



ASX ANNOUNCEMENT

14 October 2022

SOLGOLD PLC & CORNERSTONE TO MERGE

The Board of Directors of DGR Global Limited (**ASX:DGR, the company**) are pleased to announce that SolGold Plc (LSE:SOLG; TSX:SOLG) (**SolGold**) and Cornerstone Capital Resources Inc. (TSXV:CGP; OTC:CTNXF; FWB:GWN1) (**Cornerstone**) have agreed to merge on the basis of 15 SolGold shares per Cornerstone share.

Details of the Agreement are contained in the joint SolGold / Cornerstone announcement released to the London Stock Exchange on 07 October 2022 ([please refer to link](#)).

DGR Global's Managing Director & CEO Nick Mather is a Non-Executive Director and Founder of SolGold. DGR Global holds 204,151,800 million shares in SolGold, representing 8.89% of SolGold. DGR Global's shareholding in SolGold is DGR's largest asset on a marked to market basis.

Under Mr Mather's executive direction, the company discovered the Cascabel copper-gold porphyry Project, securing an impressive tenure over 14 copper-gold porphyry exploration projects, in Ecuador.

The Cascabel Project was the subject of a PFS (Pre-Feasibility Study) released by SolGold to the London Stock Exchange on 20 April 2022 ([please refer to link](#)). The PFS demonstrated an estimated after-tax Net Present Value of US\$2.9Billion on pre-production Capital Expenditure of US\$2.7Billion with a 25.3% Internal Rate of Return and annual cash generation of greater than US\$1.3Billion in first 5 years ([please refer link](#)) from achieving nameplate capacity (further updates are expected).

The Merger Agreement Provides for

- The issue of 15 SolGold shares for each Cornerstone share subject to an option at SolGold election to pay 20% of the consideration as cash.
- Appointment of two (2) nominees to the SolG Board of Directors.
- Approval by two-thirds of the votes cast by the shareholders of Cornerstone and a majority of the votes cast by disinterested shareholders at a special meeting of Cornerstone shareholders.
- All Cornerstone Directors, executive officers and certain shareholders, collectively representing 44.1% of the Cornerstone Shares, have entered into voting support agreements with SolGold agreeing, among other things, to vote their Cornerstone Shares in favour of the Transaction ([please refer to link](#)).

DGR Global Limited ACN 052 354 837

A: L 27, 111 Eagle Street Brisbane Q 4000 | GPO Box 5261 Brisbane Q 4001
P +61 7 3303 0680 | **E:** info@dgrglobal.com.au | **W:** www.dgrglobal.com.au

- A strategic review, with Citigroup Global Markets Inc. and Maxit Capital LP appointed as financial advisor to assist with creating alternatives for the Combined Group and the Cascabel Project, with a view to maximising value for SolGold shareholders.
- Provision for amendments to implement an exchangeable share structure to allow eligible Canadian Cornerstone shareholders to receive a tax-deferred roll-over under the Income Tax Act (Canada).
- Customary deal protection in favour of SolGold.

Cornerstone, which currently holds an entitlement to a 15% interest in Cascabel, is strongly supportive of the proposed merger with Cornerstone.

In DGR's opinion the merger will

- Consolidate and simplify the ownership structure of the Cascabel Project.
- Allow for representation of Cornerstone shareholders on the SolGold Board.
- Provide SolGold with access to Cornerstone's other projects.
- Facilitate enhanced corporate attention on SolGold.

DGR Global MD & CEO Nick Mather commented on the announcement of the SolGold merger with Cornerstone:

"DGR Global is strongly supportive and welcomes the normalising of the Cascabel ownership and Board representation in SolGold."

DGR Global looks forward to the restoration of shareholder value as a result of the merger and outcomes pursuant to the strategic review process".

This ASX Announcement was authorised by the Board of Directors

Geoff Walker | Company Secretary

Electronic copies and more information are available on the Company website:

www.dgrglobal.com.au E: info@dgrglobal.com | Twitter: @DGRGlobal

For further info contact: Mr Geoff Walker | Co Secretary | E: gwalker@dgrglobal.com.au

About DGR Global Limited

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

This is achieved through:

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

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

Get Regular News from DGR Global on social media: As a valued shareholder, you can now stay up to date of forces influencing the value of your investment in DGR Global by following us on Twitter. We regularly post information about the operations of us and the DGR companies as well as what is happening in our sectors around Australia and around the world - with links to documents in the media, brokers, and other authoritative sources so you can stay up to date. As well, our posts on Twitter will alert you to our latest ASX announcements. Join the hundreds who follow us on Twitter @DGRGlobal and LinkedIn <https://www.linkedin.com/company/dgr-global>

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