



**DGR GLOBAL LIMITED
AND CONTROLLED ENTITIES**
ACN 052 354 837

FINANCIAL REPORT

**FOR THE HALF-YEAR
ENDED 31 DECEMBER 2015**

Corporate Information

DIRECTORS

William Stubbs (Chairman)
Nicholas Mather (Managing Director)
Brian Moller
Vincent Mascolo

COMPANY SECRETARY

Karl Schlobohm

REGISTERED OFFICE AND PRINCIPAL BUSINESS OFFICE

DGR Global Limited
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Phone: + 61 7 3303 0680
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SOLICITORS

Hopgood Ganim
Level 8, Waterfront Place
1 Eagle Street
Brisbane QLD 4000

SHARE REGISTER

Link Market Services Limited
Level 15, 324 Queen Street
Brisbane QLD 4000
Telephone: +61 7 3320 2235
Facsimile: +61 7 3228 4999

AUDITORS

BDO Audit Pty Ltd
Level 10, 12 Creek Street
Brisbane QLD 4000

COUNTRY OF INCORPORATION

Australia

STOCK EXCHANGE LISTING

Australian Securities Exchange
ASX Code: DGR

INTERNET ADDRESS

www.dgrglobal.com

AUSTRALIAN BUSINESS NUMBER

ABN 67 052 354 837

Directors' Report

Your Directors submit the financial report of the consolidated entity for the half-year ended 31 December 2015.

DIRECTORS

The names of persons who held office during or since the end of the half-year:

William Stubbs	(Non-Executive Chairman)
Nicholas Mather	(Managing Director and Chief Executive Officer)
Brian Moller	(Non-Executive Director)
Vincent Mascolo	(Non-Executive Director)

REVIEW OF OPERATIONS

The profit after income tax for the half year ended 31 December 2015 was \$4,327,956 (31 December 2014: loss of \$7,854,826).

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 also maintains its cornerstone investor position in subsidiaries that move to listing on a recognised stock exchange.

Exploration and Development of Subsidiaries

During the half-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 half-year included:

Albatross Bauxite Pty Ltd (100%)

- Applied for six (6) Exploration Permits for Minerals (EPMs) in Southern Qld, specifically targeting bauxite. Four (4) of the EPMs were granted in late November.

Archer Resources Limited (63%)

- Rejuvenation as a zinc-copper-gold company, with fundraising commenced for advancement towards ultimate listing.
- Potential for world class copper gold discoveries at Mt Abbot, Calgoa-Colo and Three Sisters Projects.
- Exploration target defined for the Ban Ban Zinc Project following 3D modelling and reinterpretation of historical drilling data.

Pinnacle Gold Pty Ltd (94%)

- Six (6) EPMs now granted for gold exploration.
- Five of the EPMs are over prospective gold targets situated between the former Black Jack and Mt Leyshon Mines near Charters Towers, Qld.

Investments

Armour Energy Limited (23.3%) - ASX: AJQ

- Holds highly prospective whole basin oil and gas positions in Northern Territory and North West Qld covering 139,000km², and a track record of exploration success.
- Binding Agreements signed with American Energy Partners (AEP) 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 Armour¹.
- Hostile unsolicited takeover offer from Westside Corporation Ltd withdrawn after shareholders vote to proceed with the AEP farm-out transaction and approve a partial takeover offer from AEP @ 25 cents per share².
- Regulatory approval received to acquire 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 flow³.
- Wholly owned subsidiary Ripple Resources Pty Ltd emerges as a highly prospective lead-zinc explorer with over 20,000km² under application or tenure in Northern Australia.

SolGold plc (16%) - LSE: SOLG

- 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 several drill holes confirm discovery of large scale, high grade porphyry system at the **Alpala** Prospect. Further significant long high grade drill intersections were announced to the London Stock Exchange during the half year and can be viewed on the LSE or company website www.solgold.com.au. Hole 12 returned the longest and highest grade intercepts to date⁴.
- Strong copper gold surface mineralisation discovered at the **Aguinaga** and **Trivino** Prospects⁵.

IronRidge Resources Limited (26.3%) - LSE: IRR

- Highly prospective hematite rich iron targets evident in **Tchibanga** and **Belinga Sud** licence areas in Gabon - total tenure 5,400km². Tchibanga is less than 70km from the port of Mayumba.
- Wide scale field sampling confirms the discovery of high grade canga iron ore mineralisation at Tchibanga, with Ground Penetrating Radar (GPR) survey commenced to test for canga depth⁶.
- Wholly owned subsidiary Eastern Exploration Pty Ltd discovers high grade Direct Shipping Ore (DSO) bauxite mineralisation at the **Monogorilby** project in Queensland, Australia⁷.

Aus Tin Mining Limited (19.9%) - ASX: ANW

- Completes acquisition of high grade Granville Tin Project in Tasmania after high grade drill results⁹.
- Maiden JORC resource estimate confirms Taronga as a world class tin project. The details of the resource (79% indicated) can be viewed on the ASX or on the company website www.austinmining.com.au.
- Metallurgical flow sheet completed for Taronga pre-feasibility study. Ore described as coarse grained, having simple metallurgy, and highly amenable to pre-concentration.
- Advancement of the Taronga Project with commitment to a Stage 1 Development comprising trial mining and pilot plant operations.

Dark Horse Resources Limited (19.5%) - ASX: DHR

- Company name changed from Navaho Gold (formerly ASX: NVG) to better reflect exploration and development focus in the energy sector.
- Significant advancement of the highly prospective Nirihuau Coal Project in Rio Negro province in Argentina (DHR earning up to 75%).
- MOU executed with Sunset Power for 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 network⁸.
- 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 oil and gas projects in Qld and South Australia, and this can be viewed on the ASX or the company website www.darkhorsesources.com.au
- 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.

Corporate

- Raised over \$4.9 million via fully underwritten 1 for 4 rights issue @ 3.8 cents per share.
- Advancement of new development projects in Australia, Africa and the Americas focused on base metals, gold, bauxite, coal, oil and gas.

Footnotes:

¹AJQ ASX Releases 20/8 and 11/9/15

³AJQ ASX Release 2/11/15

⁵SOLG LSE:AIM Releases 3/11 and 9/12/15

⁷IRR LSE:AIM Release 15/12/15

⁹ANW ASX Release 7/12/15

²AJQ ASX Releases 30/10 and 5/11/15

⁴SOLG LSE:AIM Release 20/10/15

⁶IRR LSE:AIM Release 23/11/15

⁸DHR ASX Release 12/1/16

The current aggregate market value of DGR's listed assets may be represented as follows:

Investment	Number of Shares	Number of Options / Warrants (unlisted)	Market Value [#] A\$
Lions Gate Metals Inc	70,000	-	1,413
SolGold plc	152,532,214	-	10,732,074
Dark Horse Resources Ltd	113,543,456	-	340,630
IronRidge Resources Ltd	62,293,334	-	1,929,438
Aus Tin Mining Ltd	258,030,650	-	1,290,153
Armour Energy Ltd	75,050,000	-	6,754,500
Peel Mining Ltd	2,000,000	-	280,000
Argent Minerals Ltd	3,500,000	-	84,000
Silver City Resources Ltd	615,000	-	11,070
Total market value of DGR Global's listed assets			21,423,278
Total DGR Global shares on issue			550,881,877
Value attributable to each DGR share (excluding cash)			3.89 cents

[#] Market value represents the market quoted price for listed investments at 8 March 2016. No value has been attributable to the options or prospects in development.

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

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 has been reduced from 22% to 15% per annum.

On 7 March 2016, DGR Global converted its Convertible Note, the accrued Convertible Note interest, and a further loan covering management fees and various outlays made on behalf of SolGold Plc to equity in SolGold Plc which was priced at 2.3p increasing DGR's holding to 152,532,214 shares representing approximately 16% of the Company.

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 with an available balance of \$3,320,000.

The Directors are not aware of any other events since 31 December 2015 that impact upon the financial report as at 31 December 2015.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration, under section 307C of the Corporations Act 2001, is set out on page 7 for the half-year ended 31 December 2015.

This report is signed in accordance with a resolution of the Board of Directors.



Nicholas Mather
Managing Director

Brisbane
Date: 15 March 2016

Competent Persons Statement

The information herein that relates to 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 Limited (and a Director of DGR Global Limited's subsidiaries).

Mr 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.

AUDITOR'S INDEPENDENCE DECLARATION



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DECLARATION OF INDEPENDENCE BY DAMIAN WRIGHT TO THE DIRECTORS OF DGR GLOBAL LIMITED

As lead auditor for the review of DGR Global Limited for the half-year ended 31 December 2015, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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, 15 March 2016

Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2015

	Note	Consolidated	
		6 Months to 31 December 2015 \$	6 Months to 31 December 2014 \$
Revenue and other income			
Revenue	2	1,483,497	673,074
Other income	2	11,764,877	282,542
Total revenue and other income		13,248,374	955,616
Exploration costs written off		(18,528)	(583,752)
Finance costs		(135)	(94,282)
Employee benefits expenses		(1,077,749)	(875,912)
Depreciation expenses		(18,279)	(18,473)
Legal expenses		(60,113)	(99,822)
Administration and consulting expenses		(646,957)	(872,117)
Revaluation of financial liabilities at fair value through profit or loss		-	18,319
Share of profits (losses) of associates	6	(1,573,777)	(413,889)
Share based payments employment expense		(528,651)	-
Other expenses	2	(2,899,249)	(7,541,411)
Profit/ (loss) before income tax		6,424,936	(9,525,723)
Income tax (expense)/benefit	3	(2,096,980)	1,670,897
Profit / (loss) for the period		4,327,956	(7,854,826)
Other comprehensive income			
Items that will be reclassified to profit or loss			
Net fair value gains (losses) on available for sale financial assets		13,092	4,455,796
Tax effect of net fair value gains (losses) on available for sale financial assets	3	(3,928)	(1,336,739)
Total comprehensive income for the period		4,337,120	(4,735,769)
Profit / (loss) for the period attributable to:			
Members of the parent company		4,330,822	(7,765,755)
Non-controlling interests		(2,866)	(89,071)
		4,327,956	(7,854,826)
Total comprehensive income for the period attributable to:			
Members of the parent company		4,339,986	(4,646,698)
Non-controlling interests		(2,866)	(89,071)
		4,337,120	(4,735,769)
		2015	2014
		Cents	Cents
Earnings / (loss) per share			
Basic earnings / (loss) per share	4	1.0	(1.9)
Diluted earnings / (loss) per share	4	1.0	(1.9)

The consolidated statement of comprehensive income should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position as at 31 December 2015

	Note	Consolidated	
		31 December 2015 \$	30 June 2015 \$
CURRENT ASSETS			
Cash and cash equivalents		3,686,342	19,636,608
Trade and other receivables		1,096,514	1,088,115
Other financial assets	5	17,823,947	-
Other current assets		46,730	-
Total Current Assets		22,653,533	20,724,723
NON-CURRENT ASSETS			
Other financial assets	5	7,017,411	6,468,767
Investments accounted for using the equity method	6	14,934,312	8,884,802
Property, plant and equipment		526,028	511,462
Exploration and evaluation assets		5,071,866	4,639,240
Total Non-Current Assets		27,549,617	20,504,271
TOTAL ASSETS		50,203,150	41,228,994
CURRENT LIABILITIES			
Trade and other payables		893,238	1,736,662
Income tax payable	3	270,407	2,196,264
Total Current Liabilities		1,163,645	3,932,926
NON-CURRENT LIABILITIES			
Deferred tax liabilities	3	1,982,456	151,955
Provisions		636,323	636,323
Total Non-Current Liabilities		2,618,779	788,278
TOTAL LIABILITIES		3,782,424	4,721,204
NET ASSETS		46,420,726	36,507,790
EQUITY			
Issued capital	7	28,873,816	24,057,609
Reserves		27,673,746	27,608,776
Accumulated losses		(10,738,294)	(15,069,116)
Equity attributable to members of the parent entity		45,809,268	36,597,269
Non-controlling interests		611,458	(89,479)
TOTAL EQUITY		46,420,726	36,507,790

The consolidated statement of financial position should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows for the half-year ended 31 December 2015

	Note	Consolidated	
		6 months to 31 December 2015 \$	6 months to 31 December 2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts in the course of operations		495,354	431,441
Payments to suppliers and employees		(1,929,244)	(1,544,709)
Interest received		659,592	7,074
Interest and other costs of finance paid		(135)	(59,692)
Realised foreign exchange gains		1,823,696	-
Income tax paid		(2,196,264)	-
Net cash outflow from operating activities		(1,147,001)	(1,165,886)
CASH FLOWS FROM INVESTING ACTIVITIES			
Security deposit refunds (payments), net		(6,500)	-
Payments for property, plant and equipment		(32,845)	-
Payments for investments in financial assets at fair value through other comprehensive income		(559,743)	-
Proceeds from the sale of investments in financial assets at fair value through other comprehensive income		11,159	936,529
Payments for exploration and evaluation assets		(443,348)	(566,372)
Loans to related parties		(17,772,003)	-
Net cash (outflow)/inflow from investing activities		(18,803,280)	370,157
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		4,762,192	-
Proceeds from issue of shares in subsidiaries to non-controlling interests		165,000	574,618
Share issue costs		(113,776)	-
Prepaid IPO costs		-	(259,631)
Proceeds from borrowings		-	2,072,307
Repayment of borrowings		-	(703,757)
Dividend paid		(813,401)	-
Net cash (outflow)/inflow from financing activities		4,000,015	1,683,537
Net increase/(decrease) in cash held		(15,950,266)	887,808
Cash (bank overdraft), net at 1 July		19,636,608	(205,157)
Cash at 31 December		3,686,342	682,651

The consolidated statement of cash flows should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity for the half-year ended 31 December 2015

	Issued Capital	Accumulated Losses	Share Based Payment Reserve	Financial Assets Reserve	Change in Proportionate Interest Reserve	Profit Reserve	Total	Non-controlling Interests	Total Equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$
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
Net profit (loss) for the period	-	(7,765,755)	-	-	-	-	(7,765,755)	(89,071)	(7,854,826)
Other comprehensive income	-	-	-	3,119,057	-	-	3,119,057	-	3,119,057
Total comprehensive income for the period	-	(7,765,755)	-	3,119,057	-	-	(4,646,698)	(89,071)	(4,735,769)
Issue of shares to non-controlling shareholders	-	-	-	-	395,266	-	395,266	179,352	574,618
At 31 December 2014	23,999,223	(22,834,871)	6,268,621	5,775,621	18,664,671	-	31,873,265	(216,910)	31,656,355
Net profit (loss) for the period	-	14,208,572	-	-	-	-	14,208,572	197,348	14,405,920
Other comprehensive income	-	-	-	(8,398,118)	-	-	(8,398,118)	-	(8,398,118)
Total comprehensive income for the period	-	14,208,572	-	(8,398,118)	-	-	5,810,454	197,348	6,007,802
Issue of shares	60,000	-	-	-	-	-	60,000	-	60,000
Issue of shares to non-controlling shareholders	-	-	-	-	(139,733)	-	(139,733)	139,733	-
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)
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
Net profit (loss) for the period	-	4,330,822	-	-	-	-	4,330,822	(2,866)	4,327,956
Other comprehensive income	-	-	-	9,164	-	-	9,164	-	9,164
Total comprehensive income for the period	-	4,330,822	-	9,164	-	-	4,339,986	(2,866)	4,337,120
Issue of shares	5,132,900	-	-	-	-	-	5,132,900	-	5,132,900
Issue of shares to non-controlling shareholders	-	-	-	-	107,128	-	107,128	57,872	165,000
Share issue costs, net of tax	(316,693)	-	65,958	-	-	-	(250,735)	-	(250,735)
Change in proportionate interest	-	-	-	-	(645,931)	-	(645,931)	645,931	-
Share based payments	-	-	528,651	-	-	-	528,651	-	528,651
At 31 December 2015	28,873,816	(10,738,294)	6,893,743	(2,613,333)	17,986,135	5,407,201	45,809,268	611,458	46,420,726

The consolidated statement of changes in equity should be read in conjunction with the notes to the financial statements.

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2015

1. Summary of Significant Accounting Policies

Corporate information

The financial report of DGR Global Limited and its controlled entities (the "Group") for the half year ended 31 December 2015 was authorised for issue in accordance with a resolution of the Directors on 15 March 2016. DGR Global Limited is a public company limited by shares that is incorporated and domiciled in Australia.

Basis of preparation of half-year financial statements

This general purpose financial report for the half-year ended 31 December 2015 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2015 and considered together with any public announcement made by DGR Global Limited during the half-year ended 31 December 2015 in accordance with the continuous disclosure obligations of the ASX listing rules.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Going concern

The half-year report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. At 31 December 2015 the Group had \$3,686,342 in cash and \$17,823,947 in loans receivable and Convertible Notes resulting in net working capital of \$21,489,888. The Group has not generated significant revenues from operations.

The ability of the Group to continue to adopt the going concern assumption will depend upon a number of matters including the subsequent collection of the loans receivable, successful closure of capital raisings in its project specific subsidiary companies in the furtherance of its corporate model, the successful exploration and subsequent exploitation of the Group's tenements, and the increase in value and subsequent sale of its listed investments.

Comparatives

When required by Accounting Standards, comparatives have been adjusted to conform to changes in presentation for the current half-year.

2. Profit / (Loss)

Profit (loss) before income tax has been determined after:

	6 Months to 31 December 2015 \$	6 Months to 31 December 2014 \$
Revenue		
Interest	659,592	7,074
Management fees	823,905	666,000
Total revenue	<u>1,483,497</u>	<u>673,074</u>
Other income		
Foreign exchange gains	1,253,843	-
Recycling of available for sale reserve through profit and loss	(15,802)	271,101
Reversal of impairment of investment in associates	10,522,536	-
Other income	4,300	11,441
Total other income	<u>11,764,877</u>	<u>282,542</u>
Other expenses		
- Impairment of investment in associate	(2,899,249)	(7,541,411)

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2015

3. Income Tax

	6 Months to 31 December 2015 \$	6 Months to 31 December 2014 \$
(a) Income tax (benefit)/expense		
Current tax	270,407	-
Deferred tax	1,826,573	(1,670,897)
	2,096,980	(1,670,897)
(b) Numerical reconciliation of income tax payable to prima facie tax payable		
Prima facie tax expense on profit (loss) before income tax at 30% (2014: 30%)	1,927,481	(2,857,717)
Add tax effect of:		
Permanent differences	163,370	-
Derecognise tax losses	2,522	-
Other	3,607	-
	2,096,980	(2,857,717)
Less tax effect of:		
Benefit of net deferred tax assets relating to prior years not previously recognised	-	1,186,820
	2,096,980	(1,670,897)
(c) Tax (benefit)/expense relating to items of other comprehensive income		
Available for sale financial assets	3,928	1,336,739
	3,928	1,336,739
	31 December 2015 \$	30 June 2015 \$
(d) Deferred tax assets/(liabilities)		
Deferred tax asset		
Carried forward tax losses	1,724,227	1,756,003
Accruals / provisions	1,864	12,667
Capital raising costs expensed	40,373	150,576
Impairment of associates	355,693	389,756
AFS revaluation	1,604,773	1,609,544
Other temporary differences	21,294	-
	3,748,224	3,918,546
Deferred tax liability		
Property, plant and equipment	(67,599)	(67,599)
AFS revaluation	(416)	(1,259)
Investment of associates	(4,141,107)	(2,364,771)
Exploration and evaluation assets	(1,521,558)	(1,636,872)
	(5,730,680)	(4,070,501)
Net deferred tax asset/(liability)	(1,982,456)	(151,955)
Deferred tax assets not recognised		
Unused tax losses	3,851,560	1,147,066
Temporary differences	216,220	64,866
Tax benefit at 30% (30 June 2015: 30%)	1,220,334	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 31 December 2015 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 for the half-year ended 31 December 2015

6 Months to 31 December 2015 \$	6 Months to 31 December 2014 \$
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4. Earnings Per Share

Calculation of basic and diluted earnings per share is in accordance with AASB 133 *Earnings per Share*.

Earnings in cents per ordinary share:

Basic earnings (loss) per share - cents	1.0	(1.9)
Diluted earnings (loss) per share - cents	1.0	(1.9)
Net profit (loss) used in calculating basic and diluted earnings per share	4,330,822	(7,765,755)

	Number	Number
Weighted average number of ordinary shares used in the calculation of basic earnings per share	442,205,241	412,162,815

The options are considered non-dilutive as they were out of the money. Options may become dilutive in the future.

31 December 2015 \$	30 June 2015 \$
------------------------	--------------------

5. Other Financial Assets

i) Current

Loans receivable	16,573,947	-
Convertible note	1,250,000	-
	17,823,947	-

Loans receivable consist of loans advanced to the following:

Armour Energy Limited ¹	15,295,381	-
Dark Horse Resources Limited ²	480,789	-
SolGold Plc ³	797,777	-
	16,573,947	-

¹ On 30 September 2015, DGR Global Ltd executed an unsecured loan agreement with Armour Energy Ltd for the provision of \$15 million. The term of the facility is through to 31 March 2016. Provision is 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, DGR Global agreed to increase the amount of its financing facility from \$15 million to \$19 million all other material terms remain 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.

² On 30 September 2015, DGR Global Ltd provided a letter of support to Dark Horse Resources Limited for up to \$1 million of funding. The term of the facility is for a period of 12 months. Interest is charged at the rate charged by the bankers for Dark Horse Resources Limited on any overdraft accommodation for an amount of \$100,000 or more and shall be capitalised and only repayable when the facility is repaid.

³ 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.

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2015

5. Other Financial Assets (continued)

i) Current (continued)

On 2 October 2015 DGR Global executed a Convertible note deed with SolGold Plc. The principal terms of the Convertible Note Deed are as follows:

- Amount - \$1,250,000
- Interest rate - 9.5% per annum
- Term - 12 Months

On 7 March 2016, the Convertible note was converted to equity in SolGold Plc, refer note 12.

ii) Non-Current

	31 December 2015 \$	30 June 2015 \$
Available for sale financial assets (refer (a) below)	-	-
Financial assets at fair value through profit or loss (refer (b) below)	-	-
Financial assets at fair value through other comprehensive income (refer (c) below)	5,842,415	5,296,268
Cash on deposit held as security	314,000	314,000
Security bonds	860,996	858,499
	7,017,411	6,468,767
(a) Available for sale financial assets		
Balance at beginning of reporting period	-	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)
Fair value adjustment through other comprehensive income	-	-
Balance at end of reporting period	-	-
(b) Financial assets at fair value through profit or loss		
Balance at beginning of reporting period	-	-
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)
Balance at end of reporting period	-	-
(c) Financial assets at fair value through other comprehensive income		
Balance at beginning of reporting period	5,296,268	-
Transfers from available for sale financial assets	-	8,173,903
Additions	560,016	2,551,883
Disposal of financial assets at fair value through other comprehensive income	(11,159)	(327)
Recycling of available for sale reserve through profit and loss	(15,802)	-
Fair Value adjustment through other comprehensive income	13,092	(5,429,191)
Balance at end of reporting period	5,842,415	5,296,268

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"), an investment in the ordinary issued capital of Aus Tin Mining Ltd a company listed on the Australian Securities Exchange, an investment in the ordinary issued capital of Peel Mining Ltd a company listed on the Australian Securities Exchange, an investment in the ordinary issued capital of Argent Minerals Ltd a company listed on the Australian Securities Exchange, an investment in the ordinary issued capital of Silver City Minerals Ltd a company listed on the Australian Securities Exchange and an investment in the ordinary issued capital of Lucapa Diamonds Ltd a company listed on the Australian Securities Exchange.

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2015

6. Investments Accounted for Using the Equity Method

	31 December 2015 \$	30 June 2015 \$
Balance at beginning of reporting period	8,884,802	11,812,139
Fair value of investment on initial recognition (refer note 11)	-	12,263,200
Additional investment - shares	-	161,209
Share of associates profits (losses) after income tax	(1,573,777)	(2,184,242)
Share of associates other comprehensive income	-	(552,325)
Impairment	(2,899,249)	(12,615,179)
Reversal of impairment	10,522,536	-
Balance at end of reporting period	14,934,312	8,884,802

Impairment relates to the investments in IronRidge Resources Limited. At 30 June 2015 the share price of IronRidge Resources Limited was \$0.085. At 31 December 2015 the share price had fallen to \$0.035. On this basis the investments in the associates have been written down to fair value, less costs to sell.

Reversal of impairment relates to the investments in Dark Horse Resources Ltd and Armour Energy Ltd. At 30 June 2015 the share price of Dark Horse Resources Ltd and Armour Energy Ltd was \$0.002 and \$0.045, respectively. At 31 December 2015 the share price of Dark Horse Resources Ltd and Armour Energy Ltd had risen to \$0.003 and \$0.165, respectively. On this basis the investments in the associates have been written up to fair value, less costs to sell.

7. Issued Capital

	31 December 2015 \$	30 June 2015 \$
550,881,877 (30 June 2015: 414,246,224) fully paid ordinary shares	30,386,191	25,253,291
Share issue costs	(1,512,375)	(1,195,682)
	28,873,816	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

	31 December 2015 Number	30 June 2015 Number	31 December 2015 \$	30 June 2015 \$
Opening balance	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	-
Closing balance	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 ordinary \$0.03 shares were issued pursuant to Dividend Reinvestment Plan offered under the Dividend announced to the market on 26 June 2015.

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

⁴ On 7 December 2015, a total 93,959,691 ordinary \$0.038 shares were issued. 2,665,485 were issued pursuant to the Company's Rights issue and 23,815,349 were issued pursuant to a private placement.

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2015

7. Issued Capital (continued)

(b) Options

As at 31 December 2015, there were 78,850,000 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 employee options	9,500,000	\$0.12	29/05/17
Unlisted employee options	4,400,000	\$0.065	14/04/16
Unlisted employee options	1,000,000	\$0.065	10/07/16
Unlisted employee options	23,000,000	\$0.065	30/09/17
Unlisted Director options	22,950,000	\$0.065	25/11/17
Unlisted Underwriting options	6,000,000	\$0.065	12/12/17

8. Commitments, Contingent Liabilities and Contingent Assets

Future Exploration Commitments

The Group is expected to have 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 expected commitments to be undertaken are as follows:

	31 December 2015	30 June 2015
	\$	\$
Less than 12 months	1,017,000	954,000
Between 12 months and 5 years	2,020,000	1,048,000
	3,037,000	2,002,000

To keep the tenements 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.

The company has committed to provide financial support as and when required to Dark Horse Resources Ltd for 12 months from 13 March 2015 or until such time as Dark Horse Resources Ltd secures funding to continue its activities. There is uncertainty as to when and the amount of any outflows that may occur under this commitment, accordingly it is not possible to disclose the estimated financial effect of this commitment.

As at 31 December 2015, Armour Energy Ltd had the ability to draw down a further \$3,704,619 under the loan facility provided to it by DGR Global Ltd.

There are no other significant changes to commitments disclosed in the most recent annual financial report.

Contingent Liabilities and Contingent Assets

There are no contingent liabilities or contingent assets at 31 December 2015.

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2015

9. Segment Reporting

The group reports information to the board of Directors along company lines. That is, the financial position of DGR Global Limited and each of its subsidiary companies is reported discretely, 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 thresholds and are therefore not reported separately, are aggregated as Other Subsidiaries.

31 December 2015	DGR Global \$	Archer Resources \$	Other \$	Total \$
(i) Segment performance				
<i>Revenue</i>				
External revenue	1,483,253	244	-	1,483,497
Inter-segment revenue	11,934	-	-	11,934
Total segment revenue	1,495,187	244	-	1,495,431
<i>Reconciliation of segment revenue to group revenue</i>				
Elimination of inter-segment revenue				(11,934)
Foreign exchange gains				1,253,843
Other income				4,300
Recycling adjustment on available for sale assets				(15,802)
Reversal of impairment of investment in associates				10,522,536
Total group revenue				13,248,374
<i>Segment net profit (loss) before tax</i>	(840,371)	(8,359)	(18,186)	(866,916)
<i>Reconciliation of segment result to group net profit / loss before tax</i>				
Share of losses of associates				(1,573,777)
Reversal of impairment of investment in associate				10,522,536
Impairment of investment in associate				(2,899,249)
Foreign exchange gains				1,253,844
Other income				4,300
Recycling adjustment on available for sale assets				(15,802)
Net profit before tax				6,424,936

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2015

9. Segment Reporting (continued)

31 December 2014	DGR Global \$	Archer Resources \$	IronRidge Resources \$	Other \$	Total \$
(i) Segment performance					
<i>Revenue</i>					
External revenue	672,604	-	470	-	673,074
Inter-segment revenue	294,000	-	-	-	294,000
Total segment revenue	966,604	-	470	-	967,074
<i>Reconciliation of segment revenue to group revenue</i>					
Elimination of inter-segment revenue					(294,000)
Total group revenue					673,074
<i>Segment net profit (loss) before tax</i>	(828,013)	(151,489)	(417,572)	(173,349)	(1,570,423)
<i>Reconciliation of segment result to group net profit / loss before tax</i>					
Share of losses of associates					(413,889)
Impairment of investment in associate					(7,541,411)
Net profit before tax					(9,525,723)

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2015

9. Segment Reporting (continued)

(ii) Segment assets

31 December 2015	DGR Global	Archer Resources	IronRidge Resources	Other	Total
	\$	\$	\$	\$	\$
<i>Segment assets</i>	52,403,387	2,387,637	-	197,462	54,988,486
<i>Reconciliation of segment assets to group assets</i>					
Inter-segment receivables and investments eliminations					(4,785,336)
<i>Total group assets</i>					50,203,150
<i>Segment asset additions for the period</i>					
- Exploration and evaluation assets	294,024	65,936	-	91,191	451,151
- Property, plant and equipment	32,845	-	-	-	32,845
- Investments in financial assets through other comprehensive income	548,855	-	-	-	548,855
30 June 2015	DGR Global	Archer Resources	IronRidge Resources	Other	Total
	\$	\$	\$	\$	\$
<i>Segment assets</i>					
<i>Reconciliation of segment assets to group assets</i>					
Inter-segment receivable eliminations	44,118,598	2,233,648	-	121,215	46,473,461
<i>Total group assets</i>					(5,244,467)
<i>Total group assets</i>					41,228,994
<i>Segment asset additions for the period</i>					
- 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	161,210	-	-	-	161,210
- Investments in financial assets through other comprehensive income	2,551,883	-	-	-	2,551,883

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2015

10. Financial Instruments

The fair values of financial assets and financial liabilities approximate their carrying amounts principally due to their short-term nature or the fact that they are measured and recognised at fair value.

To provide an indication about the reliability of inputs used in determining fair value, the group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The following table presents the Group's financial assets and liabilities measured and recognised at fair value at 31 December 2015 and 30 June 2015 on a recurring basis.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
31 December 2015				
Financial assets at fair value through other comprehensive income	5,842,415	-	-	5,842,415
Investments accounted for using the equity method	14,934,312	-	-	14,934,312
30 June 2015				
Financial assets at fair value through other comprehensive income	5,296,268	-	-	5,296,268
Investments accounted for using the equity method	8,884,802	-	-	8,884,802

Level 1: The fair value of financial instruments traded in active markets is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for available for sale financial asset held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on an observable market data, the instrument is included in level 3.

11. 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

12. Events After Balance Sheet Date

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 has been reduced from 22% to 15% per annum.

On 7 March 2016, DGR Global converted its Convertible Note, the accrued Convertible Note interest, and a further loan covering management fees and various outlays made on behalf of SolGold Plc to equity in SolGold Plc which was priced at 2.3p increasing DGR's holding to 152,532,214 shares representing approximately 16% of the Company.

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 with an available balance of \$3,320,000.

The Directors are not aware of any other events since 31 December 2015 that impact upon the financial report as at 31 December 2015.

Directors' Declaration

In accordance with a resolution of the Directors of DGR Global Limited, I state that:

In the opinion of the Directors:

1. The attached financial report and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (a) Giving a true and fair view of the financial position as at 31 December 2015 and the performance for the half-year ended on that date of the consolidated entity; and
 - (b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the board

A handwritten signature in blue ink, appearing to read "Mather".

Nicholas Mather
Managing Director

Brisbane
Date: 15 March 2016

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of DGR Global Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of DGR Global Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of DGR Global Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, 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 review report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of DGR Global Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'D P Wright', is written over the printed name.

D P Wright

Director

Brisbane, 15 March 2016