

Hartz Rare Earths

EL 14/2012

“GAWLER”

**First Annual & Final Report
13th March 2013 to 12th March 2014**

by

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1.0 SUMMARY

EL 14/2012 “Gawler” was granted to Hartz Rare Earths P/L on the 13th March 2013 in respect of 107 square kilometres for a period of 5 years to explore for Category 5 minerals. Hartz Rare Earths P/L is a subsidiary of DGR Global Limited, a publicly listed resource company based in Brisbane, Queensland.

The purpose of exploration is to examine areas for graphite mineralisation. Interest in graphite by this company was initiated by the price bull-run in 2011-12 where graphite was fetching up to \$US3000 per tonne for +80 mesh. By mid-2013, the price had dropped to \$US1400 per tonne, a reduction of over 50%.

The company carried out the following activities prior to the grant of the tenement-

- Desk top review of previous surface sampling & drilling
- Roadside field inspection
- 15 rock-chips collected
- Historical drill-core review
- 8 Historical drill-core sample assays

Assay results for the 23 samples returned up to 2.54% graphitic carbon and up to 2.21% organic carbon.

Overall average was 1.1% carbon.

There was no ground activities carried out after the tenement was granted.

The current price of graphite is too low at current market values to progress the project and the company has decided to relinquish the tenement in full.

2.0 INTRODUCTION

EL 14/2012 “Gawler” was granted to Hartz Rare Earths P/L on the 13th March 2013 in respect of 107 square kilometres for a period of 5 years to explore for Category 5 minerals. Hartz Rare Earths P/L is a subsidiary of DGR Global Limited, a publicly listed resource company based in Brisbane, Queensland.

The tenement is in the centre of Tasmania’s northern coastline, midway between Davenport and Bernie, in the Gawler area. The closest main town is Ulverstone. The tenement can be accessed from Balfour Road.

This report summarises activities during the first year of tenure ending 12th March 2014.

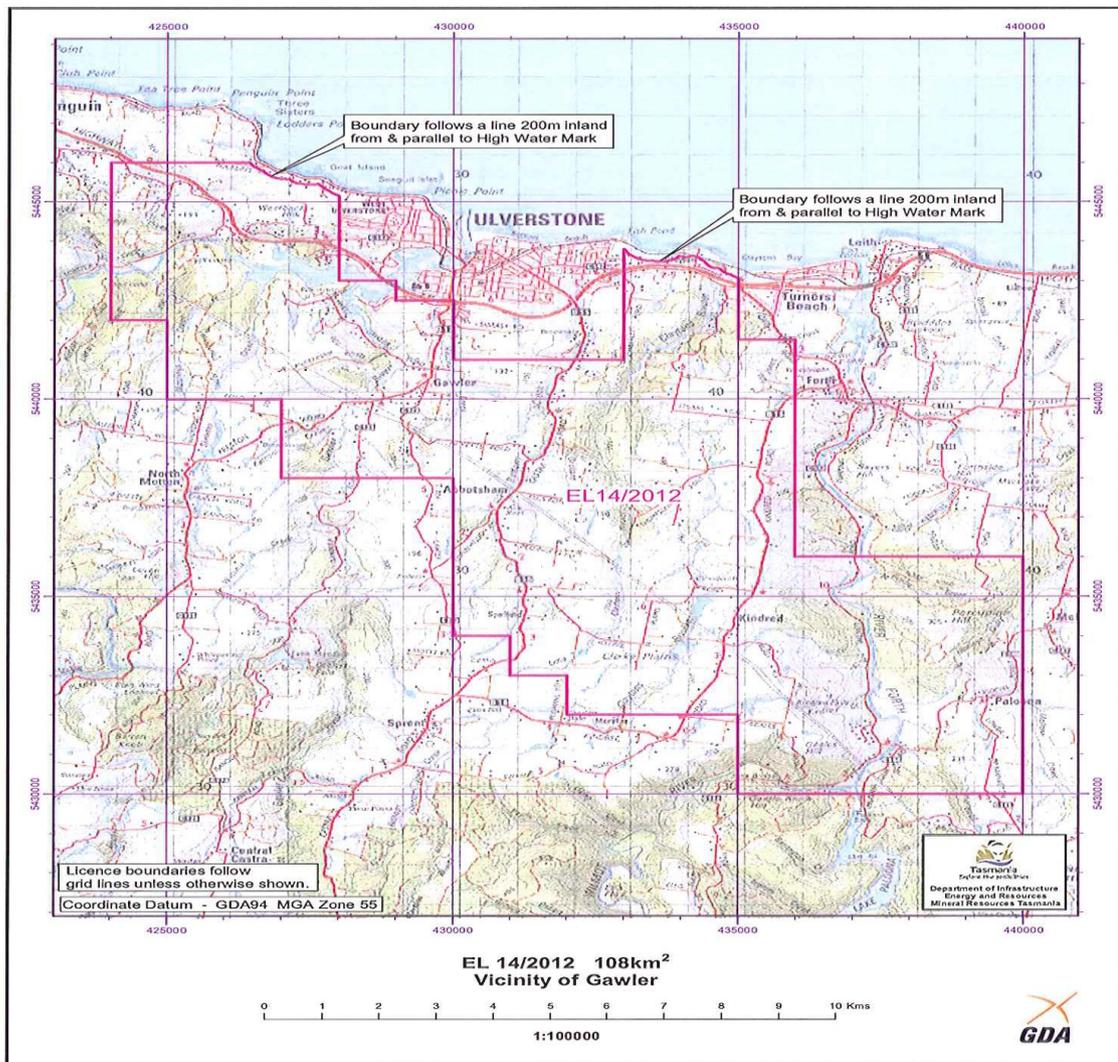


Figure 1 – Location of EL14/2012

3.0 GEOLOGY & EXPLORATION RATIONALE

Interest in graphite by this company was initiated by the price bull-run in 2011-12 where graphite was fetching up to \$US3000 per tonne for +80 mesh. By mid 2013, the price had dropped to \$US1400 per tonne, a reduction of over 50%. It is believed by analysts in the business that the price has bottomed and should improve in 2014.

In Tasmania, graphite has been found in Precambrian metamorphic rocks near Forth, Ulverstone and Rocky Cape, in carbonaceous shale at Balfour and in Silurian aged slate on Cape Barren Island.

Around 22 tonnes of graphite was mined from the River Leven from 1940 to 1949. Grades recorded are 5% carbon from Palooka Bridge and 0.06% carbon from River Leven Schist. There has been minor production from an adit near the River Leven. "The Industrial Mineral Deposits of Tasmania (2008)", further suggests the Balfour Shales contains carbonaceous lenses that may be composed of up to 40% graphite.

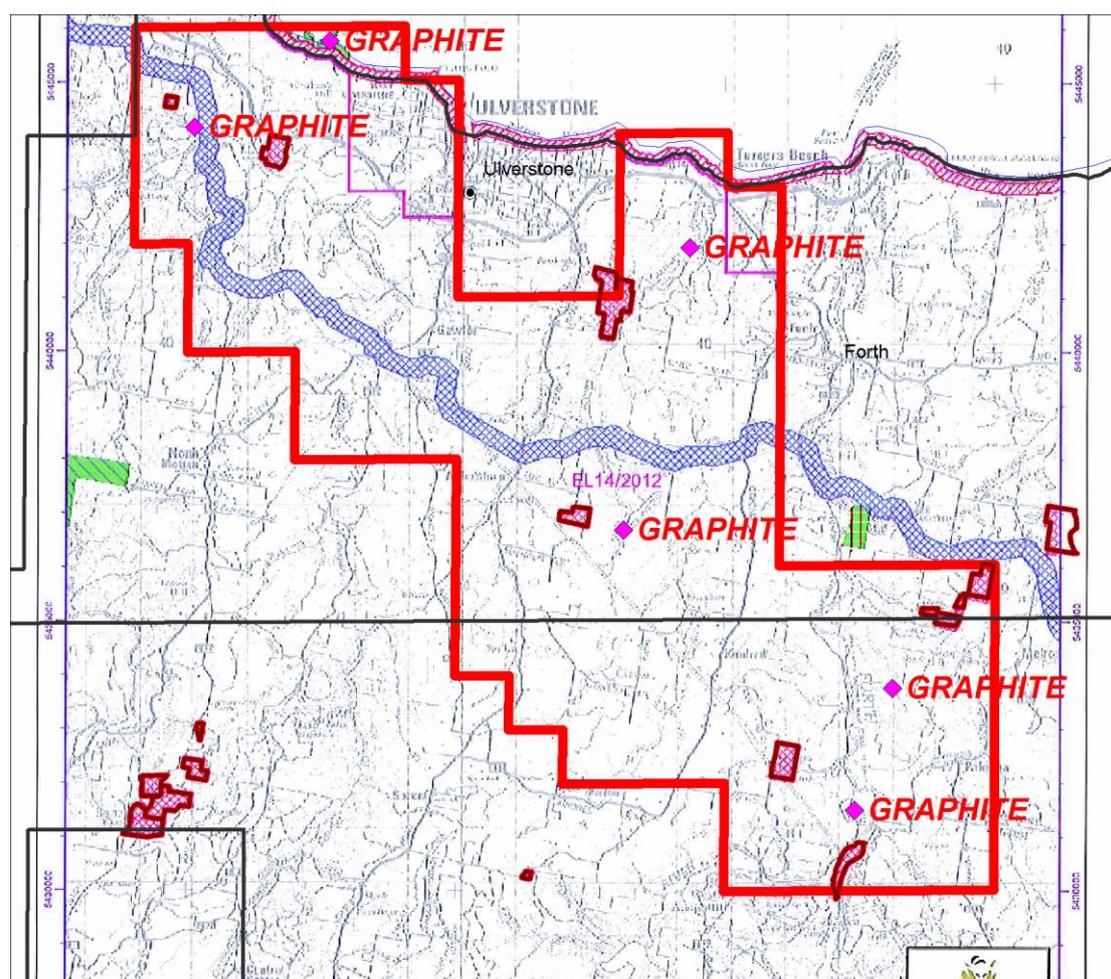


Figure 2 – Graphite locations within EL14/2012

4.0 EXPLORATION ACTIVITIES

The company carried out the following activities prior to the grant of the tenement-

- Desk top review of previous surface sampling & drilling
- Roadside field inspections
- 14 rock-chips collected for assay
- Historical drill-core review
- 8 historical drill-core sample assay

Assay results for the 23 samples returned up to 2.54% graphitic carbon and up to 2.21% organic carbon.

Overall average was 1.1% carbon.

Table 1 – Historical Drill-Hole Details

Drill Id	Length	Name	E	N	Datum	Accuracy	Pstnmthd	Azimuth	Dip	Company
23767	100.5	Balfour JB3	323476	5429202	AGD66 - AMG Zone 55	2m	GPS	270	0	Jaguar Minerals Ltd
13985	179.83	DDH10 Balfour, Murrays Reward	324405	5429468	AGD66 - AMG Zone 55	5m		68	55	ACI Ltd

There was no ground activities carried out after the tenement was granted.

The current price of graphite is too low at current market values to progress the project and the company has decided to relinquish the tenement in full.



Figure 4 – Road cut showing the steep easterly dip of the Balfour Shales



Figure 5 – Diamond drill-hole (DDB10) at 28m showing graphite vein



Figure 6 – Diamond drill-hole (DDB10) at 22m showing graphite bands



Figure 7 – Diamond drill-hole (JB3) at 88m showing graphite vein

5.0 Expenditure

Hartz Rare Earths

EL 14/2012 -Devonport Expenditure Statement for the Period 1/06/12 - 31/1/14

Drilling & Completion Activities	\$	-
Trenching, costeaning or pitting	\$	-
Geochemistry & Geophysics	\$	378.98
Technical Evaluation & Analysis	\$	24,406.26
Data Management & Interpretation	\$	4,403.52
Costs of Compliance with Native title conditions	\$	-
Allowable costs under a native title agreement	\$	-
Sub-total	\$	29,188.76
Operational and Administrative expenses (10%)	\$	2,918.88
Total Expenditure	\$	32,107.64

Appendix 1
ROCK-CHIP SAMPLE AND DRILL CORE DESCRIPTIONS AND ASSAY RESULTS
ALS BRISBANE

Sample No	EL	Company	Date	Zone	East	North	Sample Type	Size	Oxidation	Lithology	Structure	Mineralisation	Comments
DR07610	14/2012	HRE	18-Oct-12	55	321319	5436744	outcrop	2m rep	weak	siltstone		graphite-cleavage partings	f.gr soft laminated black-metallic grey siltstone-carbonaceous, ~1km exposure, rd cutting overlain by qtzite in places + qtz vns crosscutting bedding
DR07611	14/2012	HRE	18-Oct-12	55	321284	5436451	outcrop	1m rep	fresh	siltstone		graphite-cleavage partings	dk grey/black, finely laminated carbonaceous siltstone (pyritic), locally crosscutting qtz veins
DR07612	14/2012	HRE	18-Oct-12	55	323559	5429354	subcrop	rep	fresh	carbonaceous shale	030° bedding	graphitic cleavage partings	f.gr laminated black, carbonaceous shale, interbedded + overlying qtzite-siltstone flt, near dhole JB3, petrology
DR07613	14/2012	HRE	18-Oct-12	55	323612	5428816	outcrop	5m rep	fresh	carbonaceous siltstone	bedding 45° dip to E		f.gr black, crumbly graphitic/carbonaceous siltstone w/interbedded pale clay, rich siltstone beds, banded, rd cutting, ~20m black carbonaceous beds, petrology
DR07614	14/2012	HRE	18-Oct-12	55	324153	5427312	outcrop	5m rep	fresh	carbonaceous siltstone		graphitic partings	f.gr soft laminated slaty, black graphitic siltstone (interbedded qtzite/siltstone)
DR07615	14/2012	HRE	18-Oct-12	55	324111	5428185	outcrop	4m rep	fresh	slate/siltstone	steeply E dipping	graphitic cleavage partings	black slaty siltstone, some jarosite staining (ex pyritic bands, carbonate? boxworks), petrology
DR07616	14/2012	HRE	20-Oct-12	55	321650	5437000	subcrop	2m rep	fresh	carbonaceous siltstone	310°M bedding-vertical	graphitic cleavage partings	laminated black/grey banded siltstone (near The Clump)
DR07617	14/2012	HRE	20-Oct-12	55	321307	5437362	outcrop	2m rep	fresh	carbonaceous siltstone			as previous + pyritic locally
DR07618	14/2012	HRE	21-Oct-12	55	322435	5431128	outcrop	4m rep		carbonaceous siltstone		graphitic cleavage partings	rd cutting, black carbonaceous siltstone, shaley
DR07619	14/2012	HRE	5-Nov-12	55	323324	5430023	outcrop	2m rep	fresh	carbonaceous shale	120°M bedding	graphitic cleavage partings	black carbonaceous/graphitic shale, ~20m wide exposure, local banding
DR07620	14/2012	HRE	5-Nov-12	55	324446	5429814	mullock	select		carbonaceous shale/slate	030°M	graphitic cleavage partings	mullock from adit into oxidised shaley sed
DR07621	14/2012	HRE	19-Oct-12	55	324590	5429720		2m rep	weak	carbonaceous shale	~340°M strike, steep E dipping strata	amorphous graphite mass + cleavage partings	Murray's Reward? open pit, hanging wall, carbonaceous shale, 1-5m wide + oxidised pelitic + chloritic shale, petrology
DR07622	14/2012	HRE	19-Oct-12	55	324587	5429730	outcrop	2m rep	fresh/weak	carbonaceous shale		graphitic masses 2-5cm	see previous

DR07623	14/2012	HRE	19-Oct-12	55	324876	5428880	outcrop	rep	fresh	carbonaceous slate	320-330m bedding	graphitic cleavage partings	dk grey slaty siltstone
DR07624	14/2012	HRE	5-Nov-12	55				15m rep	fresh	carbonaceous siltstone		graphite ~10-20%	Balfour DDH10, 24-39m bulk sample, dk grey to black shaley siltstone, graphitic bands + cleavage partings + local veins, flakey, petrology
DR07625	14/2012	HRE	5-Nov-12	55				70cm select	fresh	siltstone/shale			carbonaceous siltstone/shale, 10cm graph band @ 71.8m, mm graphitic bands, JB3-01 - 71.8m to 72.5m
DR07626	14/2012	HRE	5-Nov-12	55				30cm select	fresh	carbonaceous siltstone		graphite ~20-40%	dk grey to black carbonaceous siltstone/shale, JB3-02 - 75.4m to 75.7m, flakey graphite veinlets (mm-5mm size) + pieces in broken core, petrology
DR07627	14/2012	HRE	5-Nov-12	55				60cm select	fresh	carbonaceous siltstone		graphite 10-15%	v.broken core, graphitic bands (mm-5mm) in dk grey-black carbonaceous siltstone/shale, contact with qtzite at 79.5m, graphite bands in qtzite (mm size), JB03 - 79 to 79.6m
DR07628	14/2012	HRE	5-Nov-12	55				20cm select		carbonaceous siltstone/shale			dk grey/black carbonaceous to siliceous shale, graphitic shale, graphitic bands + cleavage partings ~20-30%, amorphous + flakey, JB3-04 81.7 to 81.9m
DR07629	14/2012	HRE	5-Nov-12	55				4m select		carb graphitic shale		graphitic bands + cleavage partings-flakey	black graphitic, carbonaceous shale, banded, ~20% graphitic bands, amorphous + flakey?, JB3-05 84.5 to 88.5m petrology
DR07630	14/2012	HRE	5-Nov-12	55				4m select				graphite ~10%	dk grey/black carbonaceous graphitic shale, banded + graph vns/bands, JB3-06 88.5 to 92.5m
DR07631	14/2012	HRE	5-Nov-12	55				4.9m select				graphite 20-40%	banded dk grey/black carbonaceous, graphitic shale, graph vns + cleavage partings, JB3-07 95.6 to 100.5m, petrology

Sample No	East	North	Work Order	Batch No. & Date	Lab	C Org %	C Org QF %	C Graph %	C Graph QF %	Comments on Assay
DR07610	321319	5436744	DGR194 289153	BR12282461 4/1/13	ALS	1.3	C-IR17	0.72	C-IR18	C-IR17, C-IR18
DR07611	321284	5436451	DGR194 289153	BR12282461 4/1/13	ALS	1.23	C-IR17	0.62	C-IR18	C-IR17, C-IR18
DR07612	323559	5429354	DGR194 289153	BR12282461 4/1/13	ALS	1.46	C-IR17	1.34	C-IR18	C-IR17, C-IR18
DR07613	323612	5428816	DGR194 289153	BR12282461 4/1/13	ALS	0.61	C-IR17	0.54	C-IR18	C-IR17, C-IR18
DR07614	324153	5427312	DGR194 289153	BR12282461 4/1/13	ALS	0.76	C-IR17	0.7	C-IR18	C-IR17, C-IR18
DR07615	324111	5428185	DGR194 289153	BR12282461 4/1/13	ALS	2.57	C-IR17	2.54	C-IR18	C-IR17, C-IR18
DR07616	321650	5437000	DGR194 289153	BR12282461 4/1/13	ALS	0.62	C-IR17	0.52	C-IR18	C-IR17, C-IR18
DR07617	321307	5437362	DGR194 289153	BR12282461 4/1/13	ALS	2.08	C-IR17	1.98	C-IR18	C-IR17, C-IR18
DR07618	322435	5431128	DGR194 289153	BR12282461 4/1/13	ALS	1.35	C-IR17	1.32	C-IR18	C-IR17, C-IR18
DR07619	323324	5430023	DGR194 289153	BR12282461 4/1/13	ALS	1.22	C-IR17	1.19	C-IR18	C-IR17, C-IR18
DR07620	324446	5429814	DGR194 289153	BR12282461 4/1/13	ALS	0.24	C-IR17	0.2	C-IR18	C-IR17, C-IR18
DR07621	324590	5429720	DGR194 289153	BR12282461 4/1/13	ALS	0.33	C-IR17	0.31	C-IR18	C-IR17, C-IR18
DR07622	324587	5429730	DGR194 289153	BR12282461 4/1/13	ALS	0.31	C-IR17	0.2	C-IR18	C-IR17, C-IR18
DR07623	324876	5428880	DGR194 289153	BR12282461 4/1/13	ALS	0.32	C-IR17	0.27	C-IR18	C-IR17, C-IR18
DR07624			DGR194 289153	BR12282461 4/1/13	ALS	2.07	C-IR17	2.03	C-IR18	C-IR17, C-IR18
DR07625			DGR194 289153	BR12282461 4/1/13	ALS	0.39	C-IR17	0.36	C-IR18	C-IR17, C-IR18
DR07626			DGR194 289153	BR12282461 4/1/13	ALS	1.72	C-IR17	1.72	C-IR18	C-IR17, C-IR18
DR07627			DGR194 289153	BR12282461 4/1/13	ALS	1	C-IR17	1	C-IR18	C-IR17, C-IR18
DR07628			DGR194 289153	BR12282461 4/1/13	ALS	0.5	C-IR17	0.5	C-IR18	C-IR17, C-IR18
DR07629			DGR194 289153	BR12282461 4/1/13	ALS	2.21	C-IR17	2.2	C-IR18	C-IR17, C-IR18
DR07630			DGR194 289153	BR12282461 4/1/13	ALS	1.67	C-IR17	1.66	C-IR18	C-IR17, C-IR18
DR07631			DGR194 289153	BR12282461 4/1/13	ALS	1.35	C-IR17	1.35	C-IR18	C-IR17, C-IR18