

# **ASX ANNOUNCEMENT**

**27 JANUARY 2017** 

### UNMARKETABLE PARCEL SALE FACILITY

Dragon Mining Limited (ASX: DRA) (**Dragon**) is pleased to announce that it has established an Unmarketable Parcel Sale Facility (**UPS Facility**) for holders of parcels of fully paid ordinary shares in Dragon (**Shares**) valued at less than A\$500 (each a **UPS Shareholder**).

The UPS Facility will be subject to the terms set out in a letter that will be sent to each UPS Shareholder (**UPS Letter**) on 27 January 2017 and which provides details of the UPS Facility, as well as instructions for those UPS Shareholders wishing to retain their shareholding.

Dragon is providing the UPS Facility in accordance with the provisions of Schedule 3 of its Constitution, to enable UPS Shareholders to sell their Unmarketable Parcel of Shares (each an **Unmarketable Parcel**) without incurring any brokerage or handling costs that could otherwise make the sale of their Unmarketable Parcel uneconomic or impractical. Dragon will pay all costs and expenses arising in connection with the UPS Facility and organise remittance of sale proceeds to UPS Shareholders who take advantage of the UPS Facility, subject to the terms of the UPS Letter.

Any tax consequences arising from participation in the UPS Facility sale will be the responsibility of UPS Shareholders.

Dragon values all of its shareholders. However, by making the UPS Facility available, Dragon expects to reduce the administrative costs associated with maintaining the Unmarketable Parcels.

In accordance with the ASX Listing Rules, an Unmarketable Parcel is a shareholding having a value of less than A\$500.00. The UPS Facility will be made open to UPS Shareholders, recorded on Dragon's register of members (**Register**) with an address in Australia or New Zealand, who as at 24 January 2017 (**UPS Record Date**) were holders of Shares in Dragon valued at less than A\$500.

As at the UPS Record Date, an Unmarketable Parcel is any shareholding of 1,785 Shares or less. This is based on the ASX closing price of \$0.28 per Share and represents at total of 504,142 Shares held by 635 UPS Shareholders.

A summary of the key dates in relation to the UPS Facility is as follows:

Event	Date
UPS Record Date	24 January 2017
UPS Letter sent to UPS Shareholders	27 January 2017
UPS Facility Announcement to ASX	27 January 2017
Closing date for the receipt of the Retention Notice	5:00 pm (AEDT) 14 March 2017

Attached is a copy of a pro-forma UPS Letter and Retention Notice.

For and on behalf of

**Dragon Mining Limited** 





MR SAM SAMPLE UNIT 123 SAMPLE STREET SAMPLETOWN NSW 2001

27 January 2017

#### LETTER TO UPS SHAREHOLDERS

#### **UNMARKETABLE PARCEL SALE FACILITY**

Dear Shareholder

I am writing to advise you that Dragon Mining Limited (**Dragon**) has established an Unmarketable Parcel Sale Facility (**UPS Facility**) for holders with parcels of fully paid ordinary shares in Dragon (**Shares**) valued at less than A\$500 (each a **UPS Shareholder**). The UPS Facility will enable UPS Shareholders to sell their Unmarketable Parcel of Shares (each an **Unmarketable Parcel**) without incurring any brokerage or handling costs that could otherwise make a sale of an Unmarketable Parcel uneconomic or impractical.

The UPS Facility will be made open to UPS Shareholders, recorded on Dragon's register of members (**Register**) with an address in Australia or New Zealand, who as at 24 January 2017 (**UPS Record Date**) were holders of Shares in Dragon valued at less than A\$500. Based on the ASX closing price of \$0.28 for a Share on the UPS Record date, an Unmarketable Parcel is any holding of 1,785 Shares or less.

You are recorded on the Register as a UPS Shareholder as at the UPS Record Date. Unless you advise Dragon, by completing and returning the attached notice (**Retention Notice**) to our Share Registry Computershare Investor Services Pty Limited (**Computershare**), by 5.00 p.m. (AEDT) on 14 March 2017 (**UPS Retention Date**) that you do NOT want Dragon to sell your Unmarketable Parcel, Dragon intends to sell your Unmarketable Parcel through the UPS Facility in accordance with Schedule 3 of Dragon's Constitution.

Dragon has engaged Computershare as the manager of the UPS Facility.

#### Sale of Unmarketable Parcel

If you want to sell your Unmarketable Parcel through the UPS Facility, and are recorded on the Register with an address in Australia or New Zealand as at the UPS Record Date, you do NOT need to take any action.

Neither the Company nor Computershare gives any assurance as to the sale price that may be achieved for the sale of the Shares through the UPS Facility. Dragon will arrange for Computershare Dealing Services to manage the sale of your Unmarketable Parcel under the UPS Facility and, once received, pay the proceeds in Australian dollars either:

 directly into the bank account notified to Dragon as the relevant bank account into which any dividends or distributions are to be paid (Designated Bank Account); or • in the absence of a Designated Bank Account, mail a cheque for the amount of those proceeds to your address as recorded in the Register.

You may update your Designated Bank Account details by visiting www.investorcentre.com and following the prompts.

#### **Retention of Unmarketable Parcel**

If you wish to retain your Unmarketable Parcel, you must complete and return the attached notice (**Retention Notice**) to Computershare by the UPS Retention Date. If you hold multiple Unmarketable Parcels, and wish to retain each of them, you must return a Retention Notice for each separate Unmarketable Parcel you hold.

Alternatively, if at the UPS Retention Date, the total number of Shares you hold increases such that you do not have an Unmarketable Parcel, your Shares will not be sold through the UPS Facility. For a purchase to be effective notification that you wish to retain your Shares, any additional Shares acquired must be registered by the UPS Retention Date under the same name and address and with the same holder number (SRN or HIN) as set out in the accompanying Retention Notice.

## **Possibility of Hong Kong Listing**

As mentioned in Dragon's Half Yearly Report released 1 September 2016 and Annual Report released 8 April 2016, Dragon is actively considering whether the ASX is the most beneficial securities exchange on which to be have its shares listed and traded. Dragon considers that the Stock Exchange of Hong Kong (**HKEx**) may be a more appropriate jurisdiction and continues to evaluate the prospect of a Hong Kong listing. Any transfer of Dragon's exchange listing from ASX to HKEx would be subject to ASX consideration, as required under the listing rules. Whilst a definite decision to effect such transfer has not been made by the Dragon Board, it is felt that this matter should be raised for consideration by any UPS Shareholder when considering whether or not to participate in the UPS Facility.

If you need help deciding what to do or if you require information regarding the financial, legal or tax consequences of participating in the UPS Facility, you should consult you financial, legal or tax adviser.

Please find the Retention Notice and Frequently Asked Questions for the UPS Facility, which form part of this document, enclosed with this letter.

Yours sincerely

Arthur Dew Chairman

### FREQUENTLY ASKED QUESTIONS

#### **UNMARKETABLE PARCEL SALE FACILITY**

#### 1. What is an Unmarketable Parcel?

An Unmarketable Parcel of Shares is a holding valued at less than A\$500. Based on the ASX closing price of Shares as at the UPS Record Date of \$0.28 per Share, this is a holding of 1,785 Shares or less.

### 2. Why is the UPS Facility being offered?

Dragon is providing the UPS Facility to enable you to sell your Unmarketable Parcel without incurring any brokerage or handling costs that could otherwise make a sale of your Unmarketable Parcel uneconomic or difficult. The UPS Facility will assist Dragon to reduce administrative costs associated with maintaining a number of relatively small holdings of Shares.

### Does Dragon have the right to sell my Shares?

Under ASX Listing Rule 15.13 and Schedule 3 of Dragon's Constitution, Dragon may notify UPS Shareholders that it intends to arrange for their Unmarketable Parcel to be sold on their behalf. The letter to UPS Shareholders and the Retention Notice satisfy the notice requirements under ASX Listing Rule 15.13 and Schedule 3 of Dragon's Constitution.

### 4. What do I have to do to sell my Unmarketable Parcel through the UPS Facility?

Nothing. Your Unmarketable Parcel will be sold through the UPS Facility unless you return a Retention Notice on or before the UPS Retention Date.

### 5. How will my Unmarketable Parcel be sold under the UPS Facility?

Under the UPS Facility, your Shares will be sold on-market. Under Dragon's Constitution, each UPS Shareholder appoints Dragon to act as its agent in the sale of the Shares through the UPS Facility.

The Shares will be sold in the ordinary course of trading at prevailing market prices following the Retention Notice date. The Shares may be sold in one or more trades and on one or more trading days as determined by Computershare Dealing Services at its discretion.

### 6. What price will I receive for my Unmarketable Parcel sold through the UPS Facility?

The price that you receive for each Unmarketable Parcel sold through the UPS Facility will be determined once all of the Unmarketable Parcels of Shares are sold, and will be an average price per Share based on the price obtained for all shares sold under the UPS Facility. Each UPS Shareholder will receive their proportionate share of the proceeds for all Unmarketable Parcels of Shares sold through the UPS Facility (rounded down to the nearest cent).

The Share sale price will depend on a number of factors, including market conditions at the time of sale. The market price of the Shares sold through the UPS Facility is subject to change from time to time. Neither the Company nor Computershare gives any assurance as to the sale price that may be achieved for the sale of the Shares.

# 7. Do I need to pay anything if I participate in the UPS Facility?

Dragon will pay all costs and expenses arising in connection with the UPS Facility.

Any tax consequences from the UPS Facility sale will be the responsibility of UPS Shareholders.

# 8. When will the proceeds for the sale of Shares be sent to me?

Payment will be sent to you as soon as it is practicable following settlement of the sale of all Unmarketable Parcels through the UPS Facility.

Payments will be made in Australian dollars into your Designated Bank Account. If no Designated Bank Account is recorded, a cheque will be posted to your registered address.

Once Dragon receives the proceeds of the Unmarketable Parcel sale, you will be notified in writing the number of your Shares that have been sold, the price obtained and total Share sale proceeds payable to you. The notification (and cheque if a Designated Bank Account has not been provided) will be sent by post to your registered address.



## 9. What are the advantages and disadvantages of participating in the UPS Facility?

#### Advantages include:

- receiving a cash payment from the sale of your Unmarketable Parcel;
- avoid any brokerage or related selling expenses;
- · a cost effective way of disposing of an Unmarketable Parcel;
- sale price is determined by reference to market price.

#### **Disadvantages** include:

- no longer holding any Shares, unless you subsequently buy more Shares;
- possible capital gains tax payable;
- · the price of the Shares may subsequently rise.

# 10. What if my details require updating?

You may update your Designated Bank Account and address details by visiting www.investorcentre.com and following the prompts. If you have a CHESS sponsored shareholding, please contact your Controlling Participant to notify a change of address.

### 11. What do I have to do if I wish to retain my Unmarketable Parcel?

If you wish to retain your Unmarketable Parcel, you must complete and return the Retention Notice attached to Computershare by no later than 5:00pm (AEDT) on the UPS Retention Date which is 14 March 2017.

### 12. What if I hold multiple Unmarketable Parcels of Shares?

If you hold multiple Unmarketable Parcels of Shares, you must return a Retention Notice for each separate Unmarketable Parcel you hold and wish to retain.

### 13. What if I hold an Unmarketable Parcel jointly?

If you are joint holder of an Unmarketable Parcel, a Retention Notice will only prevent the sale under the UPS Facility of that Unmarketable Parcel. It will not prevent the sale under the UPS Facility of any other Shares that form part of another Unmarketable Parcel (**Other UPS Shares**) and that are held by any of the joint holders of the first mentioned Unmarketable Parcel and any UPS Letter and Retention Notice concerning those Other UPS Shares will apply only to those Other UPS Shares.

If you are a joint holder and you wish to retain any Other UPS Shares, a separate Retention Notice, specific to each Unmarketable Parcel, must be completed and returned in respect of those Other UPS Shares.

### 14. What if the value of my holding increases before the UPS Retention Date?

Dragon will not sell your Shares if the market value of the Shares increases such that you no longer have an Unmarketable holding on the UPS Retention Date.

### 15. If I buy more Shares, will I retain my holding?

Dragon will not sell your Shares providing you have increased your holding to a marketable parcel as at the UPS Retention Date. A marketable parcel of Shares is one worth at least A\$500, and based on the ASX closing price of Shares as at the UPS Record Date this is 1,786 Shares. For a purchase to be effective notification that you wish to retain your Shares, any additional Shares acquired must be registered by the UPS Retention Date under the same name and address and with the same holder number (SRN or HIN) as set out in the accompanying Retention Notice.

### 16. Where can I get more information?

If you have any questions regarding your shareholding or how the UPS Facility will work, please contact Computershare by telephone on 1300 642 129 or +61 (0)3 9415 4124.

# 17. What if I do not know what to do?

These Frequently Asked Questions and accompanying letter do not constitute advice, nor a recommendation to buy, sell or retain any Shares, nor that the UPS Facility is the best way to sell any Unmarketable Parcel held by you. If you are in doubt about what to do, you should consult your legal, financial or taxation or other professional adviser.

### Important notes

Dragon reserves the right to change any of the dates referred to in the accompanying letter, these Frequently Asked Question or the Retention Notice by written notice to the ASX. Dragon may, before a sale is affected under the UPS Facility, suspend or terminate the UPS Facility, either generally or in specific cases.





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MR SAM SAMPLE UNIT 123 SAMPLE STREET SAMPLETOWN NSW 2001

# Return your Form to the Company's share registry:



By Mail:

Computershare Investor Services Ptv Limited GPO Box 52 Melbourne Victoria 3001 Australia

### For all enquiries:

Phone:



(within Australia) 1300 642 129 (outside Australia) +61 3 9415 4124

# **Unmarketable Parcel Sale Facility - Retention Notice**

If you wish to retain your shares, your form must be received by 5.00 p.m. (AEDT) on 14 March 2017

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

# Step 1: Shareholding Details

Use this form if you wish to retain your fully paid ordinary shares (Shares) in Dragon Mining Limited (Dragon). If you have recently bought or sold shares your shareholding may differ from that shown. If you have already sold all your Shares in Dragon, do not complete or return this form. If you have more than one shareholding on Dragon's register and you do not wish to sell your Shares under the Unmarketable Parcel Sale Facility (UPS Facility), you should consider consolidating them. For further advice on how to do this, contact Computershare Investor Services Pty Limited on the number above.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored shareholding, please contact your Controlling Participant to notify a change of address.

### **Step 2: Signing Instructions**

Individual: Where the shareholding is in one name, the shareholder must sign.

Joint Shareholding: Where the shareholding is in more than one name, all of the shareholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form. Companies: Where the shareholding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary OR a Sole Director (if no Company Secretary exists), OR
- two Directors, OR
- a Director and Secretary.

Overseas Companies: Where the shareholding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: Where the shareholding is in the name of a deceased estate, all executors must sign; and a certified copy or original, of the required documentation must accompany this form. Details of the documentation required can be found by searching "deceased estates" on our website www.computershare.com or by calling Computershare Investor Services Pty Limited on 1300 850 505 or +61 3 9415 4000. If the shareholding is in more than one name the surviving shareholder may sign the form and return it together with a certified copy of the death certificate of the other joint shareholder.

#### Step 3: Contact Details

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form





# Retention Notice

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Step 1 Shareholding Details		For your security keep your SRN/ HIN confidential.
MR SAM SAMPLE UNIT 123 SAMPLE STREET SAMPLETOWN NSW 2001		Change of address. If incorrect, mark this box and make the correction in the space to the left. Shareholders sponsored by a broker (reference number commences with 'X') should advise their broker of any changes.
Shares held as at 24 January 2017:		
Signature of Sharehold  By signing and returning this form, in accordant that I/we understand that my/our SHARES	dance with the requirements set o	ut in 'Step 2: Signing Instructions' overleaf, I/we confirm
Individual or Shareholder 1	Shareholder 2	Shareholder 3
Sole Director and Sole Company Secretary/ Sole Director (cross out titles as applicable)	Director	Director/Company Secretary (cross out titles as applicable)
STEP 3 Contact Details		
Contact Name	Contact Daytime Telephone	Date / /

# **Privacy Notice**

Email Address

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing <a href="mailto:privacy@computershare.com.au">privacy@computershare.com.au</a>. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at <a href="mailto:privacy@computershare.com.au">privacy@computershare.com.au</a> or see our Privacy Policy at <a href="mailto:http://www.computershare.com/au">http://www.computershare.com/au</a>.

