

## ASX ANNOUNCEMENT

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## Dragon commences gold drilling programme on Carters Well Project in WA's Midwest

Dragon Energy Limited ("Dragon", ASX: DLE) is pleased to announce that it has commenced a 1,000 metre RC drill programme on its Carters Well Project located 30km south of Mount Magnet, in the Yilgarn Craton of the Midwest.

The programme is targeting a series of gold and slightly elevated coincident silver anomalies which were identified from Mobile Metal Ion (MMI) soil sampling conducted in 2011. These surface gold anomalies are up to 50 times background and strike NNE and are up to 3km in length.

The tenement overlies the Coolaloo Dome, a granite batholith having a prominently magnetic margin. The aeromagnetic data clearly defines this structure and may reflect the presence of a hematite-magnetite-quartz shear (BIF) adjacent to the contact, although there is limited outcrop due to transported cover. This type of structure has the potential to host gold and base metal mineralisation.

Dragon's Managing Director, Mr Gang Xu, stated that this gold drilling programme is an important step for the company.

"While the development of the Pilbara Iron Project remains the focus of the company, we will have no hesitation to drill test quality exploration targets. We are committed to pursuing new discoveries."

"The commencement of the Carters Well gold drilling programme marks the first step in testing our gold and base metal targets on Dragon's projects in the Midwest".

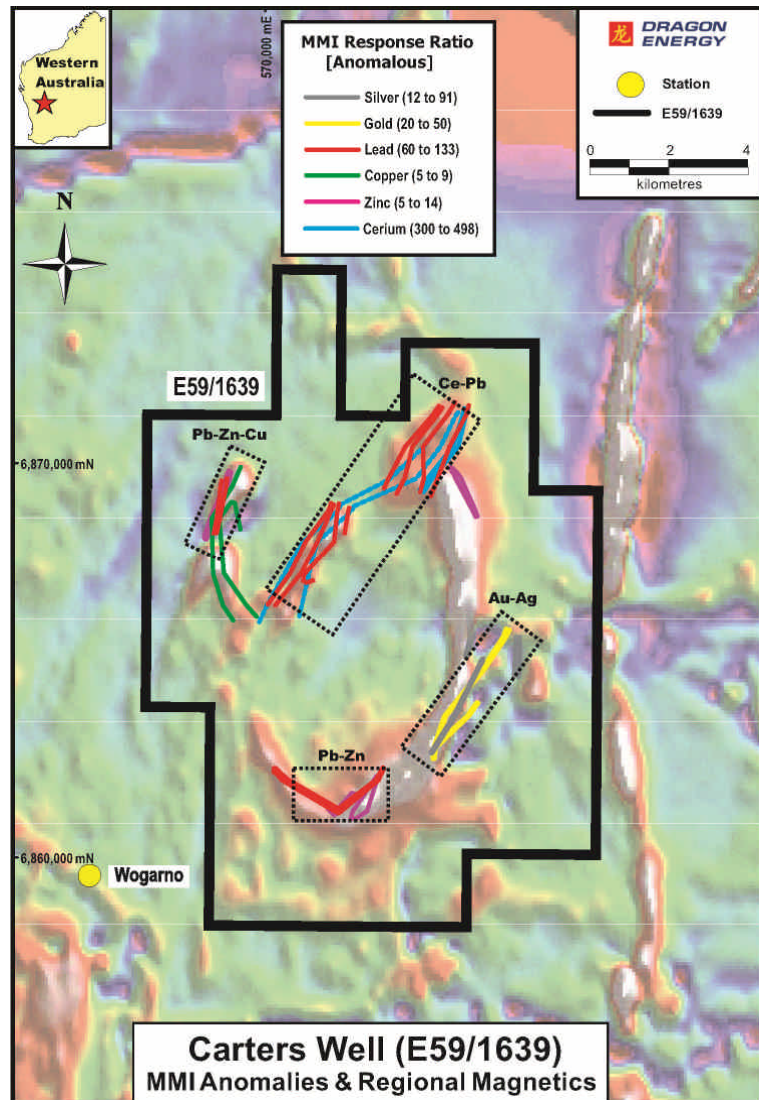
Drilling is expected to take 5 days with the assay results are expected to be available 3 weeks after drilling concludes.

Authorised by:

Gang Xu  
Managing Director

The Carters Well Project is located 30km south of Mount Magnet, adjacent to the Great Northern Highway, in the Yilgarn Craton of the Midwest.

MMI soil sampling conducted in 2011 identified four anomalous zones; most notably a 3km, NNE striking gold and coincident silver anomaly in the southeast area of the project which returned gold values up to 50 times above background. In the Mt Magnet district potential path finder elements also includes Cu and Zn (Parkinson Pit) and Pb (Stellar and Quasar Deposits), and such geochemical anomalies exist in the project area.



## About Dragon Energy

Dragon Energy Limited ("Dragon") listed on the Australian Securities Exchange (ASX) in February 2009 (**ASX: DLE**). Dragon's flagship projects are Rocklea and Nameless iron projects in the Pilbara with sizeable JORC Resources defined at both the Rocklea and Nameless Projects. Dragon Energy's portfolio of tenements has numerous multi-commodity targets, including Fe, Mn, Au, base metals and U in Western Australia.

## Competent Persons' Statement

The information in the report to which this statement is attached that relates to Exploration Results is based on information compiled by Mr Mark Hafer, who is a Member of The Australian Institute of Geoscientists. Mr Hafer is a full-time employee of the company. Mr Hafer has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hafer consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.