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**ASX ANNOUNCEMENT**

**2 JULY 2015**

**UPDATE ON SALE OF INTEREST IN WELD RANGE METALS LIMITED**

Further to its announcement on 2 June 2015, Dragon Mining Limited ("Dragon Mining" or "the Company") provides the following update on the proposed sale of its 39.95% interest in Weld Range Metals Limited, the owner of the Weld Range Project that is located in the Mid-West region of Western Australia, to Ausinox plc ("Ausinox").

On 30 June 2015, Ausinox paid Dragon Mining A\$250,000 in part payment of the A\$1 million cash consideration payable pursuant to the Share Sale Agreement. This amount includes the A\$200,000 Ausinox had previously agreed to pay, as announced on 4 May 2015. The A\$250,000 is non-refundable should completion under the Agreement not occur.

In addition, Ausinox paid Dragon Mining \$4,400 for professional services provided by Dragon's employee Mr Neale Edwards. Ausinox has also agreed to pay penalty interest at a rate 1% higher than the penalty interest rate stipulated in the Agreement, to be calculated from the date of execution of the Agreement (which equates to approximately \$118,000 at today's date).

In consideration for the above, Dragon Mining has agreed to extend the completion and end date for the Share Sale Agreement with Ausinox from 30 June 2015 to 31 July 2015.

The Company will update on progress in due course.

For and on behalf of  
**Dragon Mining Limited**