: Dividends and Franking Credits

On 26 June 2015, the company announced a fully franked dividend of $0.0025 per share. The dividend was subsequently paid on 31 July 2015.

There were no other dividends paid or recommended during the current or previous financial year.

Note 7: Auditor's Remuneration

	2016 $	2015 $
Amounts paid/payable to the auditor of the parent of the Group for:		
Audit and review of the financial reports of the Group	76,751	113,227
Other assurance related services (investigating accountants report)	-	49,864
Taxation services	-	3,500
	76,751	**166,591**
Amounts paid/payable to related entities of the auditor:		
BDO UK - Other assurance related services	-	81,595
	-	**81,595**

Note 8: Earnings per Share (EPS)

	2016 $	2015 $
(a) Earnings		
Earnings used to calculate basic and diluted earnings per share	711,173	6,442,817
	Number of Shares	**Number of Shares**
(b) Weighted average number of shares		
Used in calculating basic EPS	496,394,687	412,672,220
Weighted average number of dilutive options	-	-
Weighted average number of ordinary shares and potential ordinary shares, used in calculating dilutive EPS	496,394,687	412,672,220

Options are not considered dilutive as they were out of the money. Options may become dilutive in the future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 9: Cash and Cash Equivalents

	2016 $	2015 $
Current assets		
Cash at bank and in hand	531,101	19,636,608
	531,101	**19,636,608**

Note 10: Trade and Other Receivables

	2016 $	2015 $
Trade receivables	1,707,418	1,016,634
GST receivable	63,618	71,481
	1,771,036	**1,088,115**

The receivables were not exposed to foreign exchange risk. No receivables were impaired at 30 June 2016 (2015: nil).

Past due but not impaired receivables were as follows:

	2016			2015		
	Total $	Amount impaired $	Amount not impaired $	Total $	Amount impaired $	Amount not impaired $
Not past due	471,948	-	471,948	328,547	-	328,547
Past due 30 days	128,172	-	128,172	15,883	-	15,883
Past due 30-60 days	129,818	-	129,818	134,932	-	134,932
Past due >60 days	977,480	-	977,480	537,272	-	537,272
Total	**1,707,418**	**-**	**1,707,418**	**1,016,634**	**-**	**1,016,634**

All receivables that are neither past due nor impaired are with long standing clients who have a good credit history with the entity.

Note 11: Other Financial Assets

Non-Current	2016 $	2015 $
Available for sale financial assets (refer (a))	-	-
Financial assets at fair value through profit or loss (refer (b))	-	-
Financial assets at fair value through other comprehensive income (refer (c))	10,789,985	5,296,268
Cash on deposit held as security	314,000	314,000
Security bonds	868,924	858,499
	11,972,909	**6,468,767**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 11: Other Financial Assets (continued)

	2016 $	2015 $
(a) Available for sale financial assets		
Opening balance at 1 July	-	20,263,903
Transfer to financial assets at fair value through profit or loss	-	(12,090,000)
Transfer to financial assets at fair value through other comprehensive income	-	(8,173,903)
Closing balance at 30 June 2016	**-**	**-**
(b) Financial assets at fair value through profit or loss		
Opening balance at 1 July	-	-
Transfer from available for sale financial assets	-	12,090,000
Fair Value adjustment through profit or loss	-	14,896,305
Disposal of financial assets at fair value through profit or loss	-	(26,986,305)
Closing balance at 30 June 2016	**-**	**-**
(c) Financial assets at fair value through other comprehensive income		
Opening balance at 1 July	5,296,268	-
Transfer from available for sale financial assets	-	8,173,903
Additions	3,843,553	2,551,883
Disposal of financial assets at fair value through other comprehensive income	(766,575)	(327)
Fair Value adjustment through other comprehensive income	2,416,739	(5,429,191)
Closing balance at 30 June 2016	**10,789,985**	**5,296,268**

Financial assets at fair value through profit or loss comprised of an investment in the ordinary issued capital of Orbis Gold Ltd, a company listed on the Australian Securities Exchange.

Financial assets at fair value through other comprehensive income comprise an investment in the ordinary issued capital of SolGold plc, listed on the London Stock Exchanges Alternative Investment Market ("AIM"), an investment in the ordinary issued capital of Lions Gate Metals Inc, listed on the Toronto Stock Exchange ("TSX"), and an investment in the ordinary issued capital of Aus Tin Mining Ltd a company listed on the Australian Securities Exchange.

Cash on deposit held as security is held in a term deposit account restricted under a bond with the Department of Natural Resources and Mining as security for rehabilitation works required.

Security bonds are held with the Department of Natural Resources and Mining as security for rehabilitation works required.

Refer to note 31 for fair value disclosures.

Classification of assets at fair value through other comprehensive income
For equity securities that are not held for trading, the Company has made an irrevocable election at initial recognition to recognise changes in fair value through other comprehensive income rather than profit or loss. These securities are presented separately in the statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 12: Controlled Entities and Transactions with Non-Controlling Interests

(a) Controlled Entities

	Country of Incorporation	Principle Activity	Principle place of business	Percentage Owned (%)	
				2016	2015
Parent entity:					
DGR Global Ltd	Australia	Mineral Exploration	Australia		
Subsidiaries of DGR Global Ltd					
AimFire Pty Ltd[1]	Australia	Mineral Exploration	Australia	63%	67%
Archer Resources Ltd[1]	Australia	Mineral Exploration	Australia	63%	67%
Barlyne Mining Pty Ltd[1]	Australia	Mineral Exploration	Australia	63%	67%
Albatross Bauxite Pty Ltd	Australia	Mineral Exploration	Australia	100%	100%
Coolgarra Minerals Pty Ltd	Australia	Mineral Exploration	Australia	100%	100%
DGR Zambia Ltd	Zambia	Mineral Exploration	Zambia	100%	100%
Hartz Rare Earths Pty Ltd	Australia	Mineral Exploration	Australia	100%	100%
Pinnacle Gold Pty Ltd	Australia	Mineral Exploration	Australia	94%	94%
Tinco Pty Ltd	Australia	Mineral Exploration	Australia	100%	100%

[1]Archer Resources Ltd is the immediate parent of Barlyne Mining Pty Ltd and AimFire Pty Ltd. These companies are wholly owned and directly held by Archer Resources Ltd and indirectly by DGR Global Ltd.

(b) Transactions with Non-Controlling Interests

The effect of changes in the ownership interest of the above subsidiaries (for which control was not lost) on the equity attributable to owners of DGR Global Ltd during the year is summarised as follows:

	2016 $	2015 $
Proceeds received from issue of shares to non-controlling interests net of costs	170,000	574,618
Increase in non-controlling interests share of subsidiary net assets	(62,872)	(319,085)
Excess of consideration received recognised in the change in proportionate interest reserve	**107,128**	**255,533**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 12: Controlled Entities and Transactions with Non-Controlling Interests (continued)

(c) Summarised Financial Information

Summarised financial information of the subsidiaries with non-controlling interests that are material to the consolidated entity is set out below:

Archer Resources Ltd - Non-controlling interest: 37% (2015: 33%)	2016 $	2015 $
Summarised statement of financial position		
Current assets	4,538	17,434
Non-current assets	1,757,397	1,764,766
Total assets	1,761,935	1,782,200
Current liabilities	97,813	113,826
Non-current liabilities	83,754	-
Total liabilities	181,567	113,826
Net assets	1,580,368	1,668,374
Summarised statement of profit or loss and other comprehensive income		
Revenue	293	1,515,164
Expenses	(258,301)	(322,739)
Profit/(loss) before income tax expense	(258,008)	1,192,425
Income tax (expense)/benefit	-	-
Profit/(loss) after income tax expense	(258,008)	1,192,425
Other comprehensive income	-	-
Total comprehensive income	(258,008)	1,192,425
Statement of cash flows		
Net cash used in operating activities	(3,079)	(57,268)
Net cash used in investing activities	(251,473)	(213,444)
Net cash from financing activities	253,755	269,514
Net increase/(decrease) in cash and cash equivalents	(797)	(1,198)
Other financial information		
Profit/(loss) attributable to non-controlling interests	(92,733)	399,988
Accumulated non-controlling interests at the end of reporting period	582,642	(89,907)
Dividends paid to non-controlling interests	-	-

There are no significant restrictions on the ability of DGR Global Ltd to access the assets of the subsidiaries with non-controlling interests.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 12: Controlled Entities and Transactions with Non-Controlling Interests (continued)

IronRidge Resources Ltd - Non-controlling interest in 2015: 74%	2016 $	2015 $
Summarised statement of financial position		
Current assets	-	-
Non-current assets	-	-
Total assets	-	-
Current liabilities	-	-
Non-current liabilities	-	-
Total liabilities	-	-
Net assets	-	-
Summarised statement of profit or loss and other comprehensive income until date of disposal		
Revenue	-	635
Expenses	-	(526,776)
Profit/(loss) before income tax expense	-	(526,141)
Income tax expense	-	-
Profit/(loss) after income tax expense	-	(526,141)
Other comprehensive income	-	-
Total comprehensive income	-	(526,141)
Statement of cash flows until date of disposal		
Net cash used in operating activities	-	(132,755)
Net cash used in investing activities	-	(88,916)
Net cash from financing activities	-	565,413
Net increase/(decrease) in cash and cash equivalents	-	343,742
Other financial information		
Profit/(loss) attributable to non-controlling interests until date of disposal	-	(284,116)
Accumulated non-controlling interests at the end of reporting period	-	-
Dividends paid to non-controlling interests	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 13: Investments Accounted for Using the Equity Method

Name	Country of incorporation and principle place of business	Principle Activity	Shares	Ownership Interest 2016 %	Ownership Interest 2015 %	Carrying Amount 2016 $	Carrying Amount 2015 $
Armour Energy Ltd	Australia	Oil & Gas Exploration	ORD	23%	25%	4,127,750	3,377,250
Dark Horse Resources Ltd (formerly Navaho Gold Ltd)	Australia	Mineral Exploration	ORD	15%	20%	567,684	227,055
IronRidge Resources Ltd	Australia	Mineral Exploration	ORD	26%	26%	4,645,062	5,280,497
						9,340,496	**8,884,802**

(a) Movements during the year in equity accounted investments

	2016 $	2015 $
Balance at beginning of year	8,884,802	11,812,139
Fair value of investment on initial recognition (refer note 32)	-	12,263,200
Additional investment	-	161,209
Share of associates losses after income tax	(5,236,593)	(2,184,242)
Share of associates other comprehensive income	(493,967)	(552,325)
(Impairment)/Reversal of impairment	6,186,254	(12,615,179)
Balance at end of year	**9,340,496**	**8,884,802**

The fair value of investment on initial recognition was the fair value of the investment retained in IronRidge Resources Ltd at the date the Company lost control of the former subsidiary. In accordance with Accounting Standard AASB 127, this fair value is regarded as the cost on initial recognition of the investment in associate.

Impairment relates to the investments in Dark Horse Resources Ltd, Armour Energy Ltd and IronRidge Resources Ltd. On initial recognition the share price of Dark Horse Resources Ltd, Armour Energy Ltd and IronRidge Resources Ltd was $0.20, $0.50 and £0.10, respectively. At 30 June 2016 the share price of Dark Horse Resources Ltd, Armour Energy Ltd and IronRidge Resources Ltd had fallen to $0.005, $0.055 and £0.0413, respectively. On this basis the investments in the associates has been written down to fair value, less costs to sell.

(b) Fair value of investments in associates with published price quotations

	2016 $	2015 $
Fair Value of investment in Armour Energy Ltd	4,127,750	3,377,250
Fair Value of investment in Dark Horse Resources Ltd	567,684	227,055
Fair Value of investment in IronRidge Resources Ltd	4,645,062	5,280,497
	9,340,496	**8,884,802**

Refer note 31 for further details on fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 13: Investments Accounted for Using the Equity Method (continued)

(c) Summarised financial information of associates

The results of the Group's associates and its aggregated assets (including goodwill) and liabilities are as follows:

	Ownership interest	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenues	Profit/loss	Other comprehensive income
	%	$	$	$	$	$	$	$
2016								
Armour Energy Ltd	23%	1,869,052	75,919,033	17,694,552	9,261,340	80,881	(18,873,927)	(1,487,500)
Dark Horse Resources Ltd	15%	203,161	2,249,871	1,798,248	1,931	27,001	(1,567,848)	-
IronRidge Resources Ltd	26%	10,777,462	5,229,119	424,860	-	5,763	(2,305,460)	-
		12,849,675	**83,398,023**	**19,917,660**	**9,263,271**	**113,645**	**(22,747,235)**	**(1,487,500)**
2015								
Armour Energy Ltd	25%	8,997,514	60,514,889	972,404	1,177,530	97,803	(6,575,074)	(1,565,200)
Dark Horse Resources Ltd	20%	41,198	2,316,516	757,662	2,596	16,265	(828,763)	-
IronRidge Resources Ltd	26%	14,983,385	3,179,443	279,040	-	916	(2,038,074)	-
		24,022,097	**66,010,848**	**2,009,106**	**1,180,126**	**114,984**	**(9,441,911)**	**(1,565,200)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 13: Investments Accounted for Using the Equity Method (continued)

(d) Reconciliation of the carrying amount of the Group's investment in associates

	Armour Energy Ltd		Dark Horse Resources Ltd		IronRidge Resources Ltd	
	2016	2015	2016	2015	2016	2015
	$	$	$	$	$	$
Opening carrying amount	3,377,250	11,632,748	227,055	179,391	5,280,497	-
Fair value of investment on initial recognition	-	-	-	-	-	12,263,200
Share of profits/(loss) after tax	(4,387,340)	(1,624,140)	(242,290)	(162,040)	(606,963)	(398,050)
Share of other comprehensive income	(493,967)	(552,325)	-	-	-	-
Additional investment	-	-	-	161,210	-	-
Impairment	5,631,807	(6,079,033)	582,919	48,494	(28,472)	(6,584,653)
Closing carrying amount	**4,127,750**	**3,377,250**	**567,684**	**227,055**	**4,645,062**	**5,280,497**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 14: Property Plant and Equipment

	2016 $	2015 $
Land at cost	385,000	385,000
Freehold building at cost	70,700	62,975
Accumulated depreciation	(30,196)	(28,446)
	40,504	34,529
Plant and equipment at cost	350,277	349,097
Accumulated depreciation	(334,692)	(323,066)
	15,585	26,031
Site infrastructure at cost	2,443,532	2,443,532
Accumulated depreciation	(2,443,532)	(2,443,532)
	-	-
Motor vehicles at cost	25,082	25,082
Accumulated depreciation	(25,082)	(25,082)
	-	-
Computers and office equipment at cost	183,697	162,462
Accumulated depreciation	(159,446)	(149,044)
	24,251	13,418
Furniture and fittings at cost	97,707	91,233
Accumulated depreciation	(52,446)	(38,749)
	45,261	52,484
	510,601	**511,462**

Movements in carrying amounts

2016	Land $	Freehold Building $	Plant & Equipment $	Motor Vehicles $	Computers & Office Equipment $	Furniture & Fittings $	Total $
Balance at the beginning of the year	385,000	34,529	26,031	-	13,418	52,484	511,462
Additions	-	7,725	1,180	-	21,235	6,474	36,614
Depreciation expenses	-	(1,750)	(11,626)	-	(10,402)	(13,697)	(37,475)
Carrying amount at the end of the year	385,000	40,504	15,585	-	24,251	45,261	510,601

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 14: Property Plant and Equipment (continued)

2015	Land	Freehold Building	Plant & Equipment	Motor Vehicles	Computers & Office Equipment	Furniture & Fittings	Total
	$	$	$	$	$	$	$
Balance at the beginning of the year	385,000	36,103	51,458	-	9,304	63,918	545,783
Additions	-	-	-	-	13,004	1,135	14,139
Assets disposed of on deconsolidation of subsidiary	-	-	(8,428)	-	-	-	(8,428)
Depreciation expenses	-	(1,574)	(16,999)	-	(8,890)	(12,569)	(40,032)
Carrying amount at the end of the year	385,000	34,529	26,031	-	13,418	52,484	511,462

Note 15: Exploration and Evaluation Assets

	2016 $	2015 $
Exploration and evaluation assets	**5,090,663**	**4,639,240**
Movements in carrying amounts		
Balance at the beginning of the year	4,639,240	6,409,708
Additions	740,739	682,779
Assets disposed on disposal of subsidiary (refer note 32)	-	(1,679,732)
Written-off	(289,316)	(773,515)
Carrying amount at the end of the year	**5,090,663**	**4,639,240**

The exploration and evaluation assets written off during the year are as a result of the total abandonment of certain areas of tenure. The recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

Note 16: Other Assets

	2016 $	2015 $
Prepayments	**11,068**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 17: Trade and Other Payables

	2016 $	2015 $
Trade payables	424,045	379,697
Sundry payables and accrued expenses	316,008	176,836
Dividend declared		1,035,616
Employee benefits	173,366	144,513
	913,419	**1,736,662**

Trade and other payables are non-interest bearing and are generally on 30-60 day terms.

Due to the short term nature of these payables, their carrying value is assumed to approximate fair value.

Note 18: Other Financial Liabilities

	2016 $	2015 $
Current		
Borrowings	518,143	-
	518,143	**-**

On 30 June 2016, DGR Global Ltd assumed liability for a loan of CAD$505,000 owing by SolGold plc to Tenstar Trading Ltd. Interest is payable at the rate of 6% per annum, where principal and accrued interest is payable in full together on demand at any time after 30 June 2016.

Note 19: Provisions - Non-Current

	2016 $	2015 $
Site restoration	600,000	600,000
Long service leave	33,429	36,323
	633,429	**636,323**

The Group has conducted an extensive review of the environmental status of the Mining Leases with a view to making an assessment of the appropriate provision it should make for liabilities in respect of rehabilitation and restoration. In the course of this exercise, advice was received from different parties providing estimations on the potential costs for future rehabilitation and restoration. Based on this information, the Group has provided in respect of these restoration liabilities to $600,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 20: Issued Capital

	2016 $	2015 $
Issue of shares	30,386,191	25,253,291
Share issue costs	(1,417,367)	(1,195,682)
	28,968,824	**24,057,609**

Ordinary shares participate in dividends and the proceeds on winding up the Company. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on show of hands.

There is no par value or authorised capital.

(a) Ordinary Shares

	2016 Number	2015 Number	2016 $	2015 $
At 1 July	414,246,224	412,162,815	25,253,291	25,193,291
2 April 2015[1]	-	2,083,409	-	60,000
31 July 2015[2]	7,407,167	-	222,215	-
12 November 2015[3]	35,268,795	-	1,340,215	-
7 December 2015[4]	93,959,691	-	3,570,470	-
At 30 June	**550,881,877**	**414,246,224**	**30,386,191**	**25,253,291**

[1]On 2 April 2015 2,083,409 ordinary shares at an average price of $0.0288 (based on 80% of the 5 day VWAP of DGR shares) were issued to the convertible note holder for conversion of interest payable for the period 16 May 2014 to 15 May 2015.

[2]On 31 July 2015, 7,407,167 $0.03 ordinary shares were issued pursuant to the Dividend Reinvestment Plan offered under the dividend announced to the market on 26 June 2015.

[3]On 12 November 2015, 35,268,795 $0.038 ordinary shares were issued pursuant to the institutional offer under the Company's rights issue.

[4]On 7 December 2015, 93,959,691 $0.038 ordinary shares were issued. Of these shares, 70,144,342 were issued pursuant to the Company's rights issue and 23,815,349 were issued pursuant to a private placement.

(b) Options

As at 30 June 2016, there were 74,450,000 unissued ordinary shares of DGR Global Ltd under option, held as follows:

Options on Issue in DGR Global Ltd	Number	Exercise Price	Expiry
Unlisted Director options	12,000,000	$0.12	30/11/16
Unlisted Director options	22,950,000	$0.065	25/11/17
Unlisted employee options	9,500,000	$0.12	29/05/17
Unlisted employee options	23,000,000	$0.065	30/09/17
Unlisted employee options	1,000,000	$0.065	10/07/16
Unlisted underwriting options	6,000,000	$0.065	14/12/17

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 20: Issued Capital (continued)

(c) Capital Management

Management controls the capital of the Group in order to provide capital growth to shareholders and ensure the Group can fund its operations and continue as a going concern. The Group's capital comprises equity as shown on the statement of financial position. There are no externally imposed capital requirements. Management effectively manages the Group's capital by assessing the Group's financial risk and adjusting its capital structure in response to changes in these risks and the market. These responses include the management of share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

Note 21: Reserves

Nature and Purpose of Reserves

(i) Share-Based Payments Reserve

The share-based payments reserve is used to recognise the grant date fair value of options issued to employees and other service providers. Movements in the share-based payments reserve are detailed in note 25.

(ii) Change in Proportionate Interest Reserve

The change in proportionate interest reserve is used to recognise differences between the amount by which non-controlling interests are adjusted and any consideration paid or received which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

(iii) Financial Assets Revaluation Reserve

Changes in the fair value of investments, such as equities, classified as financial assets at fair value through other comprehensive income, are recognised in other comprehensive income, as described in note 1(g) and accumulated in a separate reserve within equity.

Movements in the financial assets revaluation reserve are as follows:

	2016 $	2015 $
Balance 1 July	(2,622,497)	2,656,564
Revaluation – gross	2,416,739	(5,429,191)
Deferred tax	(772,299)	1,628,757
Recycling of AFS reserve for financial assets at fair value through profit and loss on initial application of AASB9	-	(1,560,000)
Deferred tax	-	468,000
Transfers of reserves on disposal of investments	157,591	-
Deferred tax	-	-
Share of other comprehensive income in associate	(493,967)	(552,325)
Deferred tax	148,190	165,698
	(1,166,243)	**(2,622,497)**

(iv) Profit Reserve

The Profit Reserve is used to quarantine annual profits when available. This allows the Company to be able to pay dividends to shareholders at its discretion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 21: Reserves (continued)

Movements in the profit reserve are as follows:

	2016 $	2015 $
Balance 1 July	5,407,201	-
Transfer of 2015 profit after tax to profit reserve	-	6,442,817
Dividend declared	-	(1,035,616)
	5,407,201	**5,407,201**

Note 22: Accumulated Losses

	2016 $	2015 $
Accumulated losses attributable to members of DGR Global Ltd at beginning of the financial year	(15,069,116)	(15,069,116)
Profit/(loss) for the year	711,173	6,442,817
Transfer to profit reserve	-	(6,442,817)
Transfers of reserves on disposal of investments	(157,591)	-
Accumulated losses attributable to members of DGR Global Ltd at the end of the financial year	**(14,515,534)**	**(15,069,116)**

Note 23: Commitments for Expenditure

(a) Future Exploration

The Group has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Group.

The commitments to be undertaken are as follows:

	2016 $	2015 $
Payable within one year	1,279,000	954,000
Payable between one and five years	1,545,000	1,048,000
	2,824,000	**2,002,000**

To keep the exploration permits in good standing, work programs should meet certain minimum expenditure requirements. If the minimum expenditure requirements are not met, the Group has the option to negotiate new terms or relinquish the tenements. The Group also has the ability to meet expenditure requirements by joint venture or farm in agreements.

(b) Lease Expenditure Commitments

Operating Leases (non-cancellable)	2016 $	2015 $
Minimum lease payments		
- Not later than one year	451,197	435,238
- Later than one year and not later than five years	998,058	1,412,985
- Later than five years	-	-
	1,449,255	**1,848,223**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 23: Commitments for Expenditure (continued)

Operating leases relate to office premises. The terms of the operating leases range from 1 year to 7 years with options to renew.

Note 24: Contingent Liabilities

The Directors are not aware of any contingent assets and liabilities at 30 June 2016.

Note 25: Share-Based Payments

DGR Global Ltd Options

On 15 April 2015, 4,400,000 DGR Global Ltd share options were granted to employees under the Employee Share Option Plan. The options are to take up one ordinary share in DGR Global Ltd at a price of 6.5 cents each. The options vested immediately and are due to expire on 14 April 2016. A value of $30,513 was calculated using the Black Scholes valuation methodology (refer below).

On 13 July 2015, 2,500,000 DGR Global Ltd share options were granted to a contractor under the Employee Share Option Plan. Of the 2,500,000 options, 1,500,000 options to take up one ordinary share in DGR Global Ltd at a price of 12 cents each and 1,000,000 options to take up one ordinary share in DGR Global Ltd at a price of 6.5 cents each. The options vested immediately and are due to expire on 29 May 2017 and 10 July 2016, respectively. A value of $12,970 was calculated using the Black Scholes valuation methodology (refer below).

On 1 October 2015, 23,000,000 DGR Global Ltd share options were granted to employees under the Employee Share Option Plan. The options are to take up one ordinary share in DGR Global Ltd at a price of 6.5 cents each. The options vested immediately and are due to expire on 30 September 2017. A value of $230,656 was calculated using the Black Scholes valuation methodology (refer below).

On 2 December 2015, 22,950,000 DGR Global Ltd share options were granted to Directors under the Employee Share Option Plan. The options are to take up one ordinary share in DGR Global Ltd at a price of 6.5 cents each. The options vested immediately and are due to expire on 25 November 2017. A value of $290,145 was calculated using the Black Scholes valuation methodology (refer below).

On 11 December 2015, 6,000,000 options were issued to the underwriter pursuant to the Company's fully underwritten Rights issue. The options are to take up one ordinary share in DGR Global Ltd at a price of 6.5 cents each. The options vested immediately and are due to expire on 14 December 2017. A value of $65,958 was calculated using the Black Scholes valuation methodology (refer below).

Movements in a number of options are as follows:

	2016		2015	
	No. of Options	Weighted average exercise price $	No. of Options	Weighted average exercise price $
Outstanding at the beginning of the year	27,400,000	$0.11	32,934,838	$0.14
Granted	54,450,000	$0.067	4,400,000	$0.065
Forfeited	(3,000,000)	$0.12	-	-
Exercised			-	-
Expired	(4,400,000)	$0.065	(9,934,838)	$0.18
Outstanding at year-end	74,450,000	$0.082	27,400,000	$0.11
Exercisable at year-end	74,450,000	$0.082	27,400,000	$0.11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 25: Share-Based Payments (continued)

DGR Global Ltd Options (continued)

The weighted average exercise price of options outstanding at the end of the year was $0.08 (2015: $0.11).

The weighted average remaining contractual life of the options was 1.09 years (2015: 1.52 years).

All options on issue will settle for one share each when exercised. There are no vesting conditions attached to the options.

Archer Resources Ltd Options

There were no options issued in Archer Resources Ltd during the year (2015: nil).

Movements in a number of options are as follows:

	2016		2015	
	No. of Options	Weighted average exercise price $	No. of Options	Weighted average exercise price $
Outstanding at the beginning of the year	-	-	300,000	$0.20
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	(300,000)	$0.20
Outstanding at year-end	-	-	-	-
Exercisable at year-end	-	-	-	-

There were no options on issue at the end of the year ended 30 June 2016. At the end of the prior year the weighted average exercise price was $0.20. The weighted average remaining contractual life of the options at the end of the prior year was 0.5 years.

IronRidge Resources Ltd Options

There were no options issued in IronRidge Resources Ltd up until deconsolidation from the group.

Movements in a number of options are as follows:

	2015	
	No. of Options	Weighted average exercise price $
Outstanding at the beginning of the year	13,270,000	£0.25
Granted	-	-
Forfeited	-	-
Exercised	-	-
Expired	-	-
Outstanding at date of deconsolidation	13,270,000	£0.25
Exercisable at date of deconsolidation	13,270,000	£0.25

The weighted average exercise price of options outstanding at the date of deconsolidation was £0.25.

The weighted average remaining contractual life of the options at the date of deconsolidation was 2.83 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 25: Share-Based Payments (continued)

IronRidge Resources Ltd Options (continued)

All options on issue will settle for one share each when exercised. There are no vesting conditions attached to the options.

Fair Value

The fair values of options granted in 2016 and 2015 were calculated by using a Black-Scholes options pricing model applying the following inputs:

DGR Global Ltd:

2016	DGR Global Ltd ESOP	DGR Global Ltd Underwriter Options
Weighted average exercise price	$0.067	$0.12
Weighted average life of the option	1.29 years	1.46 years
Underlying share price	$0.036	$0.033
Expected share price volatility	93.80% - 99.60%	93.30%, 93.80%
Risk free interest rate	1.71% - 1.81%	1.81%
Number of options issued	48,450,000	6,000,000
Fair value (Black-Scholes) per option	$0.0034 - $0.0126	$0.0110
Total value of options issued	**$533,771**	**$65,960**

2015	DGR Global Ltd ESOP
Weighted average exercise price	$0.065
Weighted average life of the option	1 year
Underlying share price	$0.034
Expected share price volatility	99.637%
Risk free interest rate	1.71%
Number of options issued	4,400,000
Fair value (Black-Scholes) per option	$0.007
Total value of options issued	**$30,513**

Historical volatility has been the basis for determining expected volatility. The life of the options is based on the term to expiry.

Reconciliation of Reserve Movements

	2016 $	2015 $
Opening balance at 1 July	6,299,134	6,268,621
Total share issue costs recognised in equity	65,960	-
Total share-based payments expense	533,771	30,513
Closing balance at 30 June	**6,898,865**	**6,299,134**

Reconciliation of Share-Based Payments Expense

	2016 $	2015 $
DGR Global Ltd options	533,771	30,513
Total share-based payments expense	**533,771**	**30,513**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 26: Related Party Disclosures

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Parent and ultimate controlling entity

(i) The parent entity and ultimate controlling entity is DGR Global Ltd which is incorporated in Australia. The names and other information about subsidiaries are provided in note 12.

(b) Transactions with Key Management Personnel

(i) Transactions with Key Management Personnel are provided in the Remuneration Report within the Directors' Report on page 15.

(c) Transactions with related parties

(i) DGR Global Ltd has a commercial agreement with Armour Energy Ltd, for the provision of administrative services. In consideration for the provision of the services, Armour Energy Ltd pays DGR Global Ltd a monthly management fee. For the year ended 30 June 2016 $456,000 (2015: $476,000) was paid or payable to DGR Global Ltd Ltd for the provision of the services. The total amount receivable at year end was $299,133 (2015: $49,261).

(ii) DGR Global Ltd has a commercial agreement with Aus Tin Mining Ltd, for the provision of administrative services. In consideration for the provision of the services, Aus Tin Mining Ltd pays DGR Global Ltd a monthly management fee. For the year ended 30 June 2016 $192,000 (2015: $192,000) was paid or payable to DGR Global Ltd Ltd for the provision of the services. The total amount receivable at year end was $391,679 (2015: $172,112).

(iii) On 14 April 2016, DGR Global Ltd executed a Term Sheet with Aus Tin Mining Ltd for the provision of $350,000 in secured Convertible Note financing, to be converted to equity in Aus Tin Mining Ltd at $0.005 cents at the earliest opportunity, and subject to regulatory clearances. On 18 April 2016 there was a partial conversion by DGR Global Ltd under the Convertible Note financing, being $12,577 (2,515,490 shares at $0.005 per share), leaving a balance of $337,423 outstanding. The loan was fully extinguished following an issue of 67,484,510 fully paid ordinary shares to DGR Global Ltd ($337,423 at $0.005 per share) on 12 May 2016.

(iv) DGR Global Ltd has a commercial agreement with Dark Horse Resources Ltd, for the provision of administrative services. In consideration for the provision of the services, Dark Horse Resources Ltd pays DGR Global Ltd a monthly management fee. For the year ended 30 June 2016 $300,000 (2015: $300,000) was paid or payable to DGR Global Ltd Ltd for the provision of the services. The total amount receivable at year end was $679,342 (2015: $355,933).

(v) Post deconsolidation from the Group, DGR Global Ltd has a commercial agreement with IronRidge Resources Ltd, for the provision of administrative services. In consideration for the provision of the services, IronRidge Resources Ltd pays DGR Global Ltd a monthly management fee. For the year ended 30 June 2016 $288,000 (2015: $120,000) was paid or payable to DGR Global Ltd Ltd for the provision of the services. The total amount receivable at year end was $30,056 (2015: $40,913).

(vi) DGR Global Ltd has a commercial agreement with SolGold Plc, for the provision of administrative services. In consideration for the provision of the services, SolGold Plc pays DGR Global Ltd a monthly management fee. For the year ended 30 June 2016 $360,000 (2015: $360,000) was paid or payable to DGR Global Ltd Ltd for the provision of the services. The total amount receivable at year end was $139,886 (2015: $310,690).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 26: Related Party Disclosures (continued)

(d) Loans with related parties

	2016 $	2015 $
Armour Energy Ltd	12,872,618	-
Dark Horse Resources Ltd	540,430	-
SolGold plc	4,776,404	-
Others	4,958	-
	18,194,410	**-**

Loan with Armour Energy Ltd
On 30 September 2015, DGR Global Ltd executed an unsecured loan agreement with Armour Energy Ltd for the provision of $15 million. The original term of the facility was through to 31 March 2016. Provision was made in the agreement for Armour to seek, up to a, 12 month extension only on the basis it is able to provide the following:

- a first ranking security and mortgage over unsecured Surat Basin Assets and a fixed and floating charge over the assets of Armour and subsidiaries and the assets of those subsidiaries;
- the grant of a 0.5 per cent gross sales royalty over production from the Surat Basin Assets;
- the grant of 50,000,000 options; and
- a right to convert no more than 50% of any part of the drawn part of the facility to share equity in Armour at any time, at 90% of the preceding 10 day volume weighted average in accordance with the provisions of the Corporations Act and ASX Listing Rules but subject to Armour having a right if conversion is requested to repay the funding early.

On 28 October 2015, the amount of the facility was increased from $15 million to $19 million and all other material terms remained the same.

The interest rate on the facility is 22 per cent per annum on an unsecured basis, but in the event the funding becomes secured the rate reduces to 15 per cent per annum. On 18 January 2016, the bridging loan facility offered by DGR Global to Armour Energy was secured under documents executed between the parties. Accordingly, the interest rate was reduced from 22% to 15% per annum.

On 8 March 2016, Armour Energy made a repayment of $6,048,319 to DGR Global against its loan facility due to a refund Armour Energy received from Queensland Department of Heritage and Environment Protection due to a reduction in Financial Assurances required. Under the terms the Loan Agreement, on this date the loan facility was reduced by the same amount as the reduction in the Financial Assurances required, leaving the facility with a limit of $12,951,681.

Loan with Dark Horse Resources Ltd
On 30 September 2015, DGR Global Ltd provided a letter of support to Dark Horse Resources Ltd for up to $1 million of funding. The term of the facility is for a period of 12 months, which has subsequently been extended for an additional year. Interest is charged at the rate charged by the bankers for Dark Horse Resources Ltd on any overdraft accommodation for an amount of $100,000 or more and shall be capitalised and only repayable when the facility is repaid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 26: Related Party Disclosures (continued)

Loan with SolGold plc
On 20 November 2015, DGR Global Ltd agreed to provide short term funding to SolGold plc to provide working capital. Interest on the facility is charged at the rate of 9.5% per annum. The loan is repayable by SolGold plc on the earlier of any capital raising event, or 31 December 2016. DGR Global Ltd can, at its sole election, convert all or part of the loan, including accrued interest, into further equity as part of a SolGold plc capital raising, and at the same price as third party participants, subject to DGR Global Ltd and SolGold plc obtaining all necessary regulatory approvals. On 29 August 2016, the Company converted $5,700,000 of the debt funding provided to SolGold into SolGold shares in accordance with the terms of the loan arrangements announced to the market on 1 July 2016.

Note 27: Operating Segments

Segment information

Identification of reportable segments
The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted
Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

(b) Inter-segment transactions
Corporate charges are allocated to segments based on the segments' overall proportion of overhead expenditure within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

(c) Segment assets
Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 27: Operating Segments (continued)

Basis of accounting for purposes of reporting by operating segments (continued)

(d) Unallocated items
The following items of revenue, expenses and assets are not allocated to operating segments as they are not considered part of the core operations of any segment:

- impairment of assets and other non-recurring items of revenue or expense
- income tax expense
- current and deferred tax

Segment reporting

The Group reports information to the Board of Directors along company lines. That is, the financial position of DGR and each of its subsidiary companies is reported discreetly, together with an aggregated Group total. Accordingly, each company within the Group that meets or exceeds the relevant threshold tests is separately disclosed below. The financial information of the subsidiaries that do not exceed the relevant thresholds outlined above, and are therefore not reported separately, is aggregated and disclosed as Other.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 27: Operating Segments (continued)

Segment reporting (continued)

30 June 2016	DGR Global $	Archer $	IronRidge $	Others $	Total $
Segment Performance					
Revenue					
External revenue	2,989,843	-	-	-	2,989,843
Interest revenue	1,806,058	293	-	-	1,806,351
Inter-segment revenue	39,095	-	-	-	39,095
Total segment revenue	**4,834,996**	**293**	**-**	**-**	**4,835,289**
Reconciliation of segment revenue to Group revenue					
Elimination of inter-segment revenue					(39,095)
Total Group revenue					**4,796,194**
Segment net profit/(loss) before tax	1,011,617	(258,008)	-	(29,013)	724,596
Reconciliation of segment result to Group net profit/(loss) before tax					
Impairment of investment in associate					6,186,254
Share of losses of associates					(5,236,593)
Share of net profit in associate other comprehensive income					(493,967)
Net profit/(loss) before tax					**1,180,290**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 27: Operating Segments (continued)

Segment reporting (continued)

30 June 2016	DGR Global $	Archer $	IronRidge $	Others $	Total $
Segment Assets					
Reconciliation of segment assets to Group assets	50,267,093	1,761,933	-	258,684	52,287,710
Inter-segment receivables and investments eliminated	-	-	-	-	(4,865,426)
Total Group Assets					**47,422,284**
Segment asset additions for the period					
- Exploration and evaluation assets	356,904	237,392	-	146,443	740,739
- Property, plant and equipment	36,614	-	-	-	36,614
- Investments accounted for using the equity method	-	-	-	-	-
- Investments at fair value through other comprehensive income	3,843,553	-	-	-	3,843,553

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 27: Operating Segments (continued)

Segment reporting (continued)

30 June 2015	DGR Global $	Archer $	IronRidge $	Others $	Total $
Segment Performance					
Revenue					
External revenue	1,490,803	-	-	4,160	1,494,963
Interest revenue	13,795	-	635	-	14,430
Inter-segment revenue	455,467	-	-	-	455,467
Total segment revenue	**1,960,065**	**-**	**635**	**4,160**	**1,964,860**
Reconciliation of segment revenue to Group revenue					
Elimination of inter-segment revenue					(455,467)
Gain on loss of control of subsidiary					11,618,981
Recycling adjustment on available for sale financial assets					1,560,000
Gain on disposal of financial assets at fair value through profit and loss					14,896,305
Total Group revenue					**29,584,679**
Segment net profit/(loss) before tax	(2,750,942)	1,192,425	(526,141)	(363,596)	(2,448,254)
Reconciliation of segment result to Group net profit/(loss) before tax					
Impairment of investment in associate					(12,615,179)
Gain on loss of control of subsidiary					11,618,981
Share of losses of associates					(2,184,242)
Recycling adjustment on available for sale financial assets					1,560,000
Gain on disposal of financial assets at fair value through profit and loss					14,896,305
Net profit/(loss) before tax					**10,827,611**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 27: Operating Segments (continued)

Segment reporting (continued)

30 June 2015	DGR Global $	Archer $	IronRidge $	Others $	Total $
Segment Assets					
Reconciliation of segment assets to Group assets	44,118,598	2,233,648	-	121,215	46,473,461
Inter-segment receivables and investments eliminated	-	-	-	-	(5,244,467)
Total Group Assets					**41,228,994**
Segment asset additions for the period					
- Exploration and evaluation assets	291,818	155,115	120,223	115,623	682,779
- Property, plant and equipment	14,142	-	-	-	14,142
- Investments accounted for using the equity method	161,209	-	-	-	161,209
- Investments at fair value through other comprehensive income	2,551,883	-	-	-	2,551,883

Investments in associates are allocated to the DGR Global operating segment as the investment is held by that Company. The share of losses of associates is disclosed as a reconciling item as this only occurs on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 28: Parent Company

The Corporations Act requirement to prepare parent entity financial statements where consolidated financial statements are prepared has been removed and replaced by Regulation 2M.3.01 which requires the following limited disclosure in regard to the parent entity (DGR Global Ltd). The consolidated financial statements incorporate the assets, liabilities and results of the parent entity in accordance with the accounting policy described in note 1(b).

Parent Entity	2016 $	2015 $
Statement of Financial Position		
Current assets	2,301,792	20,720,068
- Loans (intragroup receivables)	805,494	654,884
- Loans (related parties)	18,194,410	-
- Security bonds	1,143,624	1,138,198
- Property, plant and equipment	510,601	511,462
- Exploration and evaluation assets	3,132,245	2,864,473
- Investment in Lions Gate Metals Inc	3,500	3,998
- Investment in SolGold plc	8,482,272	3,420,351
- Investment in Dark Horse Resources Ltd	567,717	227,087
- Investment in Aus Tin Mining Ltd	2,296,215	1,290,153
- Investment in Armour Energy Ltd	4,127,750	3,377,250
- Investment in Archer Resources Ltd	4,056,401	4,056,401
- Investment in IronRidge Resources Ltd	4,645,062	5,280,497
- Investment in Peel Mining Ltd	-	520,000
- Investment in Silver City Resources	-	3,098
- Investment in Argent Mining Ltd	-	50,669
- Investment in other subsidiaries	10	10
Total non-current assets	47,965,301	23,398,531
Total assets	50,267,093	44,118,599
Current liabilities	1,251,257	3,789,979
Non-current liabilities	1,887,030	783,823
Total liabilities	3,138,287	4,573,802
Net assets	**47,128,806**	**39,544,797**
Issued capital	28,968,824	24,057,609
Share-based payments reserve	4,881,535	3,936,331
Financial assets revaluation reserve	5,801,480	4,018,993
Profit reserve	5,407,202	5,407,202
Accumulated profit	2,069,765	2,124,662
Total Shareholder's equity	**47,128,806**	**39,544,797**
Statement of Comprehensive Income		
Profit/(loss) for the year	**(54,897)**	**7,309,555**
Total comprehensive income for the year	**1,461,841**	**576,112**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 28: Parent Company (continued)

At 30 June 2016, the Company's investments in each of its controlled entities, associates and investments at fair value through other comprehensive income are as follows:

Investment	Number of Shares	Number of Options/Warrants (unlisted)	Share price[#]
Lions Gate Metals Inc	70,000	-	C$0.05
SolGold plc	152,532,214	-	£0.0308
Dark Horse Resources Ltd	113,543,456	-	$0.005
Aus Tin Mining Ltd	328,030,650	-	$0.007
Armour Energy Ltd	75,050,000	-	$0.055
Archer Resources Ltd	40,000,000	-	$0.050
IronRidge Resources Ltd	62,293,334	-	£0.0413

[#]Share price represents the market quoted price for listed investments at 30 June 2016 or the price at which the last round of financing was raised for unquoted investments.

Guarantees

No guarantees have been entered into by the parent entity in relation to debts of its subsidiaries.

Contractual commitments

There were no contractual commitments for the acquisition of property, plant and equipment entered into by the parent entity at 30 June 2016 (2015: nil).

Contingent liabilities

The parent entity has no contingent liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 29: Cash Flow Information

Reconciliation of Cash Flow from Operations with Profit/(Loss) after Tax:

	2016 $	2015 $
Profit/(loss) after tax	616,292	6,551,094
Depreciation	37,475	40,032
Exploration and evaluation assets written off	289,316	773,515
Share-based payments expense	533,771	30,513
Share of losses associates	5,236,593	2,184,242
Impairment of investment in associate	(6,186,254)	12,615,179
Gain on sale of financial assets at fair value through profit & loss	-	(14,896,305)
Recycling of available-for-sale reserve through profit & loss on initial application of AASB 9	-	(1,560,000)
Realised gain on disposal of subsidiary	-	(11,618,981)
Changes in operating assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (Increase)/decrease in trade and other receivables	(682,921)	(629,711)
- (Increase)/decrease in other assets	(11,068)	386,537
- Increase/(decrease) in trade and other payables	217,133	1,476,743
- Increase/(decrease) in deferred tax liabilities	563,998	(182,202)
- Increase/(decrease) in current tax payable	(2,196,264)	2,196,264
- Increase/(decrease) in in provisions	(2,894)	-
Net cash flow from operations	**(1,584,823)**	**(2,633,080)**

Non-cash investing and financing activities

Additional investment in associates through issue of shares in lieu of cash owing	-	(161,210)
Issue of shares for interest on convertible note	-	(60,000)
Issue of shares in lieu of cash for services	(107,835)	-
Assumption of SolGold plc debt	518,143	-
Conversion of loans with related parties for shares	(3,266,371)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 30: Financial Risk Management

	2016 $	2015 $
Financial Assets		
Cash and cash equivalents	531,101	19,636,608
Trade and other receivables	1,771,036	1,088,115
Financial assets at fair value through other comprehensive income	10,789,985	5,296,268
Cash on deposit held as security	314,000	314,000
Security bonds	868,924	858,499
Loans with related parties	18,194,410	-
	32,469,456	**27,193,490**
Financial Liabilities		
Trade and other payables	913,419	1,736,662
Borrowings	518,143	-
	1,431,562	**1,736,662**

(a) General Objectives, Policies and Processes

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note. The Group's financial instruments consist mainly of deposits with banks, receivables and payables, and shares in listed corporations.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Group's risk management policies and objectives are designed to minimise the potential impacts of these risks on the results of the Group where such impacts may be material.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these matters are set out below:

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when counterparties fail to settle their obligations owing to the Group. The Group's objective is to minimise the risk of loss from credit risk exposure.

The maximum exposure to credit risk, excluding the value of any collateral or other security, in the event other parties fail to discharge their obligations under financial instruments in relation to each class of financial asset at reporting date is the carrying amount in the statement of financial position which, for the relevant assets, is summarised in the table above.

Credit risk is reviewed regularly by the Board and the audit committee. It primarily arises from exposure to receivables as well as through deposits with financial institutions. There is no collateral held as security.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 30: Financial Risk Management (continued)

The Group's material credit risk exposure is to loans with related parties. Other than the loans with related parties, the Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

(c) Liquidity Risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet financial obligations as they fall due. The objective of managing liquidity risk is to ensure, as far as possible, that the Group will always have sufficient liquidity to meets its liabilities when they fall due, under both normal and stressed conditions.

Liquidity risk is reviewed regularly by the Board and the audit committee.

The Group manages liquidity risk by monitoring forecast cash flows and liquidity ratios such as working capital. The Group's working capital, being current assets less current liabilities, has decreased from a surplus of $16,791,797 in 2015 to a surplus of $881,643 in 2016.

Maturity Analysis 2016	Carrying Amount $	Contractual Cash Flows $	<6 Months $	6-12 Months $	1-3 Years $	>3 Years $
Financial liabilities						
Trade and other payables	913,419	913,419	913,419	-	-	-
Borrowings	518,143	518,143	-	518,143	-	-
Total	**1,431,562**	**1,431,562**	**913,419**	**518,143**	**-**	**-**

Maturity Analysis 2015	Carrying Amount $	Contractual Cash Flows $	<6 Months $	6-12 Months $	1-3 Years $	>3 Years $
Financial liabilities						
Trade and other payables	1,736,662	1,736,662	1,736,662	-	-	-
Total	**1,736,662**	**1,736,662**	**1,736,662**	**-**	**-**	**-**

(d) Market Risk

Market risk arises from the use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk). The Group does not have any material exposure to market risk other than interest rate risk and other equity securities price risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 30: Financial Risk Management (continued)

Interest rate risk

The objective of interest rate risk management is to manage and control interest rate risk exposures with acceptable parameters while optimising the return. Interest rate risk is managed with a mixture of fixed and floating rate instruments. For further details on interest rate risk refer to the tables below:

2016	Floating Interest Rate $	Fixed Interest Rate $	Non-Interest Bearing $	Total Carrying Amount $	Weighted Average Effective interest Rate* %
(i) Financial Assets					
Cash and cash equivalents	531,101	-	-	531,101	0.01%
Trade and other receivables	-	-	1,771,036	1,771,036	-
Other financial assets	-	314,000	11,658,909	11,972,909	2.50%
Related party loans	-	18,194,410	-	18,194,410	13.39%
Total financial assets	**531,101**	**18,508,410**	**13,429,945**	**32,469,456**	
(ii) Financial Liabilities					
Trade and other payables	-	-	913,419	913,419	-
Other financial liabilities	-	518,143	-	518,143	6.00%
Total financial liabilities	**-**	**518,143**	**913,419**	**1,431,562**	

*on interest bearing portion

2015	Floating Interest Rate $	Fixed Interest Rate $	Non-Interest Bearing $	Total Carrying Amount $	Weighted Average Effective interest Rate* %
(i) Financial Assets					
Cash and cash equivalents	19,636,608	-	-	19,636,608	0.01%
Trade and other receivables	-	-	1,088,115	1,088,115	-
Other financial assets	-	314,000	6,154,767	6,468,767	1.50%
Total financial assets	**19,636,608**	**314,000**	**7,242,882**	**27,193,490**	
(ii) Financial Liabilities					
Trade and other payables	-	-	1,736,662	1,736,662	-
Other financial liabilities	-	-	-	-	-
Total financial liabilities	**-**	**-**	**1,736,662**	**1,736,662**	

*on interest bearing portion.

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk. This demonstrates the effect on the profit and equity which could result from a change in these risks.

At 30 June 2016 the effect on profit and equity as a result of changes in the interest rate at that date would be as follows:

	2016 $	2015 $
Change in profit and equity		
- Increase in interest rate by 1%	3,269	199,506
- Decrease in interest rate by 1%	(3,269)	(199,506)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 30: Financial Risk Management (continued)

Equity securities price risk

The Group has performed a sensitivity analysis relating to its exposure to equity securities price risk. The sensitivity demonstrates the effect on pre-tax profit and equity which could result from a change in these risks.

At 30 June 2016 the effect on profit and equity as a result of changes in equity security prices would be as follows:

	2016 $	2015 $
Change in profit		
- Increase in equity security price by 10%	-	-
- Decrease in equity security price by 10%	-	-
Change in equity*		
- Increase in equity security price by 10%	(1,078,999)	(529,627)
- Decrease in equity security price by 10%	1,078,999	529,627

* Financial assets revaluation reserve/other comprehensive income.

The analysis assumes all other variables remain constant. It also assumes the investment in SolGold plc, Lions Gate Metals Inc and Aus Tin Mining Ltd were remeasured to fair value on 30 June 2016 (and that the 10% change had occurred as at that date).

It should be noted that the investment in associate is not included in the above analysis as it is outside the scope of Accounting Standard AASB 9 Financial Instruments, as it is accounted for in accordance with Accounting Standard AASB 128 Investments in Associates.

Foreign exchange risk

The table below demonstrates the sensitivity to a reasonably possible change in the United States dollar against the Australian dollar.

	Change in US dollar rate	Effect on profit before tax $
2016	+10%	5,829
	-5%	(2,914)
2015	+10%	49,462
	-5%	(24,731)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 31: Fair Value

Fair value hierarchy
The following table details the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

The following table presents the Group's assets and liabilities measured and recognised at fair value at 30 June:

	Level 1 $	Level 2 $	Level 3 $	Total $
2016				
Financial assets at fair value through other comprehensive income	10,789,985	-	-	10,789,985
Investments accounted for using the equity method	9,340,496	-	-	9,340,496
2015				
Financial assets at fair value through other comprehensive income	5,296,268	-	-	5,296,268
Investments accounted for using the equity method	8,884,805	-	-	8,884,805

The financial assets at fair value through other comprehensive income and available for sale financial assets are measured based on the quoted market prices at 30 June.

Derivative financial instruments have been valued using quoted market rates. This valuation technique maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 32: Disposal of Subsidiaries

On 12 February 2015, IronRidge Resources Ltd allotted and issued 67,416,667 ordinary shares pursuant to an Initial Public Offering and was admitted to the London Stock Exchange (AIM). Following this DGR Global Ltd's holding reduced to 26% and control was lost.

	2015 $
Fair value of retained investment IronRidge Resources Ltd at the date of disposal	**12,263,200**
Assets and liabilities disposed:	
Cash and cash equivalents	371,342
Trade and other receivables	29,424
Other current assets	1,058,060
Security deposits	63,103
Property, plant & equipment	8,428
Exploration and evaluation assets	1,679,732
Trade and other payables	(2,185,143)
Other financial liabilities	(171,077)
Non-controlling interest	(209,650)
	644,219
Net gain on disposal	**11,618,981**

Note 33: Significant Events after Balance Date

On 1 July 2016, the Company executed a short-term unsecured loan agreement with SolGold plc to provide up to $7 million in funding for the period through to 31 December 2016. The loan bears interest of 9.5% per annum and is repayable by SolGold plc on the earlier of any capital raising event, or 31 December 2016. Interest accrued on the loan is only payable on the repayment date. The Company can, at its sole election, convert all or part of the loan, including accrued interest, into further equity as part of a SolGold plc capital raising, and at the same price as third party participants. On 29 August 2016, the Company converted $5,700,000 of the debt funding provided to SolGold plc into SolGold plc shares in accordance with the terms of the loan arrangements announced to the market on 1 July 2016.

On 5 July 2016, the Company executed short-term secured loan facility agreements with two international financiers for CAD$3,000,000 for a period of 6 months on commercial terms. The purpose of the loan facility agreements is to provide DGR Global Ltd with access to adequate working capital to continue to facilitate the on-going development of the various companies in which it holds significant equity interests.

On 29 July 2016, the Company agreed to an extension of the Armour Energy Ltd Loan Facility to 30 September 2016. This two month extension was granted to Armour Energy Ltd on the current terms of the facility, which is secured and has an interest rate of 15% per annum. All other key terms of the Armour Energy Ltd Loan Facility remained as previously advised. On 28 September 2016, DGR Global Ltd has further extended the Armour Energy Loan Facility to 31 December 2016. This two month extension was agreed by DGR on the current terms of the facility which is secured and has an interest rate of 15% per annum. Again, all other key terms of the Armour Energy Loan Facility remain as previously advised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2016

Note 33: Significant Events after Balance Date (continued)

On 22 September 2016, DGR Global Ltd agreed to partially underwrite Aus Tin Mining Ltd's Non-Renounceable Entitlement Offer up to $828,829. A fee of 5% of the underwritten amount is payable on completion of the offer. DGR Global Ltd is currently owed approximately $430,000 by Aus Tin Mining Ltd and any resultant net underwriting commitment is expected to be absorbed via the full or partial conversion of this amount under the entitlement issue.

The Directors are not aware of any other significant changes in the state of affairs of the Group or events after balance date that would have a material impact on the consolidated financial statements.

DIRECTORS' DECLARATION

1. In the opinion of the Directors:

   (a) The financial statements and notes of DGR Global Ltd for the financial year ended 30 June 2016 are in accordance with the Corporations Act 2001, including:

      (i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and performance for the year then ended;

      (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

   (b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1;

   (c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, as disclosed in note 1; and

   (d) The remuneration disclosures contained in the Remuneration Report comply with s300A of the Corporations Act 2001.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2016.

Signed in accordance with a resolution of the Directors.

Nicholas Mather
Managing Director

Brisbane
Date: 30 September 2016

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INDEPENDENT AUDITOR'S REPORT

To the members of DGR Global Limited

Report on the Financial Report

We have audited the accompanying financial report of DGR Global Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of DGR Global Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of DGR Global Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through debt or equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of non-core assets. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

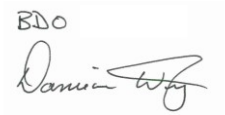
Report on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 26 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of DGR Global Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

BDO Audit Pty Ltd



D P Wright
Director

Brisbane, 30 September 2016